



Mitchell Market Analysts, Inc.

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*Market Analysis*

# Historic Jennings Apartments



*Location*

1331, 1333 and 1337 Broad Street  
New Castle, IN, 47362  
Henry County

*Prepared for*

Historic Jennings Apartments, L.P.  
P.O. box 92187  
Norcross, GA 30010

*Date of report*

October 30, 2012

*Prepared for submission to IHEDA on*

November 1, 2012



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Indianapolis, IN 46204  
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October 30, 2012

William Brown  
Historic Jennings Apartments, L.P.  
P.O. box 92187  
Norcross, GA 30010

RE: Market Analysis  
Historic Jennings Apartments  
1331, 1333 and 1337 Broad Street,  
New Castle, IN, 47362  
Henry County  
File Name: IN-12-12

Mr. Brown:

In fulfillment of our agreement, we are pleased to deliver the market study on Historic Jennings Apartments located at 1331, 1333 and 1337 Broad Street in New Castle.

Found within the addenda of the report are the Certification and Form B Market Study Check List. Thank you for allowing us to contribute to your project.

*Sincerely,*



Elizabeth Mutzl  
Mitchell Market Analysts, Inc.



Elizabeth is a member in good standing of the National Council of Affordable Housing Market Analysts.

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## Executive Summary

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

- The subject is Historic Jennings Apartments located at 1331, 1333 and 1337 Broad Street, New Castle, IN 47362, Henry County.
- The site is located in census tract 9760.00. This census tract is not a qualified census tract. The property has a latitude and longitude of 39°55'51.42"N and 85°22'8.97"W and is surrounded by office buildings.
- The subject is located in downtown New Castle. It will be an adaptive reuse of an existing vacant building.
- The subject will be a renovation on 0.25 acres. The site is the Historic Jennings building.
- Historic Jennings Apartments will be 1 building, with an elevator. The subject will contain a total of 20 units, including 4 studio, 7 one-bedroom, 8 two-bedroom, and 1 three-bedroom units with rents from 30% to 60% AMI. The subject will also rent 10 units through the New Castle Housing Authority.
- The subject will not be age-restricted and will be rented to households with incomes from \$10,937 to \$30,720. The rents under the LIHTC program will range from \$248 to \$553. This income range includes 40.9% of the renter households (HH) in the primary market area.
- The primary market area is considered New Castle. This area was chosen based on discussions with leasing agents within the market and assessments of shared economic conditions.
- The subject's LIHTC rents are not only within the range of the existing Section 42 properties in the market, but are also below the range of the market comparables.
- There are 8 Section 42 properties in the market that will compete with the subject. The average occupancy rate of Section 42 properties is 97.2%.
- The survey used in this market study includes 7 market rate properties, with an average occupancy rate of 95.3%. The survey was conducted October 1, 2012.
- The feasibility of the subject is good. The PMA has a sizable population that is income-qualified for the subject and the population is projected to remain stable over the next five years. The current capture rate is 4.1% and absorption is conservatively expected be 5 to 6 months.



- The market analyst finds the current configuration and characteristics of the subject to satisfy the needs in the primary market area very well.



## Scope of Work for the Project

The scope of work must include the research and analyses that are necessary to develop credible assignment results. A scope of work is acceptable when it meets or exceeds the expectations of parties who are regularly intended users for similar assignments, and what an analyst's peers' actions would be in performing the same or a similar assignment. Therefore, the analyst must identify and consider:

- The client and intended users
- The intended use of the report
- Assignment conditions
- Typical client expectations
- Typical work by peers for similar assignments

The following report seeks to determine the feasibility of the proposed LIHTC multifamily project discussed within this report. The intended use is to assist the client in developing an application to submit to Indiana Housing and Community Development Authority (IHCDA).

The scope of work is identified here:

<i>Report Type:</i>	The report was completed under the guidelines as listed in the 2012-2013 Qualified Allocation Plan (QAP), Market Study and Fair Market Appraisal requirements, Schedule C.
<i>Property Identification:</i>	Historic Jennings Apartments, New Castle, IN
<i>Client</i>	Historic Jennings Apartments, L.P.
<i>Intended User</i>	Historic Jennings Apartments, L.P. and the Indiana Housing and Community Development Authority
<i>Date of Field Work</i>	October 23, 2012
<i>Date of Report</i>	October 30, 2012
<i>Market Area and Analysis of Market Conditions</i>	A complete analysis of market conditions has been made.
<i>Information requested</i>	Information was requested from the owner that included, but was not limited to, the items shown on page 136.

## Development Description

This section describes the proposed project as of the date of the fieldwork for this report.

### Photographs of site

The site is the Historic Jennings building.



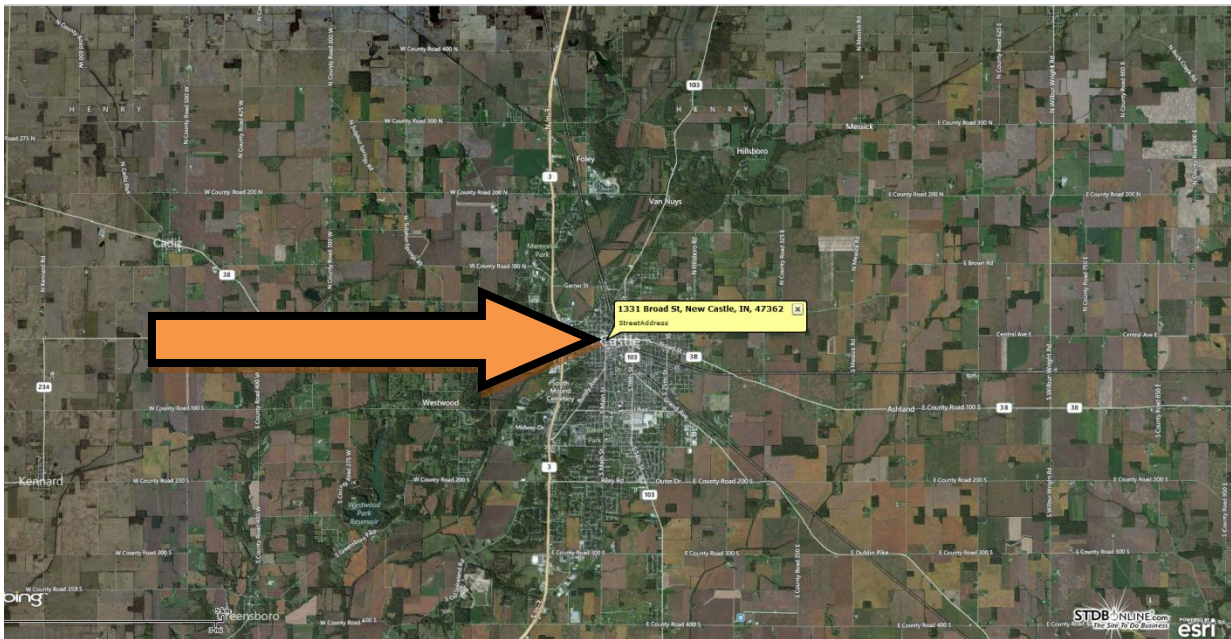
*Looking at the site from the Corner of 14<sup>th</sup> and Race Street*



*Looking at the site from 14<sup>th</sup> and Broad Street.*

## Map

The subject is located in downtown New Castle:



The map below shows the location of the subject site:



## Physical characteristics of the subject site

This section describes the physical characteristics of the subject.



## Site

<b>Location</b>	The site located in downtown New Castle.
<b>Current Use of the Property</b>	The site is the Historic Jennings building.
<b>Site Size</b>	Total: 0.25 acres
<b>Topography</b>	Topography is level.
<b>Current landscaping and vegetation</b>	The site has no landscaping which is typical for the downtown area.
<b>Visibility</b>	Visibility is excellent from the surrounding streets.
<b>Shape</b>	The site is rectangular.
<b>Frontage and Accessibility</b>	Access is good from Broad, 14th and Race Street, with frontage on Broad Street.

### Proximity to adverse conditions

The dominant adverse conditions in the neighborhood are the various vacant buildings. The subject is among such vacant buildings.



## Types and character of the land use around the site

The subject site is positioned in downtown New Castle. Surrounding land uses include:

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North	Office and Commercial
South	Office and Commercial
East	Office and Commercial
West	Office and Commercial

---

## Photographs of land use around the site



*Looking east on Race Street from 14<sup>th</sup> Street*



*Looking north on 14<sup>th</sup> Street from Race Street, subject on the left (west) side of street*



*Looking west on Broad Street*



*Looking north on 14<sup>th</sup> Street across Broad Street*





Looking west of Race Street from 14<sup>th</sup> Street



*Looking east on Broad Street*



*City/County building, a block west of the subject*



*Public Library, 0.19 miles southeast of the subject*



*First united Methodist Church, 0.12 miles south of the subject*





*Castle Movie Theater, 0.11 miles southwest*



*Harvest Supermarket, 0.32 miles east of the subject*



*Dollar General, 0.3 miles west of the subject*



*Walgreens, 0.5 miles west of the subject*



*Aldi, 0.61 miles west of the subject*



*Kroger, 0.61 miles from the subject*



*Rose Bowl, 0.73 miles from the subject*

## **Zoning of undeveloped land around the site**

The subject does not have any undeveloped land around the site.



## Neighborhood amenities

The subject is located in downtown New Castle. This area is considered somewhat walkable with a walk score of 63. North of the subject is Broad Street, which is a main commercial corridor that runs east and west through New Castle. Further north, approximately four blocks from the subject, the area become more residential in nature. This area also contains the Henry County Hospital and accompanying medical offices.

South of the subject, the area is dominated by commercial, office, and special uses, including the Methodist Church and New Castle Public Library. Also positioned within this area is Maplewood Terrace, a public housing property. Maplewood contains 100 fully-occupied units and has a wait list of 6-12 months. Further south of the subject becomes much more residential in nature.

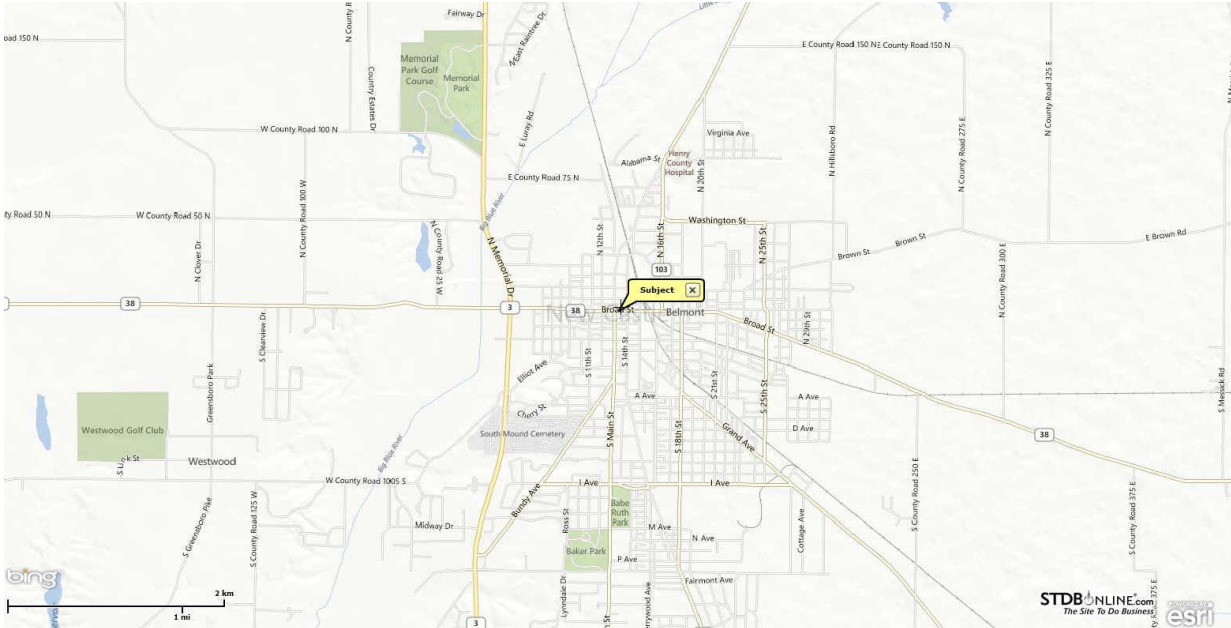
West of the subject is a concentration of office buildings, including the City/County building and accompanying public offices. Further west, Broad Street continues to be a mix of commercial and residential uses until Memorial Drive SR/3. This road is a main commercial corridor within the city and contains multiple grocery stores, including Kroger and Aldi, and convenience stores such as Walgreens and CVS. Various local and chain stores and restaurants are also located along this corridor.

East of the subject is mostly office and commercial in use. The closest grocery store, Harvest Supermarket, is a local facility 0.32 miles east along Broad Street. There are also multiple local shopping options east of the subject site. Still further east of the site, a large portion of Broad Street is undergoing renovations. In the 1400 block of Broad Street, a former J.C. Penney is being converted into Maxwell Commons, which will contain two- and three-bedroom condos as well as retail on street level. The project was developed through a Neighborhood Stabilization program grant.



## Transportation linkages

In most areas of Indiana, commuters rely on automobiles for transportation. Public transportation is described in the next section. The nearest major transportation linkages include SR 3, SR 38/Broad Street, SR 103, Main Street, and 14<sup>th</sup> Street.



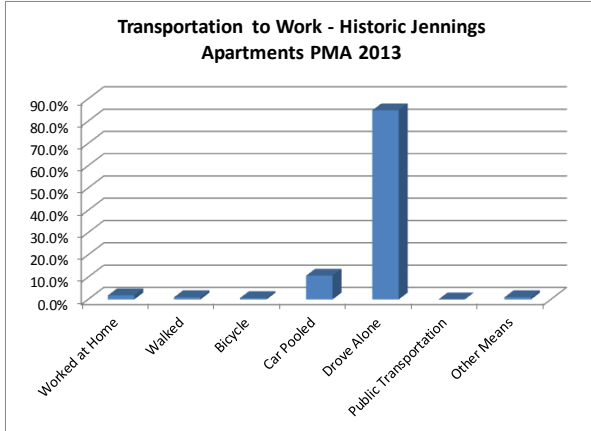
## Public transportation

New Castle Community Transit offers a public system, which operates primarily within the city limits of New Castle. All vehicles are wheelchair accessible. Curb-to-Curb service is also provided, with fixed points at Wal-Mart, Maplewood Terrace Apartments, Henry County Memorial Hospital and Payne Village Shopping Center. All other trips must be scheduled with the Dispatcher with guaranteed arrival times scheduled 24 hours in advance.<sup>1</sup>

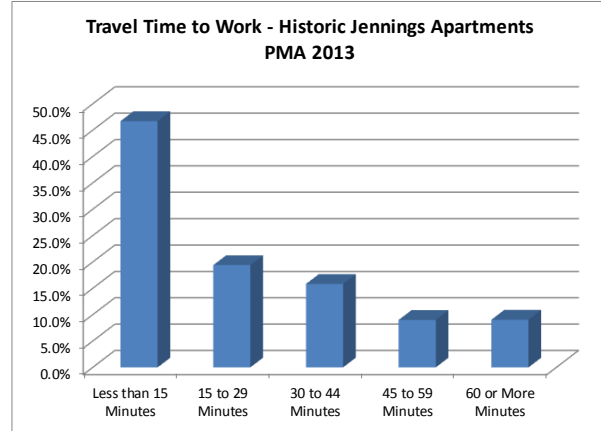
<sup>1</sup> City of New Castle

## Commuting

Residents in the subject's PMA commute almost exclusively by driving alone. Most persons employed commute less than 15 minutes a day.



Source: Nielsen (Claritas)



Source: Nielsen (Claritas)

Source: Nielsen (Claritas)

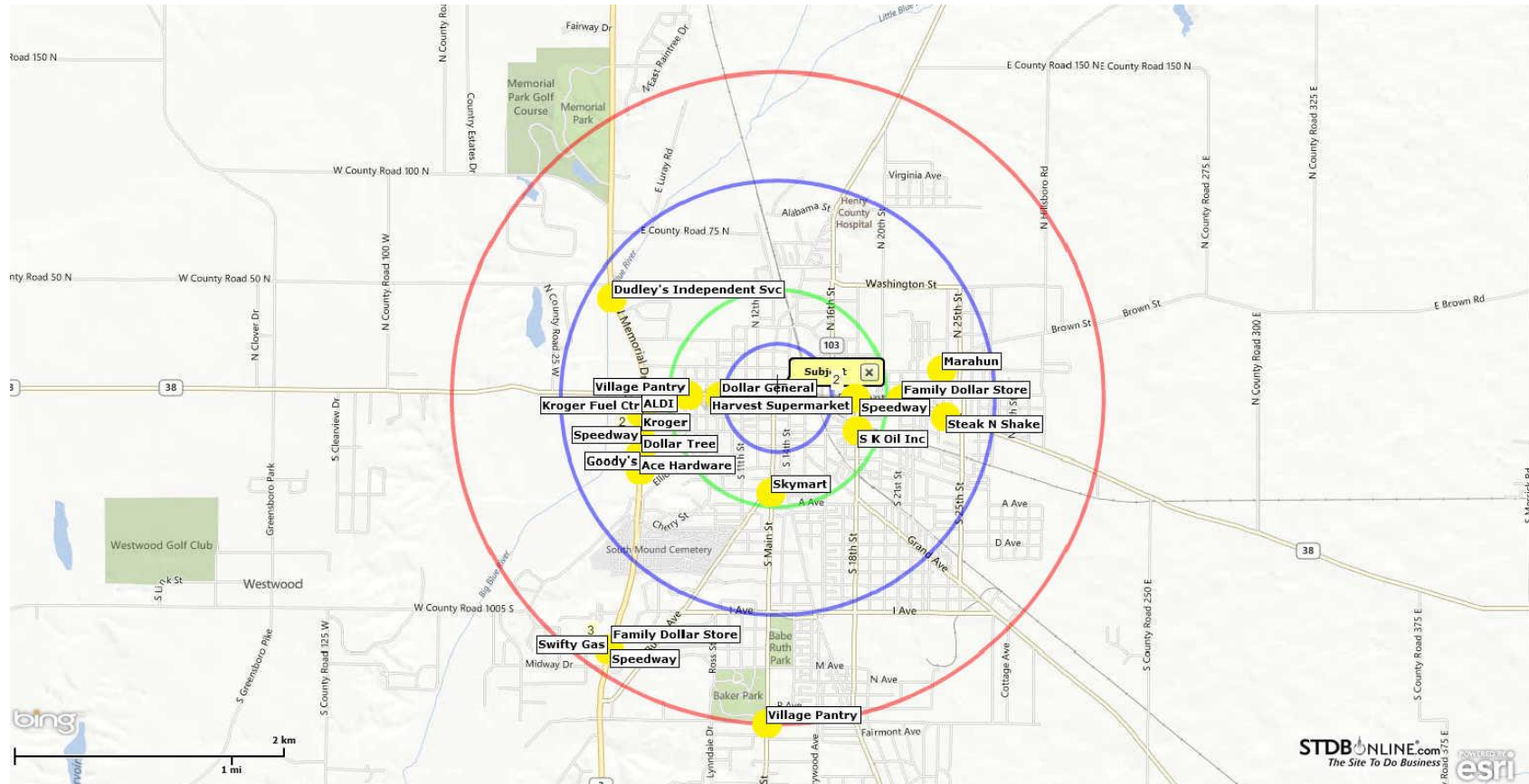
The neighborhood amenities that would service the needs of the tenants are listed below. The majority of the amenities are within 1.5 miles of the subject and include grocery stores, shopping centers, banks, restaurants, parks, churches, libraries, and various forms of entertainment.

## Shopping

Residents at the subject will have access to the following retail sites:

<u>NAME</u>	<u>ADDRESS</u>
Dollar General	906 Broad St
Harvest Supermarket	1712 Broad St
Sunoco	310 S Memorial Dr
Speedway	1801 Broad St
ALDI	107 S Memorial Dr
Village Pantry	603 Broad St
Family Dollar Store	2106 Broad St
Swiftly Gas	1909 S Memorial Dr
Kroger Fuel Ctr	120 S Memorial Dr
Skymart	709 S Main St
Village Pantry	2400 S Main St
Goody's	447 S Memorial Dr
Steak N Shake	2415 Broad St
Ace Hardware	441 S Memorial Dr
Speedway	1816 S Memorial Dr
Dudley's Independent Svc	533 N Memorial Dr
Dollar Tree	433 S Memorial Dr
Family Dollar Store	1711 S Memorial Dr
Marahun	2306 Spring St
Kroger	120 S Memorial Dr # A
Speedway	315 S Memorial Dr
S K Oil Inc	214 S 18th St

The map of the services is below, with radii drawn at ¼, ½, 1, and 1½ miles:



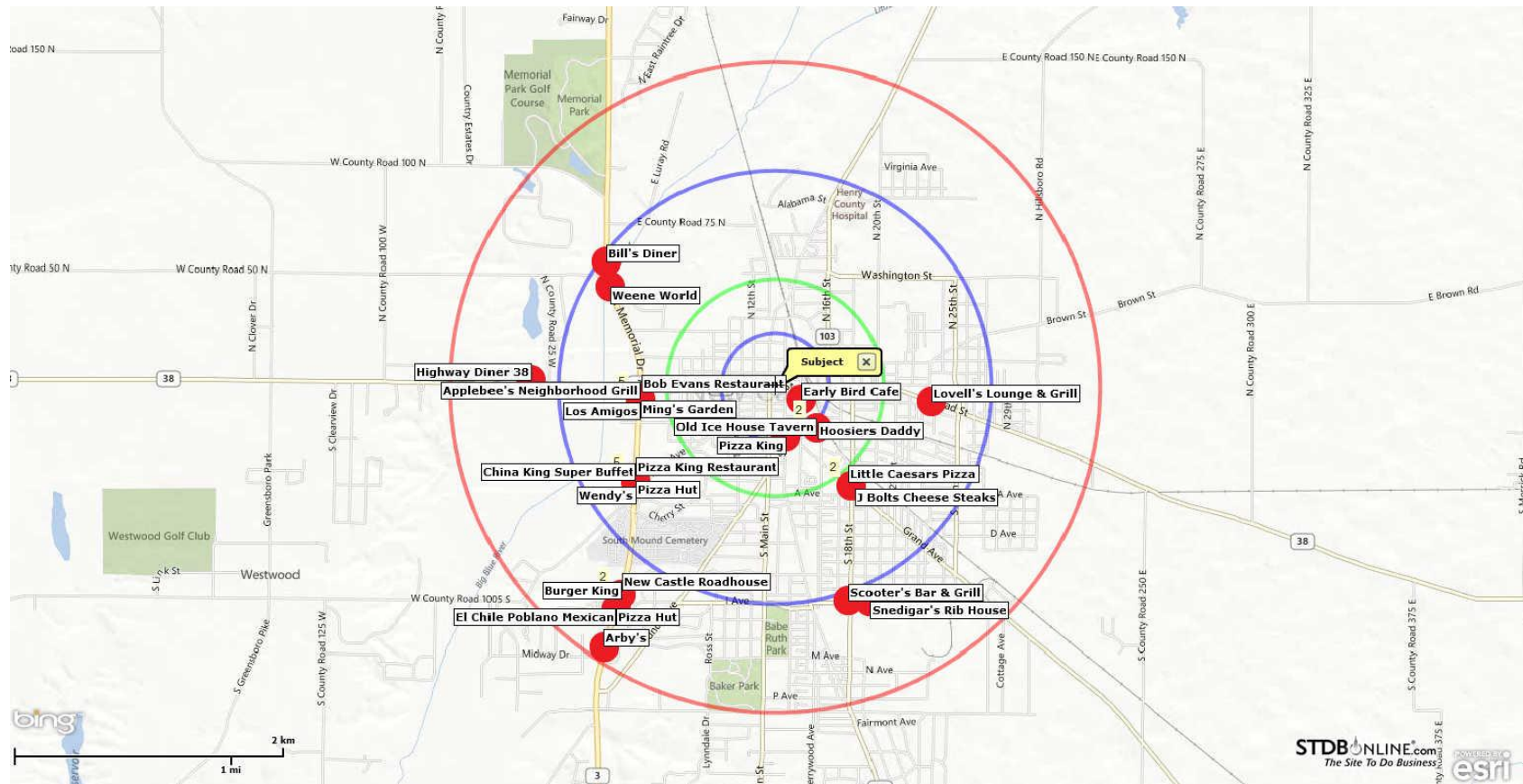


## Dining

Residents at the subject will have access to the following dining sites:

<u>NAME</u>	<u>ADDRESS</u>
Bill's Diner	715 N Memorial Dr
Old Ice House Tavern	1550 Walnut St
Long John Silver's	520 S Memorial Dr
Pizza Hut	711 S Memorial Dr
Pizza King	2500 Broad St
Highway Diner 38	350 W State Road 38
Snedigar's Rib House	1914 I Ave
Scooter's Bar & Grill	1718 I Ave
Pizza Hut	1649 S Memorial Dr
Weene World	533 N Memorial Dr
Kroger Deli	120 S Memorial Dr # A
Lovell's Lounge & Grill	2323 Broad St
J Bolts Cheese Steaks	1801 Grand Ave
El Chile Poblano Mexican	1649 S Memorial Dr
China King Super Buffet	510 S Memorial Dr
New Castle Roadhouse	1507 S Memorial Dr
Ming's Garden	119 S Memorial Dr
Pizza King Restaurant	500 S Memorial Dr
Arby's	1901 S Memorial Dr
Hoosiers Daddy	1538 Indiana Ave
Early Bird Cafe	211 S 15th St
Little Caesars Pizza	1726 Grand Ave
Burger King	1486 S Memorial Dr
Bob Evans Restaurant	111 S Memorial Dr # B
Applebee's Neighborhood Grill	109 S Memorial Dr
Wendy's	524 S Memorial Dr
Los Amigos	120 S Memorial Dr # 0

The map of the services is below, with radii drawn at ¼, ½, 1, and 1½ miles:





## Banks and pharmacies

Residents at the subject will have access to the following banks and pharmacies:

<u>NAME</u>	<u>ADDRESS</u>
Fred's Neighborhood Pharmacy	320 S Main St
Kroger Pharmacy	120 S Memorial Dr # A
Ion Health	1559 Broad St
CVS Pharmacy	220 S Memorial Dr
Neighborhood Pharmacy	1000 N 16th St
Mc Grady Family Pharmacy	1697 S Memorial Dr
Walgreens	100 N Memorial Dr
LTRX Pharmacy	544 N Memorial Dr
Main Source Bank	1338 Broad St
Main Source Bank	600 S Memorial Dr
Citizens State Bank	1238 Broad St
Citizens State Bank	1726 S Memorial Dr
Citizens State Bank	120 S Memorial Dr # D
STAR Financial Bank	403 Parkview Dr
Ameriana Bank	1311 Broad St





## Schools, places of worship, community centers, libraries, and recreational facilities

Residents at the subject will have access to the following schools, places of worship, community centers, libraries, and recreational facilities:

<u>NAME</u>	<u>ADDRESS</u>
Blue River Valley Elementary	4713 N Hillsboro Rd
First Baptist Church	709 S Memorial Dr
First Bible Free Will Baptist	2302 Spring St
First Christian Church	2000 Bundy Ave
First Church of the Nazarene	1727 Grand Ave
First United Methodist Church	1324 Church St
Holy Trinity Lutheran Church	535 S 14th St
New Castle Church of Christ	423 S 11th St
New Castle Community School	322 Elliott Ave
New Castle Chrysler High Schl	801 Parkview Dr
New Castle-Henry Cnty Library	376 S 15th St
North Side Church of God	927 N 14th St
First Presbyterian Church	1202 Church St
Salvation Army	2500 Washington St
Sanctuary of New Castle	2208 Broad St
US Post Office	305 S 14th St
Locust Grove Church-Brethern	9477 E County Road 350 S
Trinity United Methodist Chr	1336 J Ave
Baptist Churches Parsonage	2306 Brown St
US Post Office	120 S Memorial Dr # B
Central Wesleyan Church	1323 S 19th St
Pilgrim Holiness	N/A
Firm Foundations Academy	2210 Broad St
New Castle Community School	801 Parkview Dr
Victory Full Gospel Church	106 N 31st St
Sunnyside Church of God	516 S 11th St
Southside Church of Christ	545 S 11th St
Vocational School	801 Parkview Dr
Turning Point Apostolic	2263 Indiana Ave
New Castle Christian Union	1102 S 21st St
First Friends Meeting	503 S Main St
St Anne Catholic Church	102 N 19th St
Eastwood Elementary School	806 S 22nd St
Parker Elementary School	1819 Roosevelt Ave
Wilbur Wright Elementary Schl	1950 Washington St
New Castle Middle School	601 Parkview Dr



## Medical services and social services

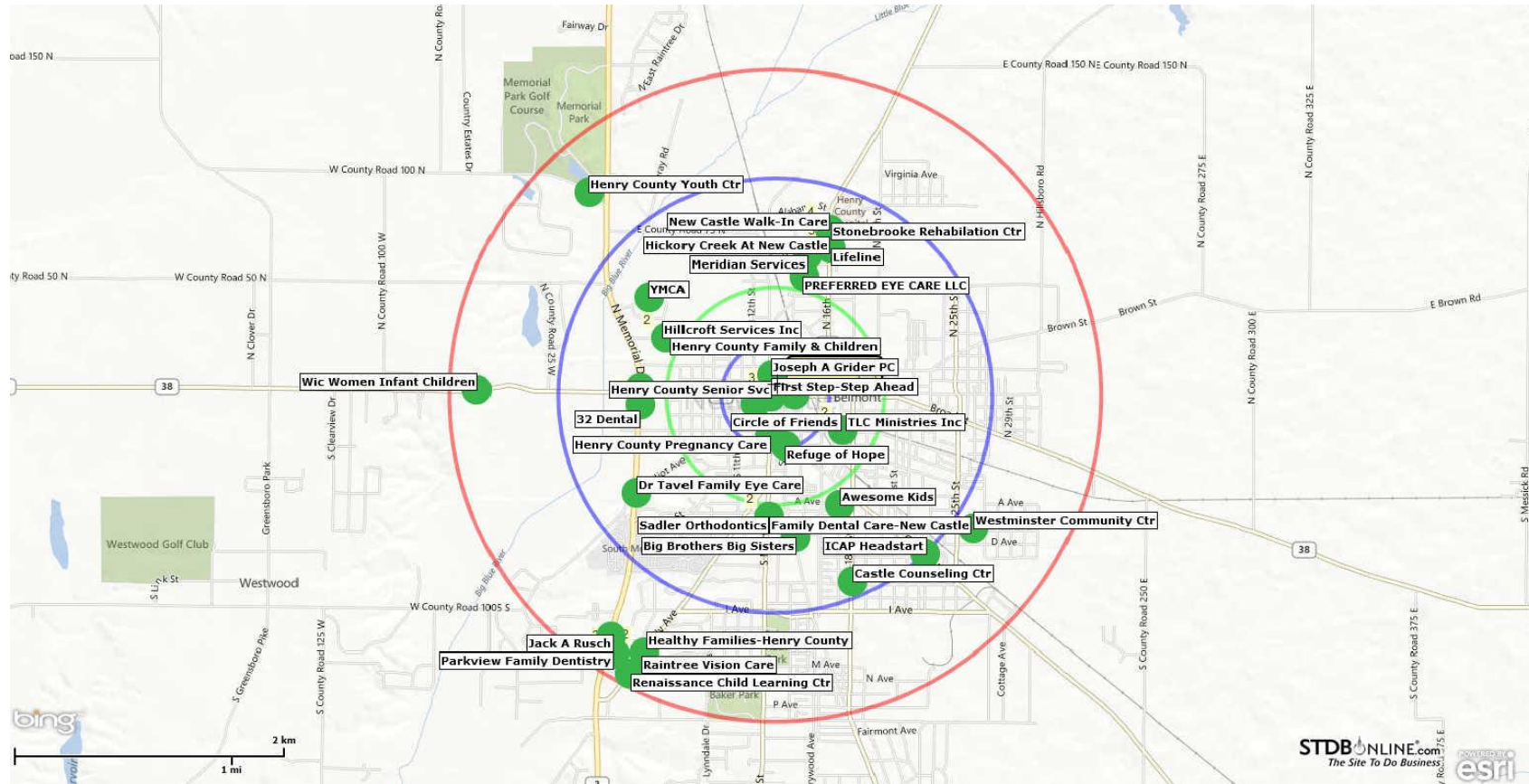
Residents at the subject will have access to the following medical services:

<u>NAME</u>	<u>ADDRESS</u>
Russell P Beckett Inc	1520 Washington St
Family Dental Care-New Castle	916 S Main St
Big Brothers Big Sisters	1008 S 14th St
Dr Tavel Family Eye Care	519 S Memorial Dr
New Castle Clinic Inc	1007 N 16th St
Raintree Programs Inc	1510 Washington St
Henry County Family & Children	1416 Broad St # 2
Westminster Community Ctr	2600 C Ave
YMCA	300 Wittenbreaker Ave
Hillcroft Services Inc	501 New York Ave
Henry County Urgent Care	113 S Memorial Dr
Casa of Henry Co	101 S Main St
PREFERRED EYE CARE LLC	1500 Washington St
Henry County Hospital	1000 N 16th St
Castle Counseling Ctr	1327 S 18th St
Take Care Clinic	100 N Memorial Dr
Cancer Services-East Central	1201 Race St
Dermatology Inc	1722 S Memorial Dr
Medical Consultants PC	113 S Memorial Dr
Healthy Families-Henry County	1809 Bundy Ave
Wic Women Infant Children	615 W State Road 38
Samantha Meeks Family Practice	1007 N 16th St
Jack A Rusch	340 Parkview Dr
Henry County Hospital	1000 North 16th Street
Rain Tree Behavioral Health	1911 Rex Ct
Henry County Surgical Spclst	1000 N 16th St
New Castle Walk-In Care	1007 N 16th St
Hickory Creek At New Castle	901 N 16th St
Henry County Youth Ctr	103 W County Road 100 N
Meridian Services	930 N 14th St
TLC Ministries Inc	1702 Indiana Ave
Lifeline	1000 N 16th St
Parkview Family Dentistry	340 Parkview Dr
ICAP Headstart	2326 Grand Ave
Raintree Vision Care	1817 Bundy Ave
Circle of Friends	1638 Indiana Ave
Awesome Kids	805 S 17th St
Joseph A Grider PC	202 N Main St
Henry County Family & Children	503 New York Ave
Henry County Pregnancy Care	415 S Main St # A
Sadler Orthodontics	916 S Main St
Henry County Senior Svc	108 S Main St
Renaissance Child Learning Ctr	2000 Bundy Ave
First Step-Step Ahead	100 S Main St # 107
32 Dental	120 S Memorial Dr # F





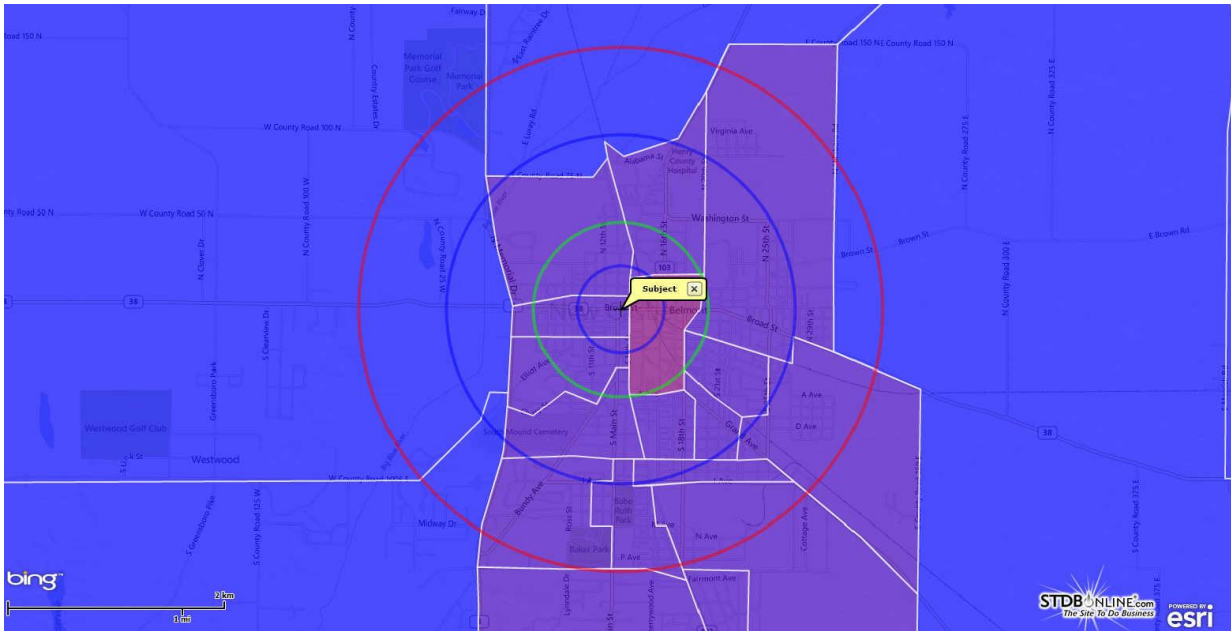
The map of the services is below, with radii drawn at ¼, ½, 1, and 1½ miles:





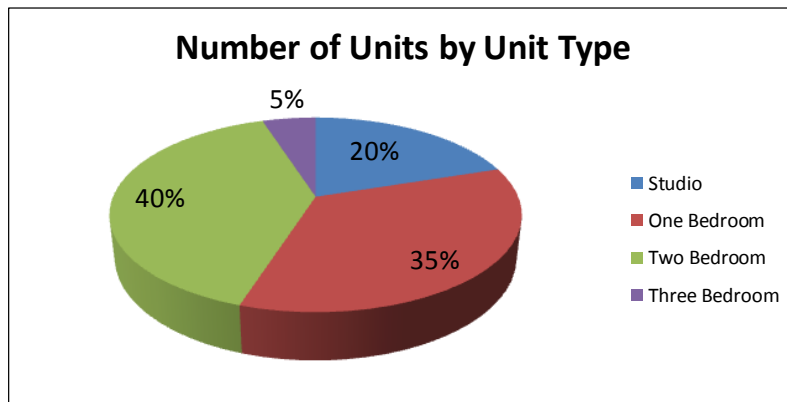
## Crime in the PMA

The area has a low amount of crime compared to national averages. The crime index is 85.



## Unit mix and rents

The subject contains a total of 20 units, including 4 studio units, 7 one-bedroom units, 8 two-bedroom units, and 1 three-bedroom unit.



The tax credit rents, income levels, bedrooms, bathrooms, and size of each unit by rent level are organized in the following chart:

<b>Unit mix by income level</b>						
<b>Unit type</b>	<b>#</b>	<b>Income level</b>	<b>Bedrooms</b>	<b>Bathrooms</b>	<b>unit size, sf</b>	<b>Rent of</b>
Studio	2	50%	0	1	439	\$437
Studio	2	60%	0	1	439	\$479
One bedroom	2	30%	1	1	639	\$248
One bedroom	2	40%	1	1	639	\$355
One bedroom	2	50%	1	1	639	\$455
One bedroom	1	60%	1	1	639	\$468
Two bedroom	2	30%	2	1	763	\$291
Two bedroom	3	40%	2	1	763	\$420
Two bedroom	1	50%	2	1	763	\$539
Two bedroom	2	60%	2	1	763	\$553
Three bedroom	1	30%	3	1	940	\$330
<b>Total</b>	<b>20</b>					

### Utility allowance

The tenant will be responsible for electric utilities, which include lights, heat, and hot water. The ownership will pay for water, sewage and trash utilities. The utility allowance by bedroom type is shown in the following chart, which is applied based on information from the New Castle Housing Authority:

#### *Source of utilities: New Castle Housing Authority*

	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>
Heating (electric)	\$23	\$28	\$34	\$42
Cooking	\$5	\$6	\$8	\$10
Other Electric	\$17	\$22	\$29	\$36
Air Conditioning	\$4	\$5	\$7	\$8
Water Heating	\$8	\$10	\$14	\$17
Water	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0
Trash Collection	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$57</b>	<b>\$71</b>	<b>\$92</b>	<b>\$113</b>

## Description of improvements

### Existing improvements

The subject is the Historic Jennings Building in downtown New Castle. The building was originally built in 1877 as a dedicated mercantile facility for hardware, stoves and household goods. The 1337 portion of the building was destroyed by fire and rebuilt in the 1940s. According to the Indiana Landmark web-site, the Jennings Building has been vacant for more than a decade and was at one time on the 10 most endangered buildings registry.

### Proposed improvements

The subject will be the adaptive reuse of the Historic Jennings Building. The property will be three-stories with an elevator. It will have a community room with a community TV.

### Parking

**Spaces** 20 **Spaces per unit** 1

**Type of parking** There is a parking lot adjacent to the site. The site plan shows 93 parking spaces, but only 20 will be reserved for the residents.



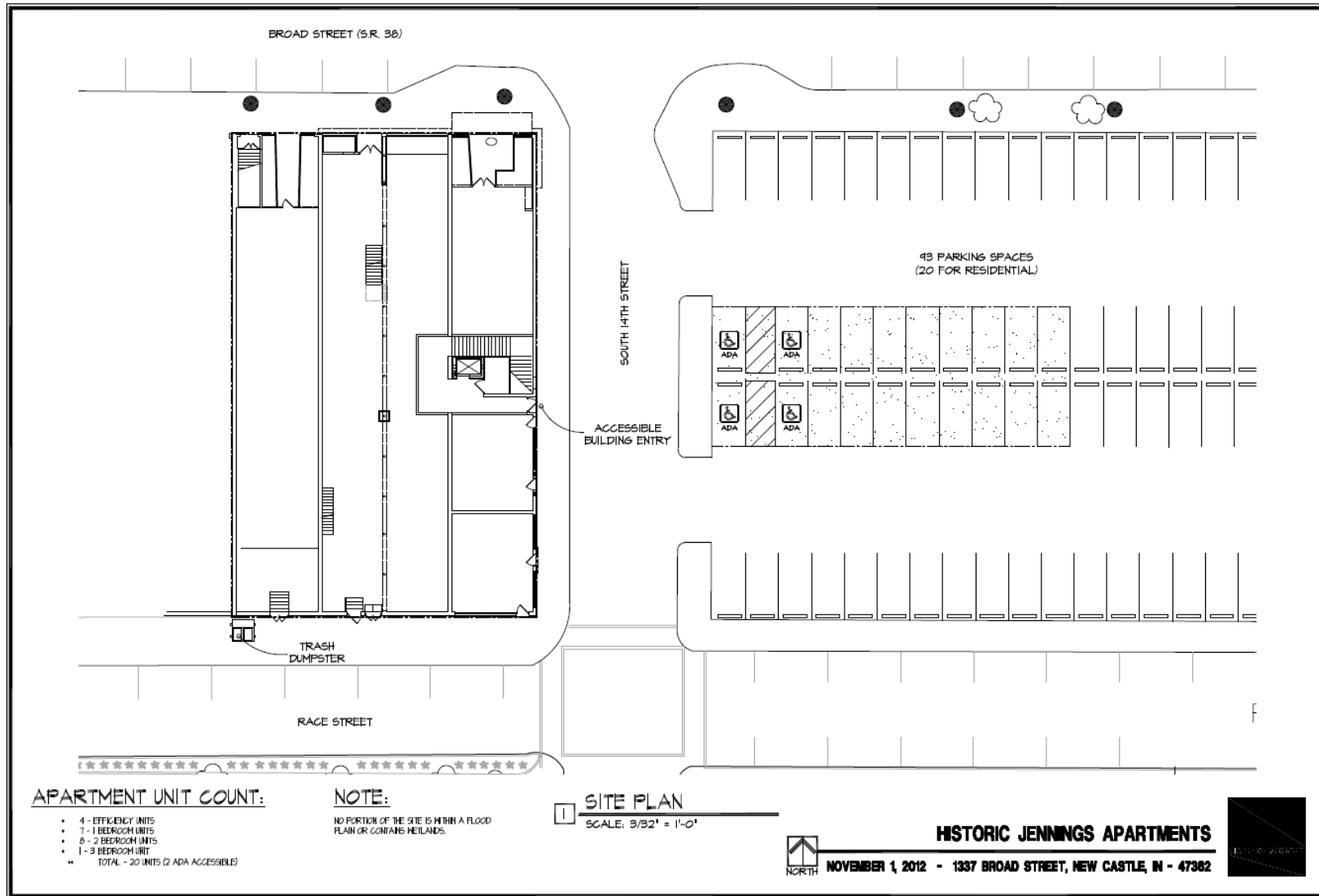


### **Target market to be served**

The subject will be targeted towards one- to three-person households that earn less than 60% of the area AMI.

### **Site and unit plans**

The site plan is shown on the following page



**APARTMENT UNIT COUNT:**

- 4 - EFFICIENCY UNITS
- 3 - 1 BEDROOM UNITS
- 9 - 2 BEDROOM UNITS
- 1 - 3 BEDROOM UNIT
- \*\* TOTAL - 20 UNITS (2 ADA ACCESSIBLE)

**NOTE:**

NO PORTION OF THE SITE IS WITHIN A FLOOD PLAIN OR CONTAINS WETLANDS.

**SITE PLAN**

SCALE: 3/32" = 1'-0"



**HISTORIC JENNINGS APARTMENTS**  
NOVEMBER 1, 2012 - 1337 BROAD STREET, NEW CASTLE, IN - 47302





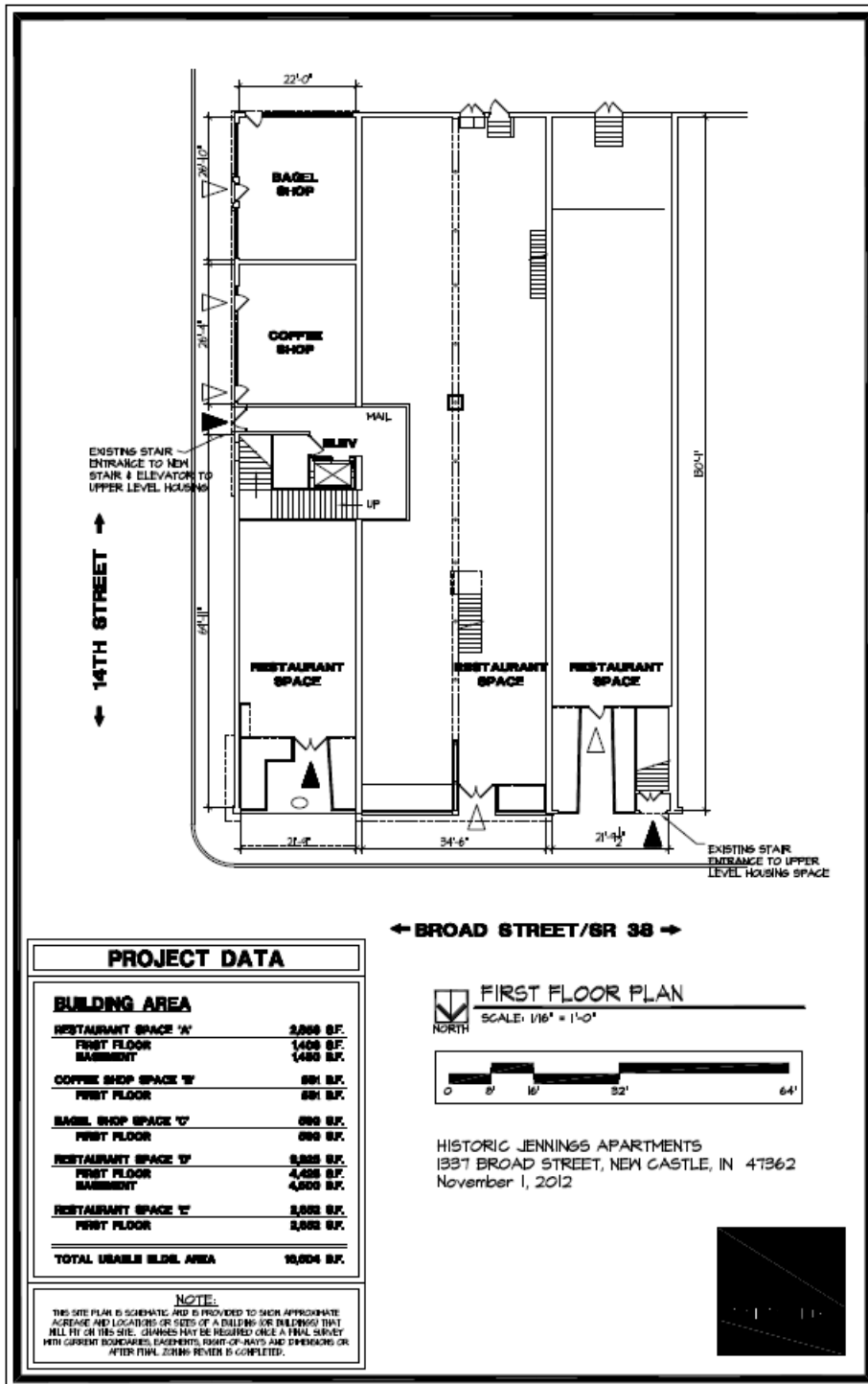
The studio units will range from 400 – 480 sf, with an average of 439 sf. The rents will range from \$437 to \$479.

The one-bedroom units will range from 540 – 719 sf, with an average of 639 sf. The rents will range from \$248 to \$468.

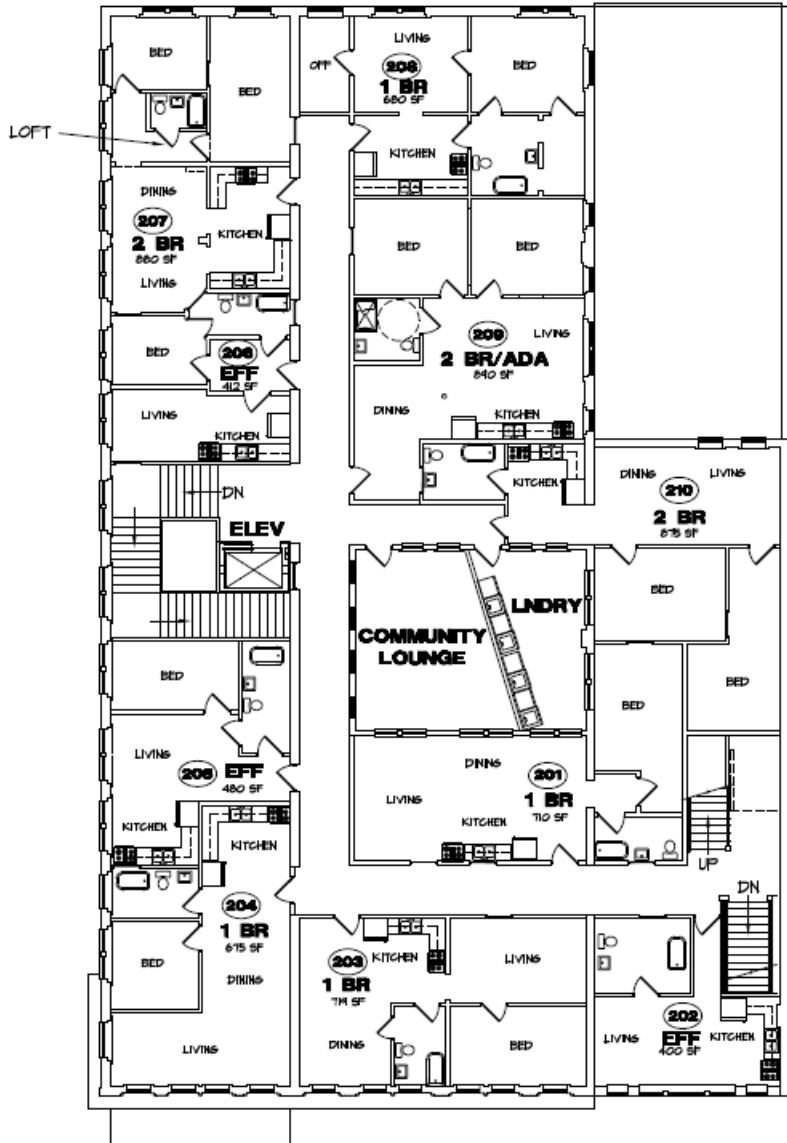
The two-bedroom units will range from 646 – 890 sf, with an average of 763 sf. The rents will range from \$291 to \$553.

The three-bedroom units will cover 940 sf, with rents ranging from \$330 to \$330.

The first floor will be reserved for retail space:

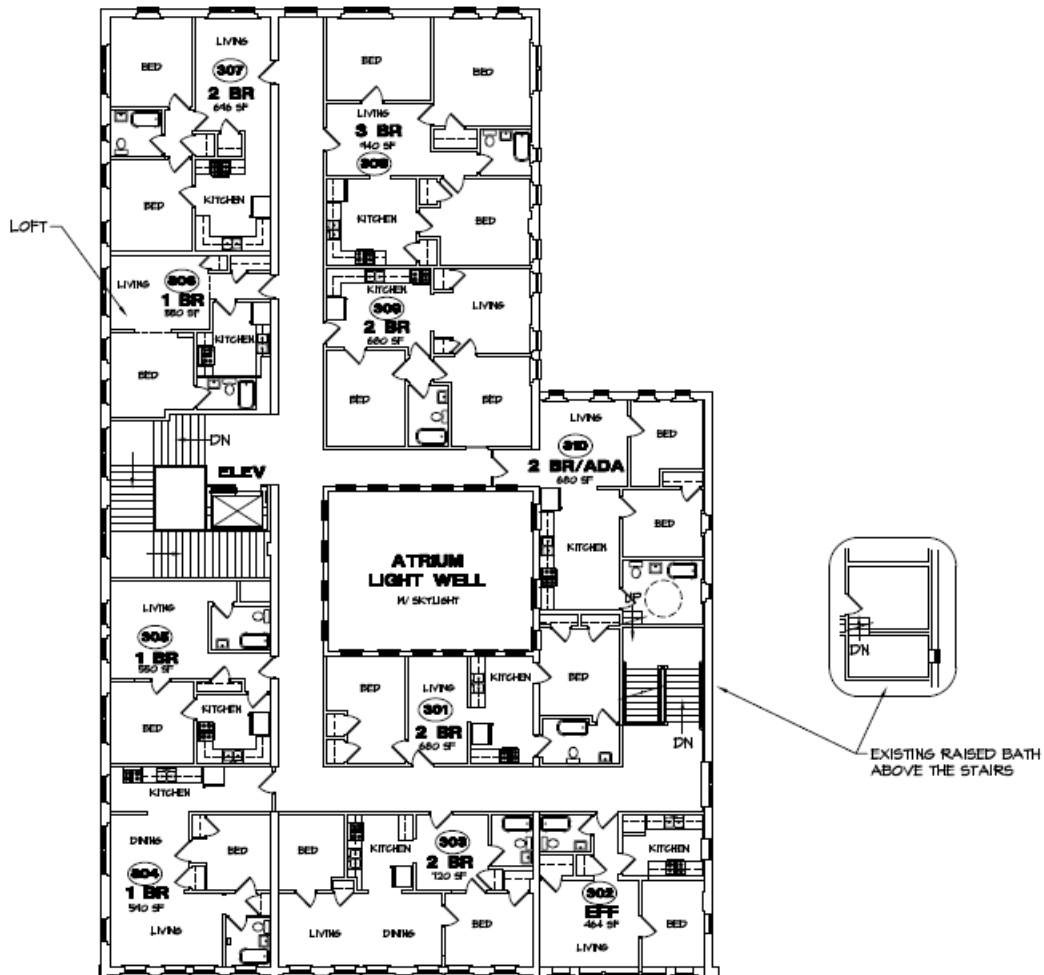


The second floor will include 10 apartments, a community lounge and a laundry room:





The third floor will contain 10 apartments:



## Unit amenities

The unit, development, and security amenities are specified in the following tables:

### Common Area Amenities

Playground	
Bike Racks	
Designated Garden Area	
Shuffle Board Court	
Community Room	✓
Community TV	✓
Designated Walking Path	
Billiards Table	

Basketball Court	
Swimming Pool	
Fenced in tennis court	
Gazebo	
Picnic area	
Volleyball court	
Hot Tub	
Computer Center	
Exercise Room	

One parking spot per unit	✓
Car wash	
Garage	
Carport	
Enclosed bus stop shelter	
Comfort cond. common areas	
Daycare center	
Beauty/barber shop	
Laundry facilities	✓
Manager onsite	
Onsite recycling	

Multiple building designs	
Multiple floor plans	✓
Steel frame	
Architectural shingles	
>50% brick, stone, cement	✓
Metal roof covering	
Slate roof covering	
Sound-proof unit sep.	

### Unit Amenities

Wall to wall carpeting	
Blinds or curtains	
Hardwood floors	✓
Porch/Patio/Balcony	
Walk-in closets	
Storage	
Pressure vents	✓
Kitchen pantry	

Garbage disposal	✓
Door bells	✓
Cable hook-ups	✓
Motion det lights	
Washer/dryer	
Dishwasher	
Whirlpool tub	
Ceiling fan	
Internet	✓

### Security and Safety Amenities

Restricted access	✓
Security cam @ ent	
Site/Parking lighting	✓
Security cam @ bus stops	
Intercom	
Peep hole	
Bump-proof locks	✓
Steel doors	
Security alarm - doors	
Security alarm - windows	

Carbon monoxide detector	✓
Pull cords	
Fire extinguishers	
Fire suppressors - stoves	
Fire sprinkler system	✓
Combo smoke detectors	✓
Fire extinguisher training	
Kitchen fire blanket	
Escape ladders	
Fire safety training	
Posted speed signs	
Retaining ponds	
Emergency lighting	

### Nature, scope, and cost of reuse or rehabilitation

The building is at the core of the New Castle Downtown Historic District and is governed by the New Castle Historic Preservation Commission. The proposed renovation will conform to the Preservation guidelines, and a preliminary Certificate of Appropriateness for the proposed improvements has been submitted. The following pages, which discuss the building and renovation, were provided by Halstead Architects.

ARCHITECTURE

HALSTEAD ARCHITECTS

PLANNING

1139 SHELBY STREET, INDIANAPOLIS, INDIANA 46203.1145 USA  
TEL: 317.684.1431 FAX: 317.684.1433

INTERIORS

207 S. WASHINGTON STREET, MARION, INDIANA 46952 USA  
TEL: 765.662.9372 FAX: 765.662.9376

PRESERVATION

NET: [www.halstead-architects.com](http://www.halstead-architects.com)



November 1, 2012

The Historic Jennings Apartments are a reinvigoration of an historic urban property located in the core of the Downtown New Castle Historic District. The development will conform to the surrounding neighborhood by completing the restoration of the exterior of the existing historic structure, converting the second floor offices into housing and re-establishing the third floor housing that was original to the building when it was constructed in 1877. We will maintain the existing historic design features of the façade and the interiors while incorporating the new architectural design elements to create a building that is accessible and livable.

The Jennings Building was originally constructed by Levi Allen Jennings in 1877 as a dedicated mercantile facility for hardware, stoves and household goods including furniture. In the 1890's, an ornate Italianate style cast iron façade was added to the North façade. The 1337 portion of the building was destroyed by fire and rebuilt in the 1940's. The Jennings Building is in the core of the New Castle Downtown Historic District and is governed by the New Castle Historic Preservation Commission. Our proposed renovations will conform to their Preservation Guidelines and we have a preliminary Certificate of Appropriateness for our improvements. We will also be applying for Federal Historic Tax Credits and our design will comply with the Secretary of the Interior Design Standards. The Historic Jennings Apartments are uniquely located in the heart of the New Castle redevelopment area. The City of New Castle Redevelopment Commission completed an extensive Revitalization Plan for the downtown area in August of 2010. The Jennings Building is specifically mentioned in the plan as a contributing structure that is vital to overall development in New Castle. Our apartments will be a first step in the revitalization of downtown New Castle so much that the Redevelopment Commission is providing free parking for our residents in a new parking lot across 14<sup>th</sup> Street adjacent to our east entry and elevator.

Our strategy for success is to provide affordable housing within the existing walkable and livable urban neighborhood. The apartments are located within easy walking distance of neighborhood services, including the Arts Garden Park and amphitheater only a block away, the New Castle Public Library two blocks away, the Henry County Courthouse two blocks away, several churches and restaurants. We hope to encourage an active lifestyle by locating our residents in this zone of vitality. After we have completed the restaurants and coffee shop in the first floor retail spaces we hope to provide social interaction, activity and potential jobs for the residents. The Historic Jennings Apartments is a restoration of abandoned space. We have worked closely with the New Castle Redevelopment Commission, The Mayor, The Preservation Commission and the community to review and make recommendations for our development. The City of New Castle is so encouraged by our project that they have agreed to provide free parking and matching façade grants for the canopies and storefront improvements. In addition the City of New Castle is anticipating they will close off 14<sup>th</sup> street and install a pedestrian way and water features adding to the quality of life for our residents.

Significant portions of the historic character remains – wood windows, load bearing brick exterior walls, the interior light well, Metamora stone foundations in the basements, the north façade cast iron, wood doors with glazed transoms, wood floors, wood trim and plaster ceilings. There are several exterior elements that need to be removed to restore the facades to their original character – single pane glass in aluminum storefronts, ceramic façade panels, storefronts infilled with masonry and wood siding. From 2008 to 2010 Indiana Landmarks and the New Castle Redevelopment Commission stabilized the structure by restoring the north façade wood windows, replacing the roofing, removing asbestos and bird feces, installing aluminum-clad wood windows in non historic facades and repairing the masonry that was in danger of failure.

The mixture of historic materials and forms will be preserved and restored. The wonderful play of light through the original window openings of the light wells will provide new vitality in the corridors and living spaces. The second floor space that incorporates the light well in the heart of the structure will be used for community space. The existing historic windows of the light well will be restored according to the Secretary of the Interior Standards and the attached Wood Window Restoration Specifications (Section 08 0152). Pre-finished aluminum storm sashes will be provided at historic windows with single pane glass to provide insulating qualities necessary in modern buildings. Existing exterior masonry openings and the brick faced (Section 04 5000), interior finish carpentry (Section 06 0140) and interior plaster (Section 09 0120) will also be restored according to the Secretary of the Interior Standards. The existing wood flooring that is salvageable will be refinished (refer to Section 06 1000). We will maintain the historic design features of the lobby and hallways and install a new elevator and east stair adjacent to the new parking lot. We will stabilize the areas of the Metamora stone and solid wood timber framing that are in need of structural repair.

A new security system and key fob access to the upper floors via the staircases and the elevator will insure resident privacy. We will allow residents to park bicycles at bike racks and provide exterior seating. New Castle will add ample lighting and security not only for the buildings and residents but also for the parking. Private space for residents will be secured and visitor quasi-public space will be supervised, lighted, landscaped, and clearly marked. We have made a conscious effort, in conjunction with neighborhood feedback, to relate to our surroundings yet create something new and vital that will set a precedent for quality. We will illuminate the uppermost portion of the facade to accentuate the building mass and form. We will also insure that the exterior lighting levels create a net zero spillover site lighting design to minimize the intrusion of lighting across property lines and into the night time sky. The building façade will be washed at accent points with façade lighting. The abundance of windows for each unit, with ample sizes, will allow for maximum air flow and natural ventilation in moderate weather when windows can be left open and mechanical heating and cooling devices turned off. We will incorporate a resident education program to teach the various components of living a sustainable lifestyle and use the building as an example.

Our mechanical and electrical systems will be new and energy efficient. The new fire suppression sprinkler system will add an additional safeguard against potential fire damage of a largely wood interior. The second floor space was originally office space and will be converted to housing with a minimal impact on the original historic character of the space. The apartments on the third floor will be located in the area where housing was originally constructed and we will take great care to reduce and eliminate revisions to the existing spatial integrity.

The total cost of the renovation has been estimated at \$3,440,000, or \$172,000 per unit. However, the commercial renovations are included in that number. The total cost is organized in the following chart:

## Community Construction

### Jennings Budget Tuesday, October 30, 2012

	Budget
Sitework	\$ 58,000
Demolition	\$ 62,000
Concrete	\$ 87,000
Masonry	\$ 94,000
Steel and Miscellaneous Metals	\$ 105,000
Rough Carpentry	\$ 127,460
Thermal Protection	\$ 135,000
Doors and Storefront	\$ 117,120
Finishes	\$ 334,776
Conveying systems	\$ 105,000
Fireprotection	\$ 62,000
Plumbing	\$ 159,637
Mechanical	\$ 150,907
Electrical	\$ 245,290
NGBS Silver and HERS < 80	\$ 273,000
Soil/Environmental	\$ -
Temp security	\$ 25,000
Weather Conditions	\$ 30,000
Permits/Fees/Other	\$ 30,000
Off site improvements	\$ -
Subtotal	\$ 2,201,190
General Requirements	\$ 132,071
Overhead	\$ 132,071
Fee	\$ 44,024
Bond	\$ 50,187
Total	\$ 2,559,544
Contingency	\$ 255,954
<b>Total with Contingency</b>	<b>\$ 2,815,499</b>
SF	18492
\$/SF Sub Costs	\$ 119.03
\$/SF w/CM and Bond	\$ 138.41
\$/SF w/CM, Bond, & Cont	\$ 152.25
Number of apartment units	20
\$/unit Sub Costs	\$ 110,059.52
\$/unit w/CM and Bond	\$ 127,977.21
\$/unit w/CM, Bond, & Cont	\$ 140,774.93

### About the current tenants

Not applicable because the subject is currently vacant.

### Existing rental subsidy programs

The subject does not have a rental subsidy program.



## Federal or local programs

The subject will have the following programs offered.

Service Provider/Agent/Organization			
Name:	LifeStream Services, Inc.		
Street Address:	P.O. Box 308		
City:	Yorktown	County:	Delaware
place a "X" next to the targeted population			
Persons with physical or development disabilities		Persons with mental impairments	
Single parent households		Victims of domestic violence	
Abused children		Persons with chemical addictions	
Homeless persons		The elderly	X

Tenant Investment Plan Services & Description				
Tenant Service	Brief Description of Service	On-Site/Off-Site	Distance from Development	Level of Service
Care Management	LifeStream through the Care Management program will help residents access community based services such as health care, nutrition services, homemaker, transportation, and other available services.	On-Site	On-Site	3
Home Delivered Meals	LifeStream will provide Home Delivered Meals for those who need this nutritional support / The resident may be charged a portion of the cost on a sliding scale based upon their income	On-Site	On-Site	2
Senior Cafes	LifeStream has a nutrition café site which will serve the residents of this property at little or no cost to the resident	Off-site	0.25	2
Farmers market Vouchers	LifeStream provides these vouchers to enable seniors to continue using and preparing healthy foods for their nutrition	On-Site	On Site	1
Senior Health Insurance Program	LifeStream advises and assists seniors in understanding their healthcare insurance and when needed provides referrals to appropriate protection. This service is a phone call away.	Off-Site	On-Site call	2
Emergency	LifeStream can assist residents in having a phone emergency response system. The cost to the	On-Site	On-site	2



Response Systems	individual is a sliding scale based upon their income and resources.			
Home Modifications	LifeStream will assist the management and residents with modifications which may be required for a specific individual to function in their unit.	On-site	On-site	2
Medical Equipment & Supplies	LifeStream will assist residents in obtaining any needed durable medical goods to enable a resident to function effectively.	On-site	On-site	2
Educational Programs	LifeStream will provide speakers to educate residents about various health and senior living related topics to enable residents to remain healthy, productive and informed assets to the Anderson community	On-site	On-site	3
2-1-1/Information and Referral	LifeStream provides this vital service for seniors in Madison County and the City of Anderson	On-site	On-site	1
Transportation Coalition	LifeStream coordinates transportation services to assist seniors in getting to doctor visits and vital services	On-site	On-site	1
Adult Day Care	LifeStream arranges for adult day care and a service to transport the residents who choose to use the program	On-site	On-site	2
		On-Site	On-Site	

Service Provider/Agent/Organization			
Name:	Meridian Health Services		
Street Address:	240 N. Tillotson Ave. / 930 North 14 Street		
City:	Mundie / New Castle	County:	Delaware / Henry
place a "X" next to the targeted population			
Persons with physical or development disabilities		Persons with mental impairments	x
Single parent households		Victims of domestic violence	
Abused children		Persons with chemical addictions	x
Homeless persons		The elderly	

Tenant Investment Plan Services & Description				
Tenant Service	Brief Description of Service	On-Site/Off-Site	Distance from Development	Level of Service
Case Management	Support services and linkage to community resources.	Both		3
Skill Training and development	Life skills training to maintain independent living.	Both		2
Counseling	Individual and group outpatient therapy.	Off-Site	0.81 mi	2
Supportive Employment	Vocational counseling; evaluation and placement services.	Off-Site	0.81 mi	2
Addictions Treatment	Chemical dependency counseling and therapy; Intensive Outpatient Treatment.	Off-Site	0.81 mi	2
HIV/AIDS Care Coordination	Linkage to services to promote health and well-being in the community.	Both		2

Service Provider/Agent/Organization			
Name:	Westminster Community Center INC (WCC)		
Street Address:	2600 C Avenue, P.O. Box 603		
City:	New Castle	County:	Henry
place a "X" next to the targeted population			
Persons with physical or development disabilities	X	Persons with mental impairments	X
Single parent households	X	Victims of domestic violence	X
Abused children	X	Persons with chemical addictions	X
Homeless persons	X	The elderly	X

Tenant Investment Plan Services & Description				
Tenant Service	Brief Description of Service	On-Site/Off-Site	Distance from Development	Level of Service
Food Pantry	Food Assistance to income qualified clients	On-site at WCC	2 milies	1
Clothing Room	Clothing Assistance to income qualified clients	On-site at WCC	2 miles	1
Utility Assistance	Utility Assistance to income qualified clients who are experiencing utility shutoffs	On-site at WCC	2 miles	3
Computer Training	Computer Training to income qualified clients	On-site at WCC	2 miles	1
Nutrition Classes	Training in basic nutrition	On-site at WCC	2 miles	1
Holiday Services	Christmas Food Baskets for Low Income Toys & Clothing for Low income children	On-site at WCC	2 miles	3

## Timing

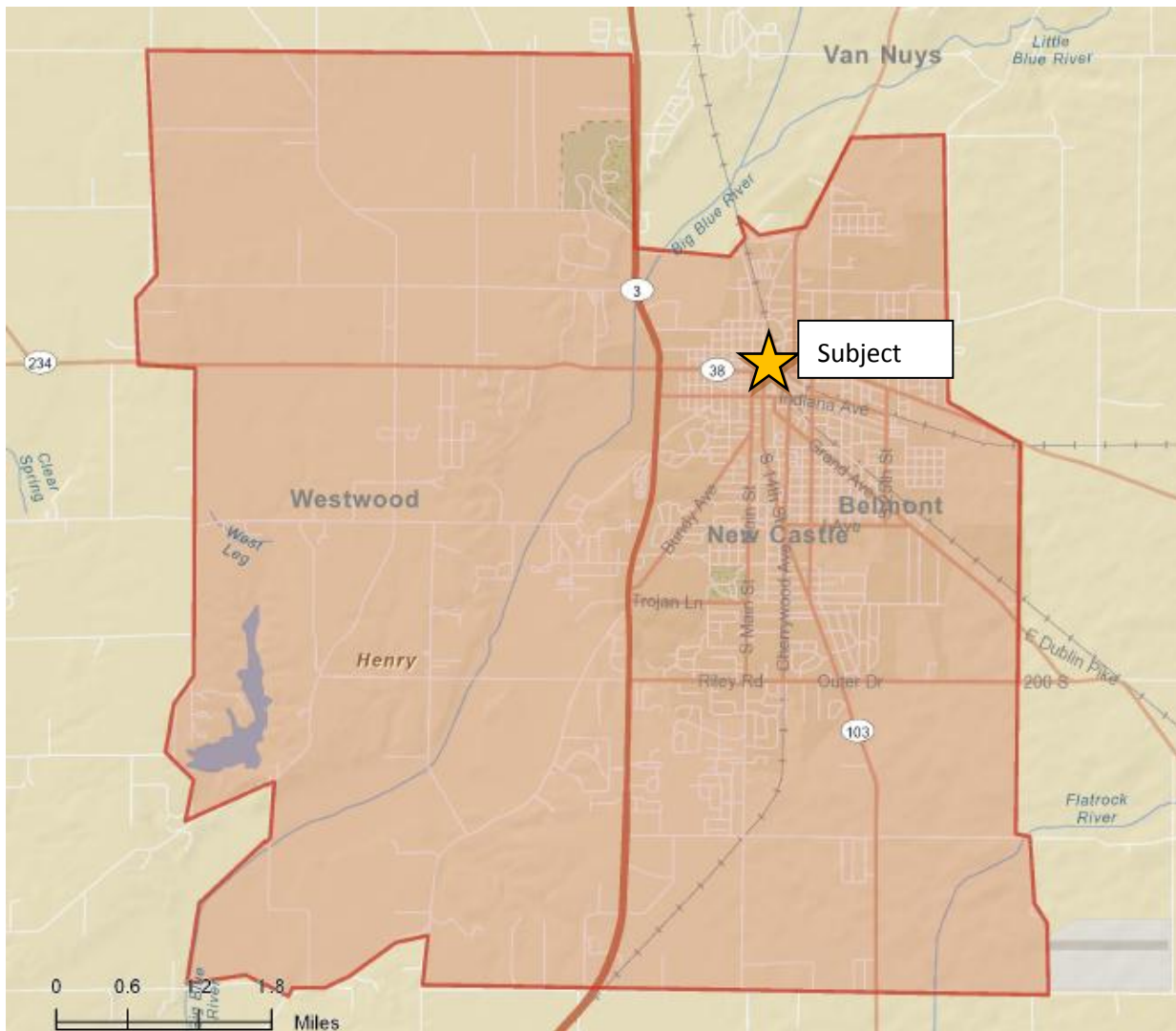
Construction is estimated to begin June 1, 2013, with a projected completion date of May 1, 2014. Preleasing will begin March 1, 2014.

## Description of the Market Area

This section describes and comments on the defined primary market area as well as the location of the subject.

### The Primary Market Area (PMA) for the subject

The primary market area for the subject is known as New Castle and its immediate surrounding area. The PMA is the contiguous area surrounding the subject site from which the development is expected to draw its support. The boundaries are outlined in the map below:



The PMA, as defined by roads or streets, follows:

---

<b>North</b>	New Castle city limits
<b>South</b>	CR 400
<b>East</b>	South CR 200 E
<b>West</b>	South Cr 275 W

---

The boundaries were chosen based on shared demographic parameters in terms of income and information from leasing agents within this market. According to the majority of the leasing agents in the area, demand for their units stems from New Castle. According to the leasing agent at Grand Avenue Commons, 70% of its tenants come from New Castle, and the remainder come from Henry County, with one or two percent coming from outside the state. Brenda of Faith Manor reported that 60% of the residents come from the city, and the remainder comes from Henry County or outside the state. However, outside the state accounted for less than 5% of the residents. New Castle is in the center of the county, and there are no other large population centers within the county.

### **Distance from the subject to the PMA boundaries**

The subject is approximately 1 mile from the northern border of the PMA, 4 miles from the southern border, 4.2 miles from the western border, and 1.75 miles from the eastern border.

### **Government and community support**

The developer cites support from The Mayor of the City of New Castle. The letter of support states that the project is assisting in the stabilization of the neighborhood by redevelopment a property. A copy of the letter is on the following pages:



# City of New Castle, Indiana

Greg York, Mayor

October 30, 2012

Indiana Housing and Community Development Authority  
(the "Authority")  
30 South Meridian Street, Suite 1000  
Indianapolis, Indiana 46204

Re: Historic Jennings Apartments

Dear Authority:

The undersigned is the duly elected Mayor of New Castle, Indiana (the "City"). The City has been made aware of and has submitted Form C in support of the proposed Historic Jennings Apartments (the "Project") being developed in the City by Historic Properties Jennings, LLC ("Developer"). The purpose of this letter is to certify to certain matters as required by the 2012-2013 Qualified Allocation Plan ("QAP") of the Authority.

#### Local Unit of Government Notification

In compliance with Section F, Threshold Requirements, Subsection 1.b *Local Jurisdiction Notification*, Section G, Evaluation Factors, Subsection 5.b *Local Unit of Government Notification*, and the Local Unit of Government Notification Form C of the QAP, this letter certifies that:

- a. I have been informed of and am familiar with the development proposal to construct the Project in the City.
- b. Points were awarded to the Project on a zero to five point scale based on the level of the Project's potential contribution to the housing and revitalization needs of the City. The Project was awarded five (5) points.

#### Adoption of Local Redevelopment Plan

The City hereby verifies the adoption of the local redevelopment plan that targets the specific area in which the Project is located. The City Council adopted the New Castle Downtown Revitalization Plan ("Redevelopment Plan") on August 13, 2010, which expressly includes the support and development of affordable rental and for sale housing in the Area (as defined in the Redevelopment Plan). The Project is located at 14<sup>th</sup> and Broad Streets in the Area—see attached map of downtown New Castle. A

copy of the Redevelopment Plan is attached hereto.

As required by the QAP, the Redevelopment Plan satisfies the following criteria:

- The Redevelopment Plan includes a clearly delineated target area that includes the proposed project site as demonstrated on the maps attached to the Redevelopment Plan;
- The Redevelopment Plan sets forth detailed policy goals and planning recommendations, including the rehabilitation or production of affordable rental housing;
- The Redevelopment Plan contains implementation measures along with specific, current, and ongoing time frames for the achievement of such policies and housing activities;
- The Project supports multiple goals of the Redevelopment Plan, including downtown façade restoration, creation of downtown parking, encouraging the continued development of the City as a desirable place to settle and raise a family, encouraging the residential growth of areas outside of existing densely developed growth areas, and encouraging responsible residential development that is sensitive to the environment and future living conditions of residents.
- The Redevelopment Plan contains a detailed assessment of the existing physical structures and infrastructures of the community, including an evaluation of rental housing market for senior and family housing at Appendix E.
- The Redevelopment Plan was vetted through community surveys and a variety of public hearings.
- The Redevelopment Plan was adopted by the City Council.

#### Commitment for Off-Site Improvements

The City, with this conditional letter, hereby pledges to provide an investment of resources that will result in off-site infrastructure improvements adjacent to the Project. Specifically, the City will complete parking adjacent to the site to provide a minimum of one (1) parking space per unit, which improvements and repairs would not otherwise be completed at this time but for the Project.

Per the QAP, this conditional commitment addresses the following:

- Conditional Commitment of Funds: This letter represents the conditional commitment of funds, conditional upon receipt of a 2013 Allocation of Rental

{AP.00013168.DOC}

Housing Tax Credits for the Project. The cost of the proposed infrastructure improvements will be in excess of \$50,000.

- Detailed sources and uses of funds: The funds to complete the off-site infrastructure and repairs will come from the downtown TIF fund. The funds will be used to construct parking adjacent to the Project site.
- Timeline for completion: The proposed improvements will be completed prior to the proposed placed in service date for the Project, anticipated to be December 1, 2014.
- Map showing location and description of improvements to the site: The map is attached to this conditional commitment letter as Attachment 1.
- A narrative, which includes how the investment will benefit the tenants: The off-site investment will benefit the tenants by providing parking to the Project, creating a fountain amenity for the Project, and further integrating the Project in downtown New Castle pursuant to the Redevelopment Plan.

The City welcomes the opportunity to support the development of high quality affordable housing in the area.

#### Promotes Neighborhood Stabilization

The proposed project is recognized by the City of New Castle as assisting in the stabilization of a neighborhood by redeveloping property that has been foreclosed, abandoned, or constitutes blight or greyfield redevelopment. The property is “blighted” in that it is conducive to ill health, transmission of disease, infant mortality, or crime in the immediate proximity of the property and presents the following conditions as required by the QAP:

- (a) Uninhabitable, unsafe, or abandoned structures; and
- (b) The property has inadequate provisions for ventilation, light, air, or sanitation;
- (c) The property was acquired for redevelopment purposes by the City of New Castle Redevelopment Commission and was determined to be blighted when acquired pursuant to the attached resolutions from the City of New Castle Redevelopment Commission.

The Jennings Building has been a derelict and abandoned structure in the City for some time. The prior owner received numerous code violations, and City Redevelopment Commission with the help of Indiana Landmarks acquired the property through a receivership action in 2010. The City has invested \$472,243.48 to date to stabilize the property. The City will deed the property to Historic Properties Jennings LLC or an affiliate thereof for \$1.

#### Community Revitalization Preservation

The Project will support community revitalization and/or preservation in the City. I understand the development will be a 21-unit permanent housing project on floors two and three, and that the developer will create commercial/retail space on the first floor. The construction of the Project will support the City's efforts to develop residential, commercial, retail and high quality projects in the City, and create additional job opportunities in the City.

The Project will consist of the rehabilitation of 100% of the existing upper two floors of the Jennings Building. An additional project will rehabilitate the first floor retail space. The Project is also infill housing which conforms to the existing neighborhood. The Project will specifically support the City's ambition to redevelop the downtown as set forth in the Redevelopment Plan. Downtown New Castle has been hard hit, and is in need of revitalization as outlined in the Redevelopment Plan. The Project fits within the Redevelopment Plan, and will help to stabilize and revitalize the downtown. In addition to creating affordable housing opportunities, the Project will create tax revenue and development income to support the City. In this way, the project will materially support the development of the area and the expansion of the City's tax base.

#### Infill Housing

The Project site satisfies the definition of Infill Housing under the QAP. As set forth in the Redevelopment Plan, the city has long sought to develop the Area in which the Project is to be developed. While the City has been successful in attracting some development to the Area, the Project site has remained undeveloped, largely due to the condition of the building. The site is surrounded on all sides by adjacent established residential and commercial development. The site maximizes the use of existing utilities. Pursuant to the QAP, the Project qualifies as an infill site. Most importantly to the City, the Project means a return of cultural, social, recreational gathering places, and vitality to downtown New Castle. The Project will continue the downtown transformation begun with Maxwell Commons, the City's NSP 1 project located across the street from the Project. When combined with the proposed retail space for the first floor, the Project will redefine downtown New Castle.

#### Phased Development

The proposed Historic Jennings project is part of a larger, multi-phased development project in downtown New Castle. Maxwell Commons (which is located on the other side of Broad Street across from the Jennings Building) was completed in 2011 utilizing Neighborhood Stabilization Program funds from HUD. Jennings is part of the community revitalization effort to redefine downtown New Castle as described in the Redevelopment Plan. The downtown redevelopment was originally designed to be one project, with the redevelopment of 14<sup>th</sup> and Broad (where Jennings and Maxwell Commons are located) being the catalyst. Both projects are included in the

Redevelopment Plan and the City's Master Plan, the City acquired both for redevelopment purposes through the Redevelopment Commission, and the City continues to own and market portions of Maxwell Commons. In addition, the proposed project must be part of a community revitalization effort.

Financing & Market

By this letter, the City has made a firm commitment that does not require any further approvals for public or private funds to specifically enhance and/or create significant cost savings for the Project. Specifically, the Redevelopment Commission has adopted the attached Resolution No. 1-10-24-2012 approving a Development Agreement between the City and Developer pursuant to which the City has agreed to make funds available to the project in the amount of \$200,000. In addition, the City Redevelopment Commission has expended \$472,243.48 to date to stabilize the Jennings Building. The City has agreed to transfer the Jennings Building to the Developer for \$1, resulting in a donation to the project of the amount spent to date. This results in a total City contribution of more than \$1 million (including off-site improvements).

We look forward to your positive review of this application and the addition of new affordable housing in our City.

Sincerely,



Greg York  
Mayor, City of New Castle

cc: Ray Willey  
Bill Brown  
Jonathan R. Anderson, Esq.

4825-1290-2161, v. 1

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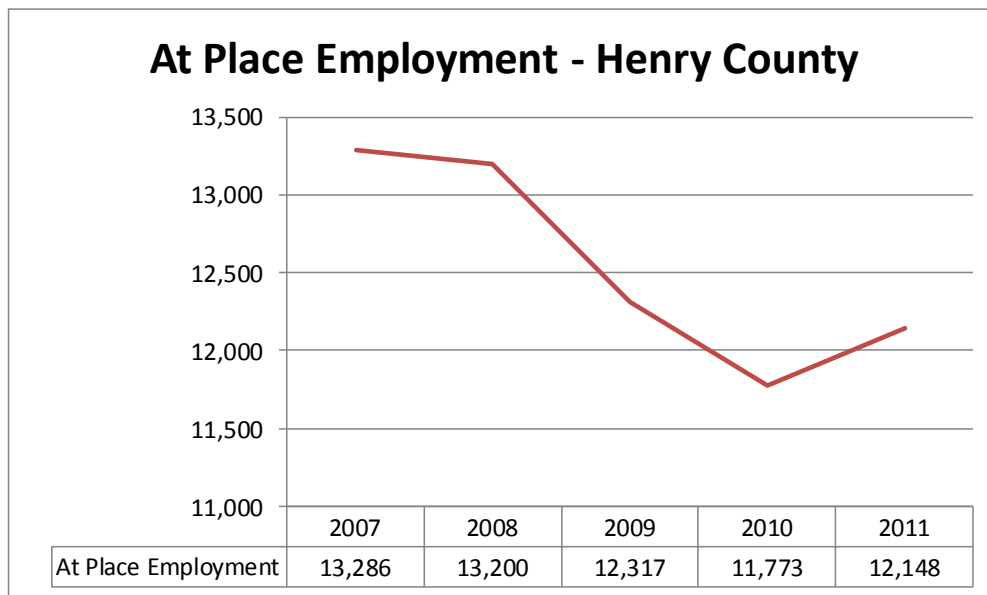
## Market Area Economy

The following section discusses the market area economy, with details on:

- At-place employment for the subject's county
- Employment by industry sector for the PMA and by industry sector for the County
- Average annual earnings by industry for county
- Major employers in PMA
- Other relevant employment and economic news

### Trends in at-place employment

At-place employment indicates the county employment picture is weakening from 2007 to 2011, the PMA changed by -8.6% in at-place employment, which represents -1,138 jobs. However, since 2010 it appears to be strengthening.



Source: Indiana Department of Workforce Development

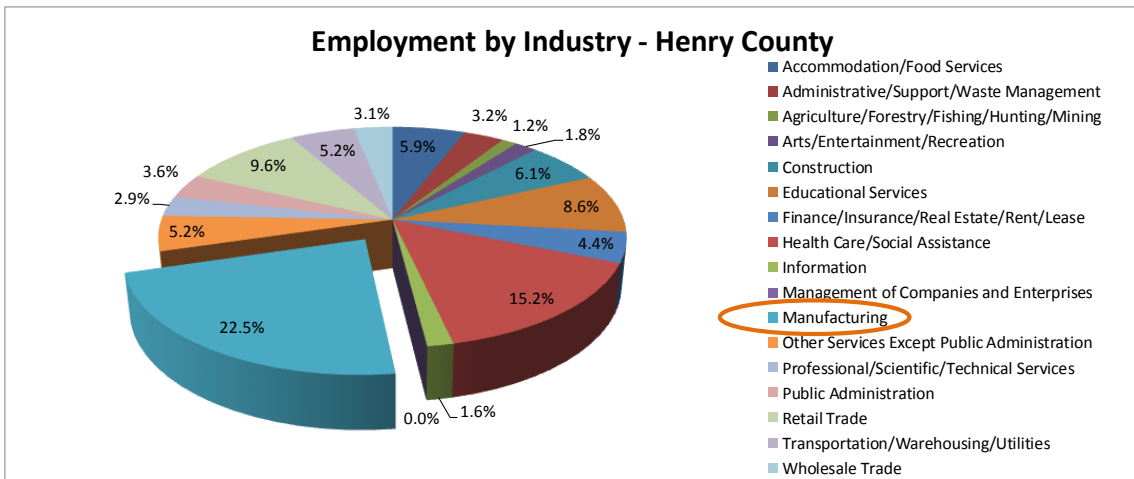
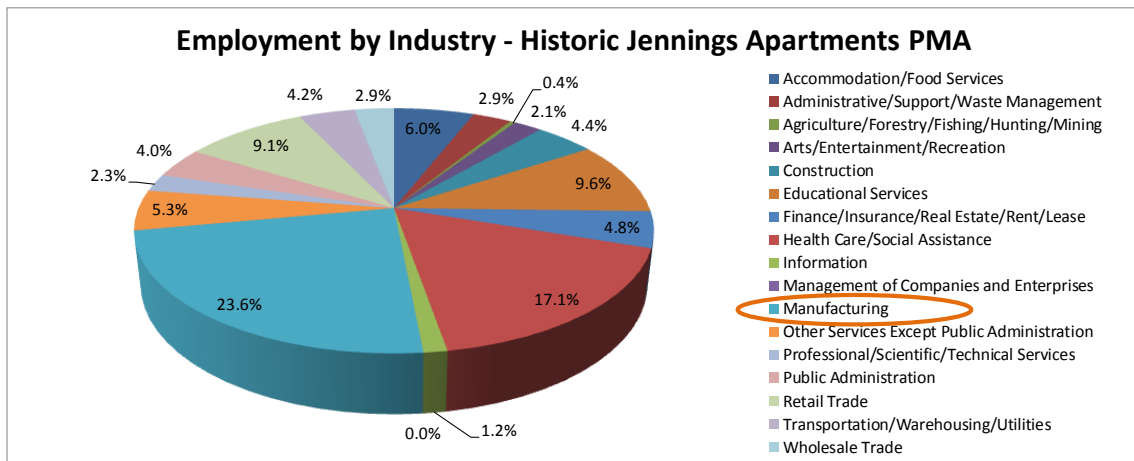


## Employment by industry sector

This section includes information for the PMA and compares it to a larger geographical area.

Esri forecasts for 2010 indicate that the PMA's largest industry sector is Manufacturing with 23.6% of the employed. Health Care/Social Assistance follows with 17.1%. Educational Services is third with 9.6%.

The county's largest industry sector is also Manufacturing with 22.5% of the employed. Health Care/Social Assistance is second with 15.2%, and Retail Trade is third with 9.6% of the employed.



Source: Nielsen (Claritas)

## Wages by industry

The subject is targeted to households with a maximum income of \$30,720. The most recent data for average annual earnings by industry is from 2011. The industries likely to yield potential tenants are retail trade, food services, arts and entertainment, real estates, agriculture, health care and technical services.

Henry County Average Annual Earnings by Industry						
	2007	2011	5 Year	5 Year % Change	Indiana 2011	% of State
All Industries	\$31,913	\$30,765	(\$1,148)	-3.60%	\$39,969	77.00%
Ag., For., Fishing, & Hunt.	\$20,218	\$24,636	\$4,418	21.80%	\$31,182	79.00%
Mining	D	D	N/A	N/A	\$65,501	N/A
Construction	\$32,648	\$42,262	\$9,614	29.40%	\$51,034	82.80%
Manufacturing	\$52,384	\$45,068	(\$7,316)	-14.00%	\$55,401	81.30%
Wholesale Trade	\$44,242	\$37,814	(\$6,428)	-14.50%	\$52,241	72.40%
Retail Trade	\$22,460	\$22,694	\$233	1.00%	\$23,442	96.80%
Trans. & Warehousing	\$30,814	\$34,950	\$4,136	13.40%	\$39,480	88.50%
Utilities	\$61,160	\$76,162	\$15,002	24.50%	\$79,738	95.50%
Information	\$28,028	\$36,246	\$8,218	29.30%	\$50,167	72.20%
Finance & Insurance	\$36,151	\$39,616	\$3,465	9.60%	\$56,142	70.60%
Real Est., Rent., Leasing	\$14,068	\$16,876	\$2,808	20.00%	\$35,409	47.70%
Prof. & Tech. Svcs.	\$30,783	\$27,590	(\$3,193)	-10.40%	\$56,964	48.40%
Mgt.of Companies	D	\$36,956	N/A	N/A	\$81,768	45.20%
Admin. & Waste Svcs.	\$26,024	\$31,575	\$5,552	21.30%	\$26,746	118.10%
Education Svcs.	\$18,969	D	N/A	N/A	\$34,777	N/A
Health Care & Social Assist.	\$29,172	\$26,366	(\$2,807)	-9.60%	\$40,838	64.60%
Arts, Ent. &, Rec.	\$10,156	\$13,264	\$3,109	30.60%	\$29,167	45.50%
Accom. & Food Svcs.	\$10,760	\$11,937	\$1,177	10.90%	\$13,528	88.20%
Other Svcs.	\$15,909	\$19,177	\$3,268	20.50%	\$26,604	72.10%
Fed.I, State & Local Govt.	\$31,287	\$33,369	\$2,082	6.70%	\$40,086	83.20%

Source: Indiana Department of Workforce Development

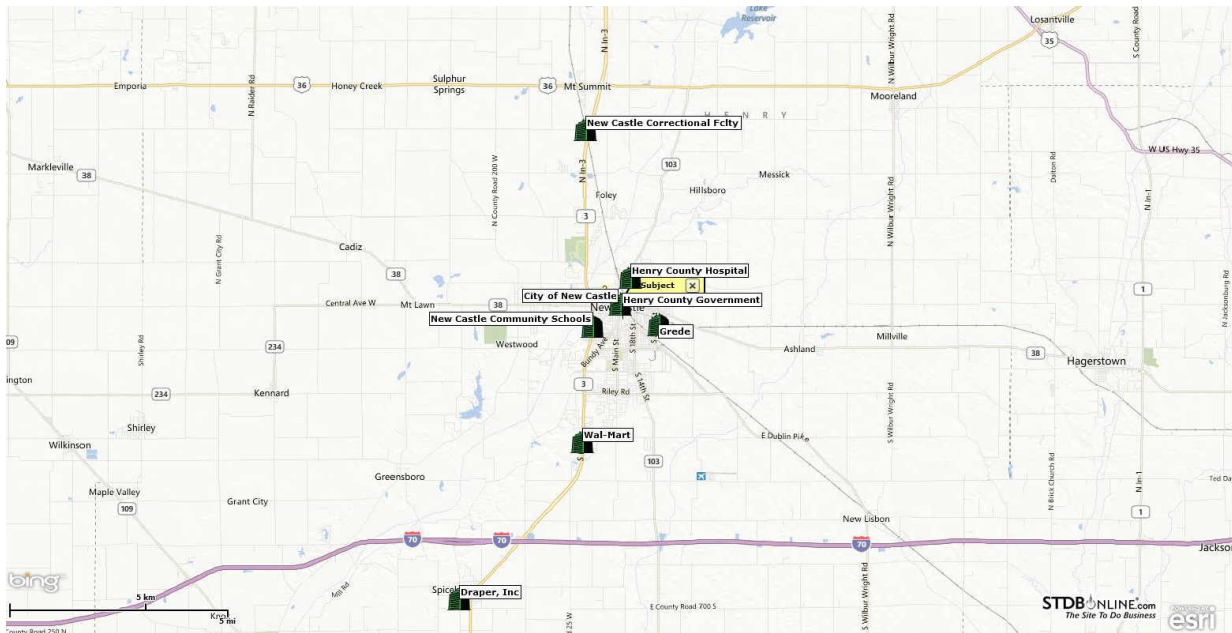
## Major employers

The major employers in the county are identified in the chart below:

Employees	Company	Industry	City
1,014	Henry County Hospital		New Castle
775	New Castle Community Schools		New Castle
510	Draper, Inc		Spiceland
400	Henry County Government		New Castle
380	Wal-Mart		New Castle
298	Grede		New Castle
285	City of New Castle		New Castle
538	New Castle Correctional Facility		New Castle

Source: New Castle-Henry County Economic Development Corporation

The following map shows the major employers in relationship to the subject:



## Recent layoffs and closings

Between 2008 and year to date in 2012, 115 workers have been affected. A positive note is that there have been no large layoffs within the area since 2008.

Company	City	Affected Workers	Notice Date	LO/CL Date	NAICS	Description of work	Notice Type
ATI Allegheny Ludlum	New Castle	115	12/22/2008	August to December 2008	31221	Rolled Steel Shape	LO

Source: Indiana Department of Workforce Development

## Announced expansions or contractions

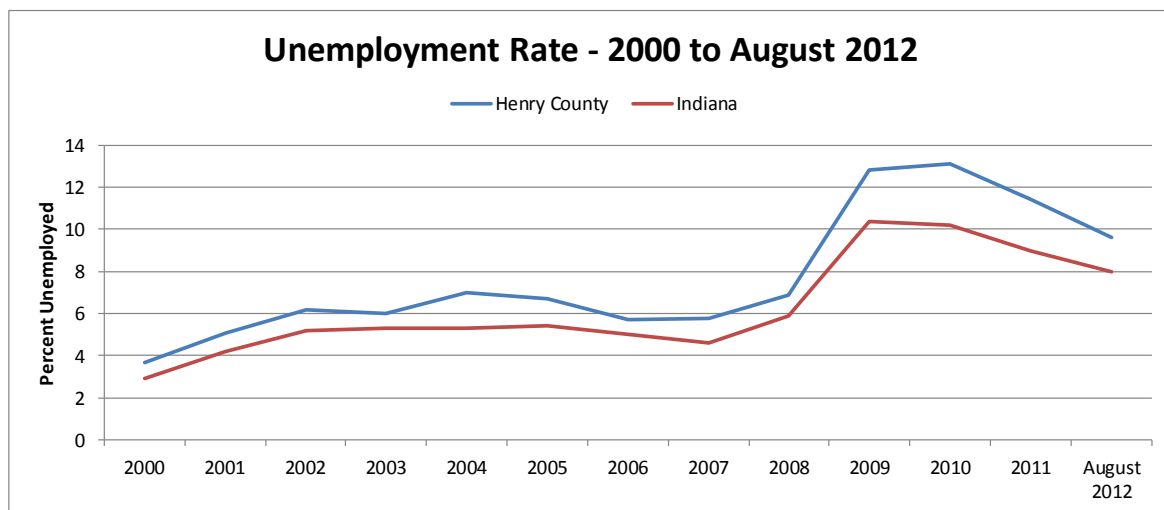
Affiliated Computer Services has announced plans to bring 70 jobs to New Castle, and Crown Equipment is hiring at least 150 people. Earlier in the year, the New Castle Correctional Facility added an annex to its facility which created 66 jobs.

## Trends for resident employment and unemployment

The area, along with the rest of the country, suffered from the 2008 economic downturn. However, it is exhibiting tentative signs of improvement and recovery. Although there are plans to bring more jobs into the county, the total will not bring the jobs back to pre-2008 levels.

### Unemployment for county

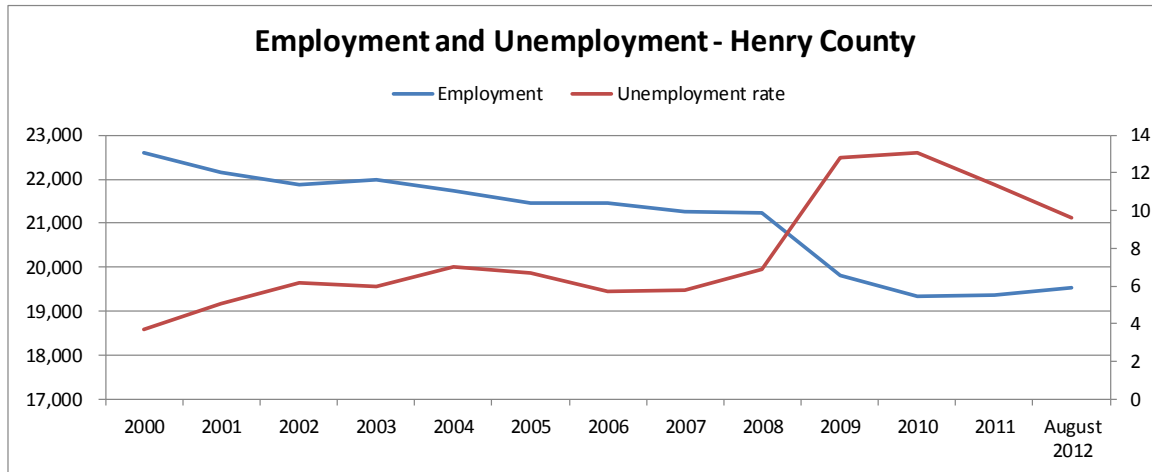
The unemployment rate in the county has mirrored that of the state from 2000 to February 2012. It was at the highest level in 2010, and for the first time since 2008, the unemployment rate has dropped below double digits.



Source: Indiana Department of Workforce Development - Research and Analysis

## Employment growth

Since 2010, Henry County has witnessed positive employment growth and a decreasing unemployment rate.



Source: Quarterly Census of Employment and Wages, Total all industries, all establishment sizes. Unemployment data from the Indiana Department of Workforce Development.

The data for the employment and unemployment for the last 12 years is shown below:

Time Period	Labor Force		Area Rate		Indiana
	Force	Emp.	Unemp.	Rate	
<b>2000</b>	23,468	22,595	873	3.7	2.9
<b>2001</b>	23,348	22,154	1,194	5.1	4.2
<b>2002</b>	23,325	21,878	1,447	6.2	5.2
<b>2003</b>	23,399	21,998	1,401	6	5.3
<b>2004</b>	23,363	21,724	1,639	7	5.3
<b>2005</b>	23,001	21,462	1,539	6.7	5.4
<b>2006</b>	22,772	21,463	1,309	5.7	5
<b>2007</b>	22,558	21,255	1,303	5.8	4.6
<b>2008</b>	22,800	21,224	1,576	6.9	5.9
<b>2009</b>	22,720	19,807	2,913	12.8	10.4
<b>2010</b>	22,241	19,330	2,911	13.1	10.2
<b>2011</b>	21,857	19,376	2,481	11.4	9.0
<b>August 2012</b>	21,600	19,527	2,073	9.6	8.0



## **Conclusion**

The area's unemployment rate has been trending similar to the state. However, unemployment is on the decline and for the first time since 2008, is no longer in double digits. There are announcements to bring jobs into the area, and there have been no large layoffs since 2008. These expansion announcements, along with the decreasing unemployment serve as positive indicators for the development of the subject.

Overall, the economy in the market area has suffered, but the area has weathered the downturn and starting to see improvement.

# Demographic Data

This section presents demographic trends and analysis based on the data available.

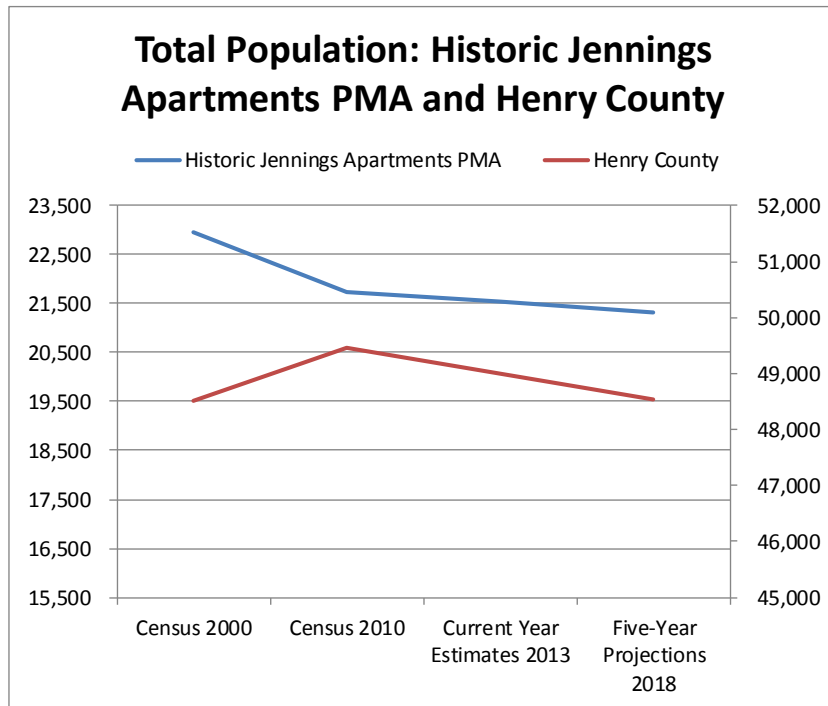
## Total population and households

The following charts show the total population and households.

### Population

Census data indicates the PMA experienced a decrease in total population in the PMA from 2000 to 2010, with an annual rate of change of -0.53%. From 2010 to 2013, a decrease of -0.31% per year is estimated and a decrease of -0.19% per year is further projected for 2018. The total change in the PMA was less than 6% from 2000 – 2010, and is projected to decrease less than 1% from 2010-2013 and around 1% by 2018, thus demonstrating that the PMA’s population is fairly stable.

The county reflects similar trends in population since 2010.

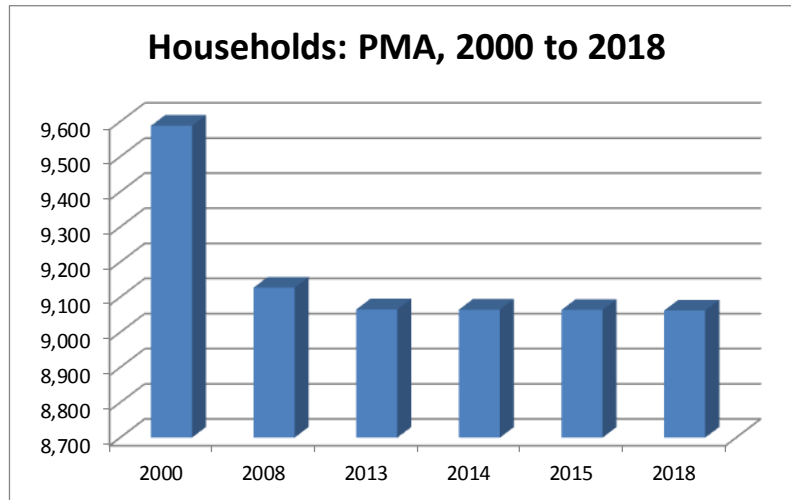


Source: Nielsen (Claritas)



## Households

Estimates show that the households in the PMA decreased from 2000 to 2008 with an annual rate of change of -0.60%. Further estimates indicate households in the PMA will decrease from 2008 to 2013, with an annual rate of change of -0.14%. Projections also show a decrease from 2013 to 2018, with an annual rate of change of -0.01%. Given the minimal amount of change, the households are expected to remain stable.

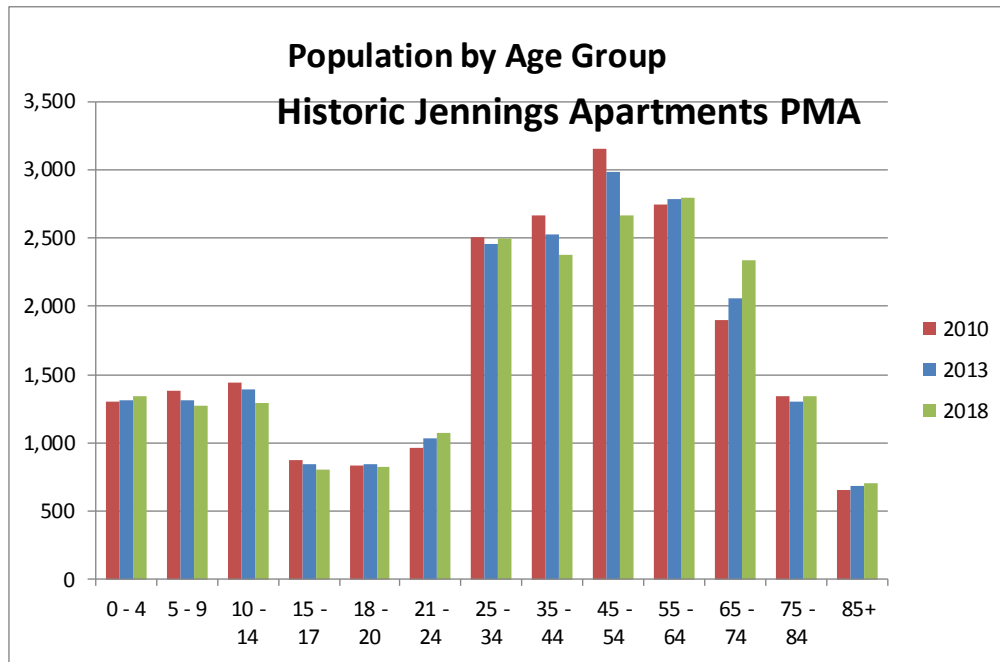


**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Population and households by age group

### Population

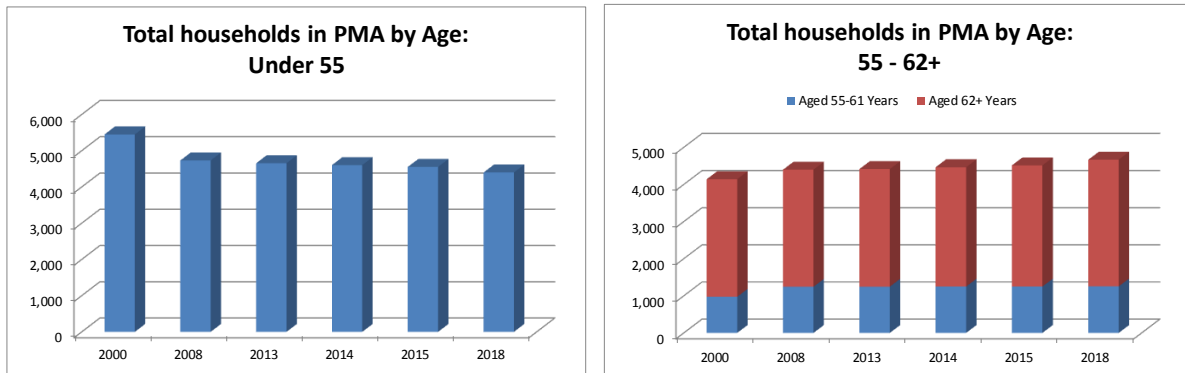
In 2010, the largest cohort was the 45 - 54 age group with 14.5% of the population, followed by the 55 - 64 cohort with 12.6%. In 2013, estimates indicate the largest cohort will remain 45 - 54 with 13.9%, followed by the 55 - 64 cohort with 12.9%. In 2018 however, projections indicate that the population is aging, and the 55 - 64 age group will become the largest cohort with 13.1% of the population, followed by the 45 - 54 cohort with 12.5%.



Source: Nielsen (Claritas)

## Households

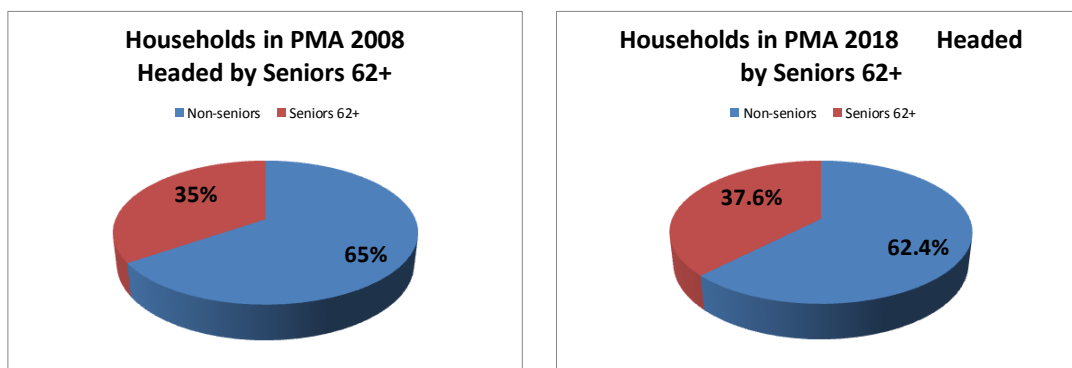
Similar to the trends seen with the population by age group, households are also shifting older. From 2008 to projections for 2018, households headed by persons 55 and younger will decrease annually by 0.33%. Whereas households headed by persons 55 to 62 years of age will increase annually by 0.02% and households headed by persons 62 and older will increase annually by 0.31%.



**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Households headed by seniors

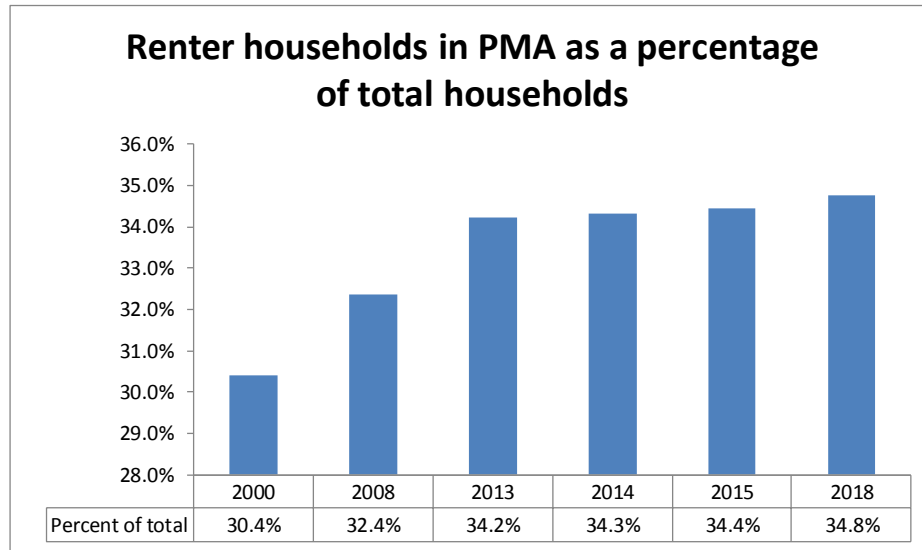
From 2008 to 2018, projections indicate the total households in the PMA headed by non-senior persons will decrease from 65.4% to 62.4%. Projected households headed by seniors 62 and older will increase from 34.6% to 37.6%.



**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008.

## Households by tenure

Renter households have increased as a percentage of the total housing market since 2008. Estimates and projections indicate this trend will persist, with an expected increase in renter households of 0.4% by 2018.

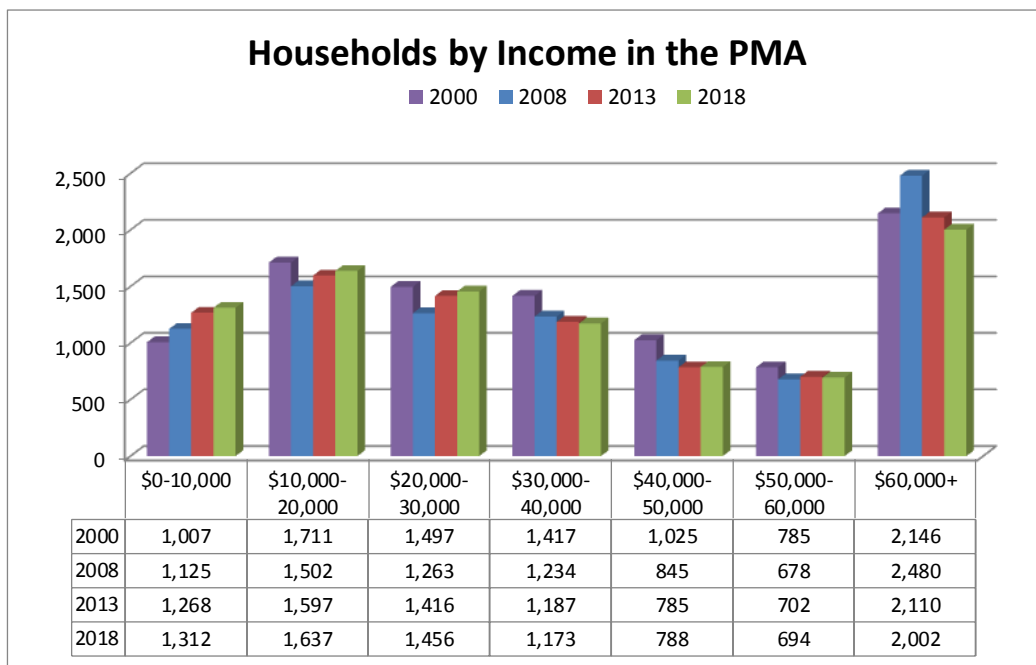


**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Households by income

The following information provides the total households in the PMA by number of persons in households broken down by income as of 2000, 2008, 2013, and 2018.

In 2008, the largest group of households was those earning \$60,000+, followed by the group earning \$10,000-20,000, and then the group earning \$20,000-30,000. In 2013, estimates indicate that the largest group of households will be those earning \$60,000+ followed by \$10,000-20,000 and then \$20,000-30,000. Projections show that in 2018 the largest group will remain households earning \$60,000+, followed by \$10,000-20,000, then \$20,000-30,000.



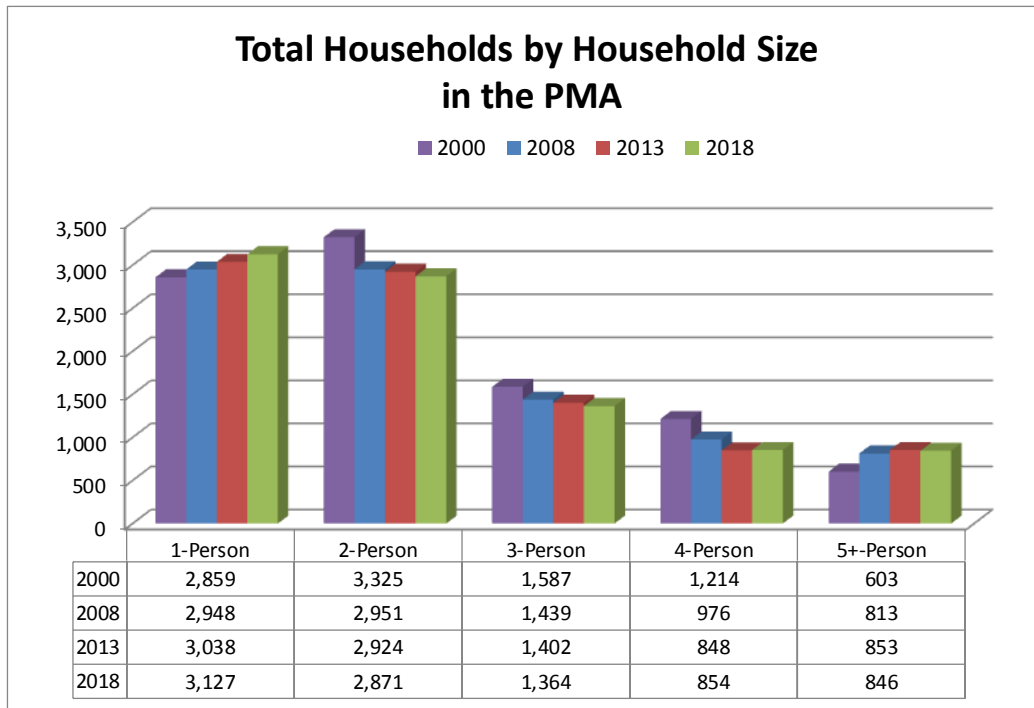
**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Average household size

In 2000, the average person per household in the PMA was 2.34<sup>2</sup>. Estimates indicate that the average in 2010 was 2.31 and projections indicate it will be 2.30 in 2013. In 2018, projections indicate the average person per household will decrease to 2.28 per household.

<sup>2</sup> Nielsen (Claritas.)

The total households in the PMA are shown by the number of persons in the household in this chart.



**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Population in group quarters

This chart shows the population in group quarters:

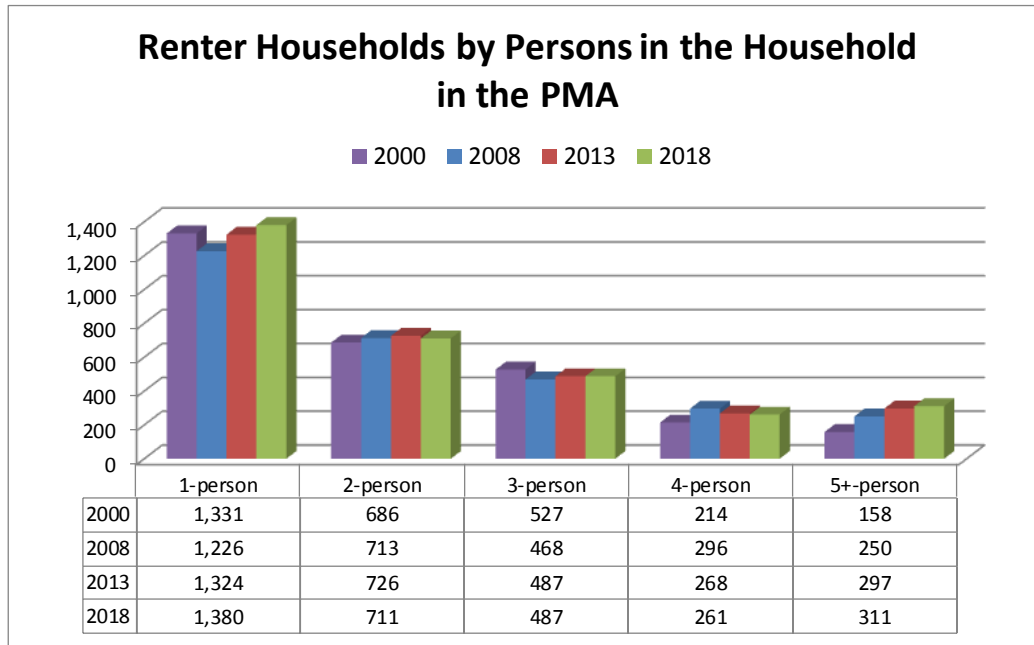
	Census 2000	Census 2010	Current Year Estimates 2013	Five-Year Projections 2018
<i>Population - Historic Jennings Apartments PMA</i>	22,947	21,731	21,528	21,324
<i>Population in Group Quarters - Historic Jennings Apartments I</i>	591	564	554	539
<i>Percentage of population in Group Quarters</i>	2.6%	2.6%	2.6%	2.5%

**Source:** Nielsen (Claritas.)

**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.

## Renter households by persons in household

In 2008, the largest group of renter households in the PMA was estimated to be the 1-person households. The second largest was 2-person households and the third was 3-person households. In 2018, projections indicate the largest group of renter households will remain the 1-person households, followed by 2-person and 3-person households.



**Source:** HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) Average for 2006 – 2010 data listed in the chart as 2008. HISTA Data for 2000 is produced by Nielsen, Inc., based on a Customer Tabulation of 2000 SF3 Data by the U.S. Bureau of the Census.



## Demand Analysis

All the household data in this section originates from Ribbon Demographics HISTA data. On the few occasions when the data comes from somewhere else, it is footnoted.

### Determining income and age-eligible households

To gauge the feasibility of the subject, it must be determined if a large enough segment of the population can afford the subject's rent without exceeding the allowable income for potential tenants. In regards to the subject, a household cannot pay more than 35% of total household income for rent.

#### Minimum income

Because no subsidies exist, the household must have sufficient income to pay the rent. The lowest gross rent, including utility costs, is annualized and divided by 35%<sup>3</sup> (rent to income ratio). Therefore, minimum income level for each unit type is calculated by annualizing the rent and utilities:

$$((\text{Monthly rent} + \text{utilities} + \text{non-optional charges}) * 12 \text{ months}) / 35\%$$

#### Maximum income

The maximum income levels for each unit type are set by HUD and posted as the MTSP Limits. They are generally based on county and household size.

Typically, one person per bedroom is considered the minimum household size applicable, and one and a half persons per bedroom is the maximum. For example, a one-bedroom unit would serve households sized between one and two people, whereas a four-bedroom unit would serve a four to six person households

Type of unit	Number of people in an eligible household	Maximum income computation
Studio	One	1-person household income
One-bedroom	One to Two	2-person household income
Two-bedroom	Two to Three	3-person household income
Three-bedroom	Three to Five	Average of 4- and 5-person household income

<sup>3</sup> IHADA, *Qualified Allocation Plan 2012*, Schedule C, page 5, specifies the market analyst should use a rent burden for family households of 35% and for 40% for senior households.

Once the income parameters are set, the number of households within these brackets can be determined. Those within the income bracket will be considered income-eligible or -qualified households.

### Minimum and maximum income for the subject

Using the methodology and assumptions discussed, the minimum and maximum income for the subject's units is summarized below:

**Historic Jennings Apartments**  
*Target tenant: Family*

Unit Type	Num of units	Income Level	Rent	Utility	Gross Rent	Minimum Income	Maximum Income
Studio	2	50%	\$437	\$57	\$494	\$16,937	\$19,900
Studio	2	60%	\$479	\$57	\$536	\$18,377	\$23,880
One bedroom	2	30%	\$248	\$71	\$319	\$10,937	\$12,795
One bedroom	2	40%	\$355	\$71	\$426	\$14,606	\$17,060
One bedroom	2	50%	\$455	\$71	\$526	\$18,034	\$21,325
One bedroom	1	60%	\$468	\$71	\$539	\$18,480	\$25,590
Two bedroom	2	30%	\$291	\$92	\$383	\$13,131	\$15,360
Two bedroom	3	40%	\$420	\$92	\$512	\$17,554	\$20,480
Two bedroom	1	50%	\$539	\$92	\$631	\$21,634	\$25,600
Two bedroom	2	60%	\$553	\$92	\$645	\$22,114	\$30,720
Three bedroom	1	30%	\$330	\$113	\$443	\$15,189	\$17,730

### Demand from new renter households

New renter households in the PMA are determined by the following equation. This calculation is done by AMI level in the demand worksheet.

---

	Total households in the PMA in the year placed in service, <i>less</i>
-	Total households in the PMA for the current year
*	Multiplied by the percentage of households that are renters in the year placed in service
*	Multiplied by the percentages of renter households that are income qualified
=	Equals the demand from new renter households

---

The income-qualified percentage is calculated by AMI level. The results are shown in the demand worksheet on the following pages.

### Demand from existing renter households

Demand from existing households has three components:

- Rent-overburdened households
- Households living in substandard units
- Income-eligible senior homeowners likely to convert to rentership

#### *Rent-overburdened households*

In the PMA, 37.8% of the households are considered to be rent-overburdened; that is, paying more than 35% of their income for rent.

<b>Gross Rent as % of Household Income</b>	
Total renter HH in PMA	2,992
Renter HH paying 35 to 39% of income	142
Renter HH paying 40 to 49% of income	236
Renter HH paying 50% and more of income	754
<i>Total overburdened</i>	1,132
Percentage	37.8%

Data for overburdened households and substandard households is obtained from American FactFinder using the 2010 American Community Survey 3-year estimates. The data is specifically pulled from B25071, Median Gross Rent as a Percentage of Household Income in the Past 12 Months.

#### *Households living in substandard units*

The next step in determining the success of the subject is to consider the substandard housing that lacks either plumbing facilities or complete kitchens.

<b>Substandard Housing</b>	
Total households in PMA	9,127
Owner occupied lacking plumbing	0
Renter occupied lacking plumbing facilities	0
Owner occupied lacking Kitchen facilities	24
Renter occupied lacking kitchen facilities	37
<i>Total households with substandard units</i>	61
Percentage	0.7%

The above data comes from the American FactFinder using the 2010 American Community Survey 3-year estimates. The data is specifically pulled from B25049, Households by Tenure by Plumbing Facilities, and B25053, Households by Tenure by Kitchen Facilities.

The total of households lacking complete kitchens or adequate plumbing facilities is 0.7%, which represents a strong demand for the quality housing proposed by the subject.

### **Income-eligible senior homeowners likely to convert to rentership**

In the fieldwork, the analyst did not find any reasons to revise the assumption that no income-eligible senior homeowners will convert to rentership.

The following section includes tables which indicate the percent of eligible households for each unit type for the subject.

All data is from HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2006-2010 American Community Survey Data by the U.S. Bureau of the Census; estimates for 2013 and projections for 2018 by Nielsen, Inc.) The average for the 2006 – 2010 data listed in the charts as 2008.

## Eligible households by income brackets

This section shows the eligible households by income level for the subject.

### Eligible households by income bracket for 30% AMI units

#### 30% AMI

\$10,937	<i>Minimum income</i>
0%	\$0-10,000
68%	\$10,000-20,000
0%	\$20,000-30,000
0%	\$30,000-40,000
0%	\$40,000-50,000
\$17,730	<i>Maximum income</i>

#### Market area 2014 - 30%AMI

Income brackets	# HH	% eligible	# HH eligible
\$0-10,000	777	0%	<b>0</b>
\$10,000-20,000	745	68%	<b>506</b>
\$20,000-30,000	575	0%	<b>0</b>
\$30,000-40,000	301	0%	<b>0</b>
\$40,000-50,000	247	0%	<b>0</b>
\$50,000-60,000	150	0%	<b>0</b>
\$60,000+	315	0%	<b>0</b>
<b>Total</b>	<b>3,112</b>		<b>506</b>

## Eligible households by income bracket for 40% AMI units

### 40% AMI

\$14,606	<i>Minimum income</i>
0%	\$0-10,000
54%	\$10,000-20,000
5%	\$20,000-30,000
0%	\$30,000-40,000
0%	\$40,000-50,000
\$20,480	<i>Maximum income</i>

### Market area 2014 - 40%AMI

Income brackets	# HH	% eligible	# HH eligible
\$0-10,000	777	0%	<b>0</b>
\$10,000-20,000	745	54%	<b>402</b>
\$20,000-30,000	575	5%	<b>28</b>
\$30,000-40,000	301	0%	<b>0</b>
\$40,000-50,000	247	0%	<b>0</b>
\$50,000-60,000	150	0%	<b>0</b>
\$60,000+	315	0%	<b>0</b>
<b>Total</b>	<b>3,112</b>		<b>430</b>

## Eligible households by income bracket for 50% AMI units

### 50% AMI

\$16,937	<i>Minimum income</i>
0%	\$0-10,000
31%	\$10,000-20,000
56%	\$20,000-30,000
0%	\$30,000-40,000
0%	\$40,000-50,000
\$25,600	<i>Maximum income</i>

### Market area 2014 - 50%AMI

Income brackets	# HH	% eligible	# HH eligible
\$0-10,000	777	0%	<b>0</b>
\$10,000-20,000	745	31%	<b>228</b>
\$20,000-30,000	575	56%	<b>322</b>
\$30,000-40,000	301	0%	<b>0</b>
\$40,000-50,000	247	0%	<b>0</b>
\$50,000-60,000	150	0%	<b>0</b>
\$60,000+	315	0%	<b>0</b>
<b>Total</b>	<b>3,112</b>		<b>551</b>

## Eligible households by income bracket for 60% AMI units

### 60% AMI

\$18,377	<i>Minimum income</i>
0%	\$0-10,000
16%	\$10,000-20,000
100%	\$20,000-30,000
7%	\$30,000-40,000
0%	\$40,000-50,000
\$30,720	<i>Maximum income</i>

### Market area 2014 - 60%AMI

Income brackets	# HH	% eligible	# HH eligible
\$0-10,000	777	0%	<b>0</b>
\$10,000-20,000	745	16%	<b>121</b>
\$20,000-30,000	575	100%	<b>575</b>
\$30,000-40,000	301	7%	<b>22</b>
\$40,000-50,000	247	0%	<b>0</b>
\$50,000-60,000	150	0%	<b>0</b>
\$60,000+	315	0%	<b>0</b>
<b>Total</b>	<b>3,112</b>		<b>718</b>

## Recently developed rental units

The demand calculation requires newly developed units or units in the pipeline to be counted in order to subtract for the demand. This section lists properties in the PMA that fit into one of the following two categories:

- New tax-credit projects that have been award credits but have not yet started leasing
- New tax-credit projects that have been constructed but have not reached 95% occupancy

According to the local planning and zoning, there was a proposal for a senior property on 20<sup>th</sup> Street, but it would not have the same tenant base as the subject. Therefore, no units are subtracted.



## Estimate of absorption period

The absorption rate represents how many units are expected to fill per month at a new property. It estimates the overall lease-up period.

There have been no new properties built within New Castle in the last few years. The most recent senior property was built in 2005 and had a lease-up of four units per month. At this rate, it will take 5 to 6 months for the subject to reach 95% occupancy.

Absorption by income level is determined using the overall survey conducted by Mitchell Market Analysts for LIHTC units in the PMA and it is consistent with the previous data collected. In general, the 30% AMI units are rented first and often are completely leased before a subject opens. The rest of the income levels are rented starting with the 40%, then the 50%, and so on.

## Capture rate

The methodology used to determine the capture rate is described with an example in the addendum *Example of demand calculation* on page 138.

The capture rate is the percentage of the market a property needs to reach a stabilized occupancy. In the PMA, the subject will need to capture about 4.1% of the income-qualified households to reach 95% occupancy. The *Valuation and Market Studies for Affordable Housing* defines the capture rate as:

*The percentage of age, size, and income-qualified renter households in the primary market area that a property must capture to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation, including age, income, living in substandard housing, movership, and other comparable factors.*

A capture rate measures the ratio of total units proposed to the number of income-qualified households in the market area<sup>4</sup>. Typically, lower capture rates predict success for proposed multifamily properties. Capture rates greater than 10% generally represent some risk in the market. However, this is the strictest test of a capture rate, using only those age- and income-eligible renter households not currently served by the market, or current demand.

However, this is only one of many approaches to determining the reasonableness and potential success for the property.

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<sup>4</sup> "Recommended Practices for Determining Demand," a white paper published by the National Council of Affordable Housing Market Analysts, 2008.

<b>Demand by Income Level as of 2014</b>						
Income Restrictions	HH at 30%	HH at 40%	HH at 50%	HH at 60%	LIHTC Total	Project Total
	AMI	AMI	AMI	AMI		
<b>Minimum Income Limit</b>	\$10,937	\$14,606	\$16,937	\$18,377	\$10,937	\$10,937
<b>Maximum Income Limit</b>	\$17,730	\$20,480	\$25,600	\$30,720	\$30,720	\$30,720
<b>(A) Renter Income Qualification Percentage</b>	16.3%	13.8%	17.7%	23.1%	40.9%	40.9%
<b>Demand from New Renter Households</b>						
Calculation: ((C-B)*F) * A	0	0	0	0	0	0
<b>Plus</b>						
<b>Demand from Substandard Housing</b>						
(calculation: C * D * F * A)	3	3	4	5	9	9
<b>Plus</b>						
<b>Demand from Rent-overburdened</b>						
(calculation: C * E * F * A)	192	163	208	272	481	481
<b>Plus</b>						
<b>Senior Homeowners Likely to Convert to Rentership</b>						
Equals	0	0	0	0	0	0
<b>Total PMA Demand</b>	195	165	212	276	490	490
<b>Less</b>						
<b>Comparable units (proposed or new const)</b>						
Equals	0	0	0	0	0	0
<b>Net Demand</b>	195	165	212	276	490	490
Proposed Units	5	5	5	5	20	20
<b>Capture Rate</b>	2.6%	3.0%	2.4%	1.8%	4.1%	4.1%
<b>Total Absorption Period</b>	5 to 6 months					
<b>Demand Calculation Inputs</b>						
(B) 2013 Total HH (Base Year)	9,065					
(C) 2014 Total HH (Placed in Service)	9,064					
(D) 2000 Substandard Percentage	0.7%					
(E) 2000 Rent Over-Burdened Percentage	38%					
(F) 2014 Renter Percentage	34.3%					
(G) Owners converting (Senior Projects Only)	0%					

## Capture rate by AMI and unit type

Determining the capture rate for each unit type at each AMI level requires more refinement of the data. For example, instead of determining the minimum and maximum rent for all renter households for 30% units, this demand calculation requires determining the minimum and maximum rent for each rent level, and then limiting the income-eligible households to those with the proper number of persons in the household for that unit type.

For example, for a one-bedroom unit, the minimum number of persons in a household is 1 and the maximum is 2. So, to calculate the renter income-qualified percentage, the 2014 renter households for 1-person households and 2-person households is added together.



Unit Type	AMI	Renter Inc. Qual. %	New Renter HH	Substandard HH	Rent Over burdened	Total Demand	Supply	Net Demand	Units Proposed	Capture Rates
Studio	50%	10.2%	0	2	120	122	0	122	2	1.6%
Studio	60%	11.9%	0	2	140	143	0	143	2	1.4%
One bedroom	30%	4.8%	0	1	57	58	0	58	2	3.4%
One bedroom	40%	6.4%	0	1	76	77	0	77	2	2.6%
One bedroom	50%	7.3%	0	2	86	88	0	88	2	2.3%
One bedroom	60%	13.2%	0	3	156	159	0	159	1	0.6%
Two bedroom	30%	3.3%	0	1	39	40	0	40	2	5.0%
Two bedroom	40%	4.4%	0	1	52	53	0	53	3	5.7%
Two bedroom	50%	6.0%	0	1	71	72	0	72	1	1.4%
Two bedroom	60%	12.7%	0	3	150	153	0	153	2	1.3%
Three bedroom	30%	5.0%	0	1	60	61	0	61	1	1.6%

## Capture rate for subject with rental subsidy

The subject will have 10 units rented through the local housing authority. The capture rate for the subject with the rental subsidy in place is shown in the following chart:

Income Restrictions	Demand with Rental Subsidy				LIHTC Total	Project Total
	HH at 30% AMI	HH at 40% AMI	HH at 50% AMI	HH at 60% AMI		
Minimum Income Limit	\$0	\$0	\$0	\$0	\$0	\$0
Maximum Income Limit	\$17,730	\$20,480	\$25,600	\$30,720	\$30,720	\$30,720
<b>(A) Renter Income Qualification Percentage</b>	43.5%	49.8%	59.3%	68.1%	68.1%	100.0%
<b>Demand from New Renter Households</b>						
Calculation: ((C-B)*F) * A	0	0	0	0	0	-1
<b>Plus</b>						
<b>Demand from Substandard Housing</b>						
(calculation: C * D * F * A)	9	10	12	14	14	32
<b>Plus</b>						
<b>Demand from Rent-overburdened</b>						
(calculation: C * E * F * A)	512	587	698	802	802	1,803
<b>Plus</b>						
<b>Senior Homeowners Likely to Convert to Rentership</b>	0	0	0	0	0	0
<b>Equals</b>						
<b>Total PMA Demand</b>	521	597	710	816	816	1,834
<b>Less</b>						
<b>Comparable units (proposed or new const)</b>	0	0	0	0	0	0
<b>Equals</b>						
<b>Net Demand</b>	521	597	710	816	816	1,834
Proposed Units	5	5	5	5	20	20
<b>Capture Rate</b>	1.0%	0.8%	0.7%	0.6%	2.5%	1.1%
<b>Total Absorption Period</b>	5 to 6 months					
<b>Demand Calculation Inputs</b>						
(B) 2013 Total HH (Base Year)	9,065					
(C) 2014 Total HH (Placed in Service)	9,064					
(D) 2000 Substandard Percentage	0.7%					
(E) 2000 Rent Over-Burdened Percentage	38%					
(F) 2014 Renter Percentage	34.3%					
(G) Owners converting (Senior Projects Only)	0%					

## Penetration rate for the PMA

The penetration rate is not applicable because it is only required for age-restricted subjects.

## Supply Analysis

### Overview of market rate and tax credit rental properties

While researching the supply, the analyst contacted multiple properties. The analyst identified some communities as not competitive or outside of the PMA. All LIHTC properties in the PMA were targeted as well as most market rate properties.

Approximately 15 properties are shown in the following grids. The range of the communities provides a good indication of Section 42 and market rents for the PMA. The comparables are included, followed by a summary grid. All apartments in the PMA are listed and those considered competition are discussed fully. Due to the lack of housing in the area, an attempt was made to contact each property in the PMA. Some properties identified would not answer the phone after repeated attempts. Each property was called a minimum of five times; the research staff called some of them dozens of times.

Of the properties surveyed:

- 7 rented at market rates
- 8 are Section 42 or subsidized properties within the PMA

### Occupancy rates of each comparable

For additional support of the immediate need for housing within an area, the occupancy rates must be examined. Of the properties surveyed, the occupancy rates ranged from 67.0% to 100.0%, with an average rate of 95.3%. The area vacancy rate is 4.7%.

Property	Area Occupancy - Total Market			Property type
	# Units	Occupancy	# Vacant	
Riley Park	58	100%	0	Market
Jamestown Village	180	89%	20	Market
Mansard Apartments	55	98%	1	Market
Beckford Place	41	96%	2	Market
Kalia	12	67%	4	Market
Fosters Landing	90	97%	3	Section 42
Autumn Oaks	53	91%	5	Section 42
Stonegate Village	122	99%	1	Sec 42 w/Sec 8 overlay & 236
Forest Knoll/Thorncroft	56	100%	0	Sec 8 Housing Authority
Grand Avenue Commons	45	89%	5	Section 42
Woodside Manor	34	97%	1	RD 515
Maplewood Terrace	100	100%	0	HUD
Willow Glen	52	98%	1	PB Section 8/Section 42
<b>Total</b>	<b>898</b>	<b>95.3%</b>	<b>42</b>	

Of the LIHTC and other subsidized properties surveyed, occupancy rates ranged from 89.0% - 100.0%, with an average rate of 97.2%. This equates to a vacancy rate of 2.8%.

The demographic analysis shows that at the date of market entry, 1,273 renter households are income-qualified. The existing supply of affordable housing in the market is 898 units, which indicates that the PMA has an unmet demand. This demand is further reflected in the strong occupancy rates and lack of concessions offered in the market.

The occupancy rates for the Section 42 and other subsidized projects follow:

<b>Area Occupancy - Section 42 and other Subsidized</b>				
<b>Property</b>	<b># Units</b>	<b>Occupancy</b>	<b># Vacant</b>	<b>Property type</b>
Fosters Landing	90	97%	3	Section 42
Autumn Oaks	53	91%	5	Section 42
Stonegate Village	122	99%	1	Sec 42 w/Sec 8 overlay & 236
Forest Knoll/Thorncroft	56	100%	0	Sec 8 Housing Authority
Grand Avenue Commons	45	89%	5	Section 42
Woodside Manor	34	97%	1	RD 515
Maplewood Terrace	100	100%	0	HUD
Willow Glen	52	98%	1	PB Section 8/Section 42
<b>Total</b>	<b>552</b>	<b>97.2%</b>	<b>16</b>	

Overall, vacancy rates in most area properties are low. Typically where vacancy rates are lower than 7-8%, more units are needed. The overall vacancy is 4.7% , which indicates a need for more units. The tax-credit properties are 2.8% vacant.

## Summary of occupancy rates

The market occupancies are strong.

<b>Market type</b>	<b>Occupancy Minimum</b>	<b>Occupancy Maximum</b>	<b>Average Occupancy</b>
Market	67.0%	100.0%	93.1%
Section 42 and other subsidized	89.0%	100.0%	97.2%

## Market rate comparables

This section summarizes the amenities compared to the subject and provides full details on each of the selected comparables.

### Amenities: comparing the subject to market rate comparables

The following chart compares the subject to the selected market rate comparables in regards to kitchen amenities, unit amenities, and project amenities.

Appliances					
Property Name	Stove	Refrig	Dishwasher	Disposal	Microwave
Historic Jennings Apartment	X	X		X	
Riley Park	X	X	X	X	
Fosters Landing	X	X	X	X	
Autumn Oaks	X	X	X	X	
Jamestown Village	X	X	X	X	
Mansard Apartments	X	X		X	
Beckford Place	X	X		X	

Unit Amenities										
Property Name	Central AC	Window AC	Washer/Dryer	W/D Hookup	Patio/Balcony	Security	Window Cover	Call Buttons	Garage	Carport
Historic Jennings Apartment	X									
Riley Park	X				X					
Fosters Landing	X				X		X			
Autumn Oaks	X				X		X			
Jamestown Village	X				X		X			
Mansard Apartments	X				X		X			
Beckford Place	X				X		X			

Project Amenities													
Property Name	Year Built	Pool	On-Site Mgt	Laundry	Clubhouse	Fitness Center	Jacuzzi/Sauna	Play ground	Sports Court	Storage	Picnic Area	Social Services	Other
Historic Jennings Apartment	2014			X	X							X	
Riley Park	2004												
Fosters Landing	2002	X	X	X	X				X				
Autumn Oaks	2000	X	X	X	X			X					
Jamestown Village	1973	X	X	X	X								
Mansard Apartments	1966			X									
Beckford Place	1984			X									

### Details on market rate comparables

The following market rate comparables were selected because they are within the PMA with no age-restrictions and offer one or more the same unit types as the subject.



**Lease Comparable 1**



**Apartment Details**

<b>Name</b>	Riley Park	<b>Date</b>	10/23/12
<b>Address</b>	131 Gina Lynn Dr	<b>On site manager</b>	No
<b>City</b>	New Castle	<b>Leasing agent</b>	Jo Ann Spencer
<b>State</b>	Indiana	<b>phone #</b>	765-529-5520
<b>Zip</b>	47362	<b>Occupancy</b>	100.0%
<b>County</b>	Henry	<b>Vacancy</b>	
<b>Condition</b>	Average	<b>No. of Units</b>	58
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	None	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	2004
<b>Market</b>	Market	<b>Market Served</b>	Family
<b>Type of Design</b>	1 & 2-Story Garden		

**Utilities**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	No
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	Hook-ups	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 Ph I	645	\$425	\$0.66
1.1 Ph II	645	\$435	\$0.67
2.1 Ph I	880	\$485	\$0.55
2.1 Ph II	880	\$525	\$0.60
1.1	645	\$425	\$0.66
2.1 Ph II	880	\$525	\$0.60

**Comments**

Property located on the south central part of City. Leasing agent maintains a wait list, but wouldn't say how long.

**Lease Comparable 2**



**Apartment Details**

<b>Name</b>	Fosters Landing	<b>Date</b>	10/26/12
<b>Address</b>	317 Foster's Way	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Amy
<b>State</b>	IN	<b>phone #</b>	765-593-9653
<b>Zip</b>	47362	<b>Occupancy</b>	97.0%
<b>County</b>	Henry	<b>Vacancy</b>	3.0%
<b>Condition</b>	Good	<b>No. of Units</b>	90
<b>Concessions</b>	1/2 off first month on a 12		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse, Pool, Tennis	<b>Extra fee</b>	\$40 for washer/dryers
<b>Parking</b>	Open	<b>Year Built</b>	2002
<b>Market</b>	Section 42	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		

**Utilities**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/Dryer</b>	Hook-ups	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 40%	596	\$350	\$0.59
1.1 50%	596	\$409	\$0.69
1.1 Mkt	596	\$489	\$0.82
2.1 40%	706	\$385	\$0.55
2.1 50%	706	\$450	\$0.64
2.1 60%	706	\$529	\$0.75
2.1.5 40%	882	\$395	\$0.45
2.1.5 50%	882	\$500	\$0.57
2.1.5 60%	882	\$550	\$0.62
2.1.5 Mkt	882	\$600	\$0.68
3.2.5 50%	1308	\$527	\$0.40
3.2.5 60%	1308	\$600	\$0.46
3.2.5 Mkt	1308	\$640	\$0.49
4.2.5 50%	1430	\$600	\$0.42
4.2.5 60%	1430	\$630	\$0.44
4.2.5 Mkt	1430	\$680	\$0.48

**Notes**

Wait list of 15 for 2BR units.

**Lease Comparable 3**



**Apartment Details**

<b>Name</b>	Autumn Oaks	<b>Date</b>	10/25/12
<b>Address</b>	100 Autumn Oaks Blvd	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Holly
<b>State</b>	Indiana	<b>phone #</b>	765-521-4678
<b>Zip</b>	47362	<b>Occupancy</b>	91.0%
<b>County</b>	Henry	<b>Vacancy</b>	9.0%
<b>Condition</b>	Average	<b>No. of Units</b>	53
<b>Concessions</b>	See Notes		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse, Pool,	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	2000
<b>Market</b>	Section 42	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Gas	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/Dryer</b>	No	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 40%	653	\$369	\$0.57
1.1 40%	653	\$352	\$0.54
1.1 50%	653	\$435	\$0.67
1.1 60%	653	\$459	\$0.70
1.1 Mkt	653	\$520	\$0.80
2.1 40%	852	\$436	\$0.51
2.1 50%	852	\$485	\$0.57
2.1 60%	852	\$535	\$0.63
2.1 Mkt	852	\$610	\$0.72
3.2 40%	1066	\$495	\$0.46
3.2 50%	1066	\$570	\$0.53
3.2 60%	1066	\$610	\$0.57
3.2 Mkt	1066	\$720	\$0.68

**Notes**

Property is located in central New Castle. \$10 more/month for 50% and 60% units that are downstairs. Current concession offers 2BR 50% units at \$449 and 60% units at \$499; and 3BR 50% units at \$549, 60% units at \$589, and mkt units at \$675. Leasing agent said that occupancy is low because of tenants buying houses. She explained that she was not losing tenants to apartment competition, but to the housing market.

**Lease Comparable 4**



**Apartment Details**

<b>Name</b>	Jamestown Village	<b>Date</b>	10/25/12
<b>Address</b>	1001 W Colonial Drive	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Allison
<b>State</b>	IN	<b>phone #</b>	765-529-7714
<b>Zip</b>	47362	<b>Occupancy</b>	89.0%
<b>County</b>	Henry	<b>Vacancy</b>	11.0%
<b>Condition</b>	Average	<b>No. of Units</b>	180
<b>Concessions</b>	See Notes		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse, Pool	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1973
<b>Market</b>	Market	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden & TH		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Gas	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	Yes
<b>Washer/Dryer</b>	No	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1	600	\$491	\$0.82
1.1	629	\$498	\$0.79
1.1	729	\$519	\$0.71
1.1	816	\$553	\$0.68
2.1	829	\$610	\$0.74
2.1 TH	922	\$646	\$0.70
3.2	1100	\$689	\$0.63
3.2 TH	1200	\$733	\$0.61

**Notes**

Current concession offers \$50-\$100 off/mo with a 12-mo lease.

**Lease Comparable 5**



**Apartment Details**

<b>Name</b>	Mansard Apartments	<b>Date</b>	10/26/12
<b>Address</b>	1623 Estes St	<b>On site manager</b>	No
<b>City</b>	New Castle	<b>Leasing agent</b>	Theresa
<b>State</b>	IN	<b>phone #</b>	765-529-8827
<b>Zip</b>	47362	<b>Occupancy</b>	98.0%
<b>County</b>	Henry	<b>Vacancy</b>	2.0%
<b>Condition</b>	Average	<b>No. of Units</b>	55
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1966
<b>Market</b>	Market	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	Yes
<b>Washer/Dryer</b>	No	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/Sf
1.1	700	\$515	\$0.74
2.1	900	\$525	\$0.58
3.1.5 TH	1100	\$620	\$0.56

**Notes**

Property has one 2BR unit available.



**Lease Comparable 6**



**Apartment Details**

<b>Name</b>	Beckford Place	<b>Date</b>	10/1/11
<b>Address</b>	2900 S Memorial Drive	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Eddie
<b>State</b>	Indiana	<b>phone #</b>	765-529-9411
<b>Zip</b>	47362	<b>Occupancy</b>	96.00%
<b>County</b>	Henry	<b>Vacancy</b>	4.0%
<b>Condition</b>	Average	<b>No. of Units</b>	41
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry	<b>Extra fee</b>	None
<b>Parking</b>	Open	<b>Year Built</b>	1984
<b>Market</b>	Market	<b>Market Served</b>	Family
<b>Type of Design</b>	Cardinal		

**Building**

<b>Utilities paid by owner</b>	None	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/Dryer</b>	Hook-ups (1&2BR only)	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
Efficiency/Studio	300	\$414	\$1.38
1.1	625	\$490	\$0.78
2.1	825	\$630	\$0.76
2.2	825	\$630	\$0.76

**Notes**

Cardinal property. Located on the southwest edge of New Castle.

**Lease Comparable 7**



<b>Apartment Details</b>			
<b>Name</b>	Kalia	<b>Date</b>	10/23/12
<b>Address</b>	2008 Broad St	<b>On site manager</b>	No
<b>City</b>	New Castle	<b>Leasing agent</b>	Sumen Kalia
<b>State</b>	IN	<b>phone #</b>	765-520-7345
<b>Zip</b>	47362	<b>Occupancy</b>	67.0%
<b>County</b>	Henry	<b>Vacancy</b>	33.0%
<b>Condition</b>	Poor	<b>No. of Units</b>	12
<b>Concessions</b>	None		
<b>Property Details</b>			
<b>Community Amenities</b>	None	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1965
<b>Market</b>	Market	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		
<b>Building</b>			
<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Window
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		
<b>Unit Details</b>			
<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	No	<b>Ceiling fans</b>	No
<b>Washer/Dryer</b>	No	<b>Balcony/patio</b>	No
<b>Units &amp; Rent</b>			
<b>Description</b>	<b>Unit Size</b>	<b>Rent/Month</b>	<b>\$/SF</b>
1.1	300	\$339	\$1.13
2.1	550	\$439	\$0.80
<b>Notes</b>			

Proeprty in poor condition. 1BR rents range from \$339-\$359 and 2BR from \$439-\$459 depending on the location of the unit.

## Deriving a market rent

To derive a market rent for the subject's unit types, comparable market rate properties are examined and line items, if relevant to the market, are adjusted to the subject. The adjustments are discussed, followed by the form.

## Conclusion of market rents

Based on the analysis described in this section, the market rent for each unit type is determined as shown in the following chart:

Unit Type	Market Rent	Subject's highest LIHTC Rent
Studio	\$480	\$479
One Bedroom	\$520	\$468
Two Bedroom	\$600	\$553
Three Bedroom	\$640	\$262

While all line items are considered, only those that warrant an adjustment are discussed. Adjustments applied to the comparables are as follows:

**Concessions** Any property offering a concession was adjusted based on that concession. For example, Foster's Landing was offering 50% off on one month's rents. The one-bedroom rent is \$469. A half a month is \$235 which is divided by 12 and equates to \$19.54. This is subtracted from the market monthly rent and applied in the "unadjusted rents" column.

**Year built** The year built has a direct reflection on the condition of the property. The subject will be available in 2014. The comparables are adjusted based on either year built or effective year. The adjustment is \$1 per year of difference with no adjustment for the first five years. The maximum adjustment is \$20 under the assumption that a property will be renovated at least every 25 years.

**Unit size** The comparables show a rent difference for a similar unit at \$0.29 psf. However, the rent difference could be for more than just size; therefore, half or \$0.15 per sf is applied. The first 50 feet of difference is disregarded.

Property	Unit	SF	Rent	Rent PSF difference
Jamestown	1.1	600	\$491	\$0.29
	1.1	816	\$553	

**Number of bathrooms** A \$10 adjustment will be applied for a half bathroom and a \$20 adjustment will be for a full bathroom.



**Bedroom**

Due to the lack of studio units in this market, it was necessary to use one-bedroom units to compare to the subject. The comparables show a rent difference for a bedroom ranging from \$10 - \$140, with an average of \$73.40. Therefore, an adjustment for bedroom is applied at \$70. If a bedroom adjustment is applied, no size adjustment is applied. The bedroom adjustment can be found on the chart in the "SF" row.

Property	Unit	SF	Rent	Bedroom Difference
Beckford	1.1	625	\$490	\$140.00
	2.1	825	\$630	
Jamestown	1.1	816	\$553	\$57.00
	2.1	829	\$610	
Riley Park	1.1	645	\$425	\$60.00
	2.1	880	\$485	
Mansard	1.1	700	\$515	\$10.00
	2.1	900	\$525	
Kalia	1.1	300	\$339	\$100.00
	2.1	550	\$439	
			<b>Average</b>	<b>\$73.40</b>

**Dishwasher**

A dishwasher is a preferred item for renters. Therefore, a \$5 downward adjustment is applied.

**Utilities**

The subject will be paying water, sewer and trash. Those comparables paying different utilities were adjusted based on the utility allowance from the new Castle Housing Authority. The utility allowance follows:

**Source of utilities: New Castle Housing Authority**

	Studio	1 BR	2 BR	3 BR
Heating (gas)	\$25	\$33	\$45	\$56
Heating (elec)	\$23	\$28	\$34	\$42
Cooking (gas)	\$5	\$6	\$8	\$10
Cooking (elec)	\$5	\$6	\$8	\$10
Other Electric	\$17	\$22	\$29	\$36
Air Conditioning	\$4	\$5	\$7	\$8
Water Heating (gas)	\$19	\$24	\$33	\$40
Water Heating (elec)	\$8	\$10	\$14	\$17
Water	\$11	\$16	\$20	\$26
Sewer	\$29	\$35	\$41	\$48
Trash Collection	\$0	\$0	\$0	\$0

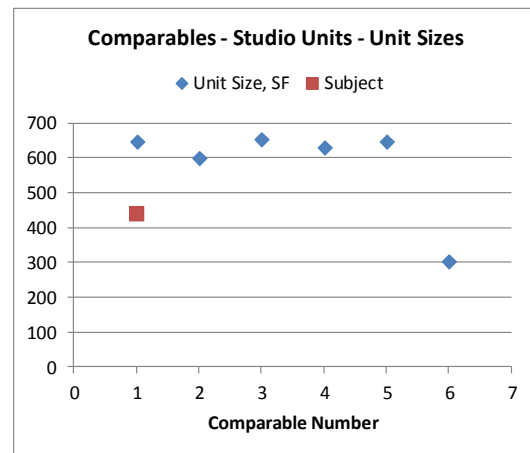
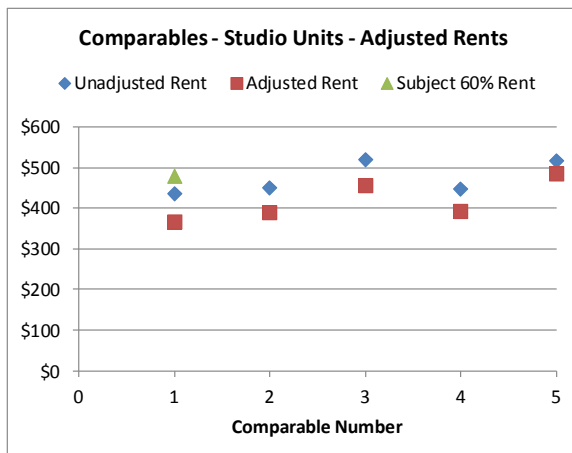
## Studio units: rents and sizes

The adjustments for the comps are shown in the next section. The adjusted rents for the comparables range from \$365 to \$516.

Beckford is the only property that rents a studio unit. Its unit was much smaller than the subject, so the comparable received a large size adjustment. Because there are very few studios, the unadjusted rent is also considered. Therefore, a market rent for the subject's studio unit is determined at \$500.

### Comparables - Studio Units

Name	Unit Size, SF	Unadjusted	
		Rent	Adjusted Rent
Riley Park	645	\$435	\$365
Fosters Landing	596	\$449	\$388
Autumn Oaks	653	\$520	\$454
Jamestown Village	629	\$448	\$393
Mansard Apartments	645	\$515	\$485
Beckford	300	\$414	\$516

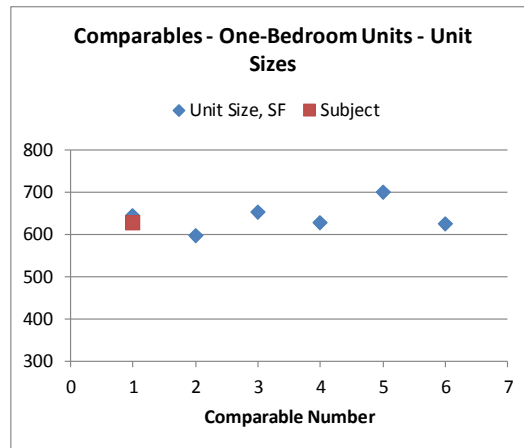
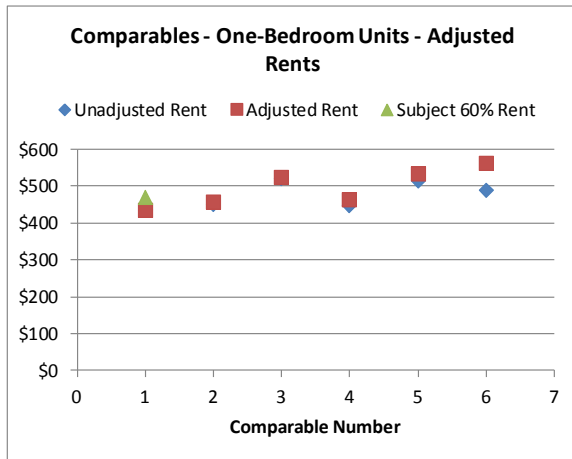


### One-bedroom units: rents and sizes

The adjusted rents for the comparables range from \$435 to \$561. Fosters Landing and Autumn Oaks are both Section 42 with market units. Therefore, they are given the most consideration. These two properties, along with Riley Park have the least amount of adjustment. Their adjusted rents range from \$435 - \$524. Therefore, a market rent for the subject should be within this range and has been determined at \$520.

#### Comparables - One-Bedroom Units

Name	Unit Size, SF	Unadjusted	
		Rent	Adjusted Rent
Riley Park	645	\$435	\$435
Fosters Landing	596	\$449	\$458
Autumn Oaks	653	\$520	\$524
Jamestown Village	629	\$448	\$463
Mansard Apartments	700	\$515	\$532
Beckford	625	\$490	\$561

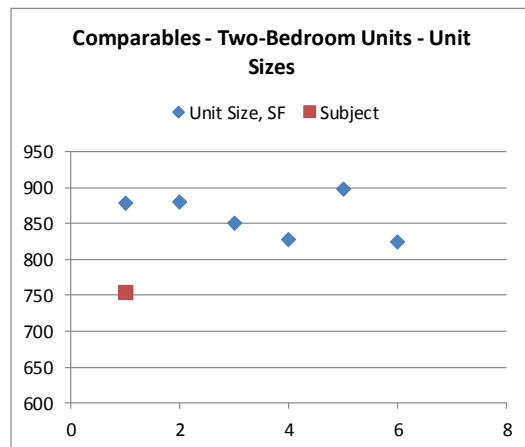
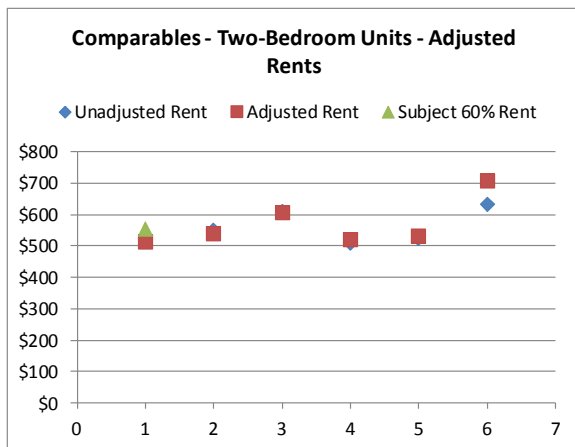


## Two-bedroom units: rents and sizes

The adjusted rents for the comparables range from \$514 to \$708. The subject's two-bedroom unit averages 763 sf, one of the smallest within this market. However, the subject will be new construction, and uncharacteristically, the smallest unit within the market has the highest adjusted and unadjusted rent. Therefore, a market rent for the subject is determined at \$600.

### Comparables - Two-Bedroom Units

Name	Unit Size, SF	Unadjusted	
		Rent	Adjusted Rent
Riley Park	880	\$525	\$514
Fosters Landing	882	\$551	\$538
Autumn Oaks	852	\$610	\$607
Jamestown Village	829	\$510	\$521
Mansard Apartments	900	\$525	\$531
Beckford	825	\$630	\$708

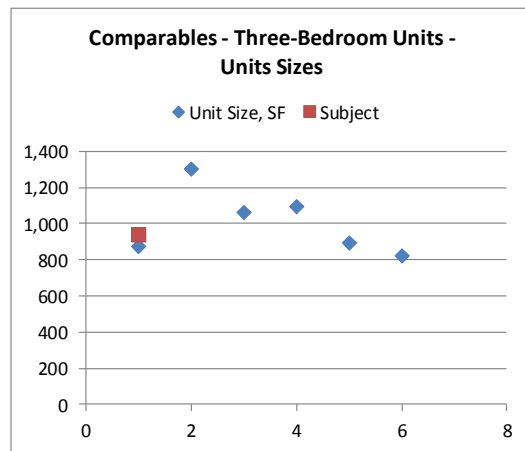
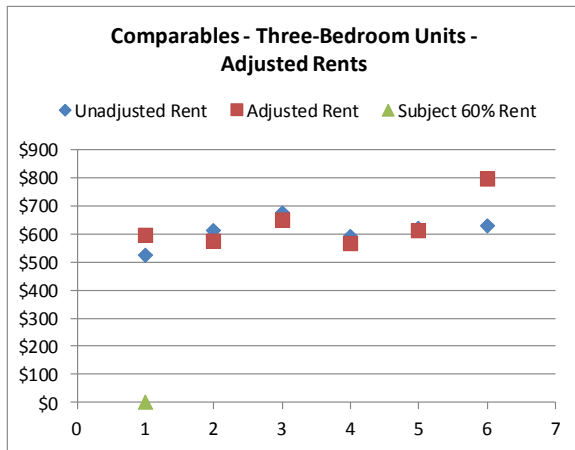


### Three-bedroom units: rents and sizes

The adjusted rents for the comparables range from \$568 to \$794. The subject will have one three-bedroom unit that will only have one bathroom. Only three of the comparables had three-bedroom units that did not have to be adjusted for bedrooms. Their adjusted rents range from \$568 - \$648. The subject should be within that range; therefore, the market rent for the three-bedroom has been determined at \$640.

#### Comparables - Three-Bedroom Units

Name	Unit Size, SF	Unadjusted	
		Rent	Adjusted Rent
Riley Park	880	\$525	\$595
Fosters Landing	1,308	\$613	\$574
Autumn Oaks	1,066	\$675	\$648
Jamestown Village	1,100	\$589	\$568
Mansard Apartments	900	\$620	\$614
Beckford	825	\$630	\$794



## Derivation of market rent

Name	Subject	Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6		
	Historic Jennings Apt	Riley Park	Data Market	Adjustments	Fosters Landing	Adjustments	Autumn Oaks	Adjustments	Jamestown Village	Adjustments	Mansard Apartments	Adjustments	Beckford	Adjustments
Market	Section 42		2014		Section 42		Section 42		Section 42		Market		Market	
Year built or renovated	2014		2004		2002		2000		1973		1966		1984	
Target population	Family		Family		Family		Family		Family		Family		Family	
Amenities														
Stove	Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Refrigerator	Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Garbage Disposal	Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Dishwasher	No		Yes	-\$5.00	Yes	-\$5.00	Yes	-\$5.00	Yes	-\$5.00	No		No	
Microwave	No		No		No		No		No		No		No	
Central Air	Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Wall Unit Air	No		No		No		No		No		No		No	
Garage	No		No		No		No		No		No		No	
Carport	No		No		No		No		No		No		No	
In-unit Laundry	No		No		No		No		No		No		No	
Laundry Hookup	No		No		No		No		No		No		Yes	
Coin Op Laundry	Yes		No		Yes		Yes		Yes		Yes		Yes	
Mini Blinds	No		No		Yes		Yes		Yes		Yes		Yes	
Patio/ Balcony	No		Yes		Yes		Yes		Yes		Yes		Yes	
Storage	No		No		No		No		No		No		No	
Clubhouse amenities	Yes		No		Yes		Yes		Yes		No		No	
Pool	No		No		Yes		Yes		Yes		No		No	
Emergency Pullcord	No		No		No		No		No		No		No	
On-Site Management	No		No		Yes		Yes		Yes		No		No	
Transportation														
Other Special														

Historic Jennings Apartments	Riley Park	Adj.	Fosters Landing	Adj.	Autumn Oaks	Adj.	Jamestown Village	Adj.	Mansard Apartme	Adj.	Beckford	Adj.	
Unit size													
Studio units	439	645	-\$70.00	596	-\$70.00	653	-\$70.00	629	-\$70.00	700	-\$70.00	300	\$41.85
One-bedroom units	629	645	\$0.00	596	\$0.00	653	\$0.00	629	\$0.00	700	-\$3.15	625	\$0.00
Two-bedroom units	754	880	-\$11.40	882	-\$11.70	852	-\$7.20	829	-\$3.75	900	-\$14.40	825	-\$3.15
Three-bedroom units	940	880	\$70.00	1308	-\$47.70	1066	-\$11.40	1100	-\$16.50	1100	-\$16.50	825	\$70.00
Bathrooms													
Studio units	1.0	1.0	\$0	1.0	\$0	1	\$0	1	\$0	0	\$20	1	\$0
One-bedroom units	1.0	1.0	\$0	1.0	\$0	1	\$0	1	\$0	1	\$0	1	\$0
Two-bedroom units	1.0	1.0	\$0	1.5	-\$10	1	\$0	1	\$0	1	\$0	1	\$0
Three-bedroom units	1.0	1.0	\$0	1.0	\$0	2	-\$20	2	-\$20	1.5	-\$10	1	\$0
Included utilities													
Heat	No	No		No		No		No		No		No	
Electric	No	No		No		No		No		No		No	
Trash	Yes	Yes		Yes		Yes		Yes		Yes		No	
Sewer	Yes	Yes		Yes		Yes		Yes		Yes		No	
Water	Yes	Yes		Yes		Yes		Yes		Yes		No	
Heat type	Electric	Electric		Electric		Gas		Gas		Electric		Electric	
Studio utilities	\$57	\$0		\$0		\$0		\$0		\$0		\$0	\$40
One-bedroom utilities	\$71	\$0		\$0		\$0		\$0		\$0		\$0	\$51
Two-bedroom utilities	\$92	\$0		\$0		\$0		\$0		\$0		\$0	\$61
Three-bedroom utilities	\$113	\$0		\$0		\$0		\$0		\$0		\$0	\$74
Total adjustments													
Studio			-\$70		-\$61		-\$66		-\$55		-\$30		\$102
One-bedroom			\$0		\$9		\$4		\$15		\$17		\$71
Two-bedroom			-\$11		-\$13		-\$3		\$11		\$6		\$78
Three-bedroom			\$70		-\$39		-\$27		-\$22		-\$7		\$164
Unadjusted rents													
Studio	\$479		\$435		\$449		\$520		\$448		\$515		\$414
One-bedroom	\$468		\$435		\$449		\$520		\$448		\$515		\$490
Two-bedroom	\$553		\$525		\$551		\$610		\$510		\$525		\$630
Three-bedroom	\$330		\$525		\$613		\$675		\$589		\$620		\$630
Derived rent													
Studio	\$480		\$365		\$388		\$454		\$393		\$485		\$516
One-bedroom	\$520		\$435		\$458		\$524		\$463		\$532		\$561
Two-bedroom	\$600		\$514		\$538		\$607		\$521		\$531		\$708
Three-bedroom	\$640		\$595		\$574		\$648		\$568		\$614		\$794

## LIHTC and other subsidized comparables

This section summarizes the LIHTC other subsidized amenities compared to the subject, and provides full details on each of the selected comparables.

### Amenities: comparing the subject to LIHTC and other subsidized comparables

The following chart compares the subject to the selected comparables in regards to kitchen amenities, unit amenities, and project amenities. This is for the LIHTC and other subsidized properties only.

Appliances					
Property Name	Stove	Refrig	Dishwasher	Disposal	Microwave
Historic Jennings Apartment	X	X		X	
Fosters Landing	X	X	X	X	
Autumn Oaks	X	X	X	X	
Stonegate Village	X	X	X	X	
Forest Knoll/Thorncroft	X	X			
Grand Avenue Commons	X	X	X	X	
Woodside Manor	X	X		X	
Maplewood Terrace	X	X			
Willow Glen	X	X			

Unit Amenities										
Property Name	Central AC	Window AC	Washer/ Dryer	W/D Hookup	Patio/ Balcony	Security	Window Cover	Call Buttons	Garage	Carport
Historic Jennings Apartment	X					X				
Fosters Landing	X				X		X			
Autumn Oaks	X				X		X			
Stonegate Village	X				X		X			
Forest Knoll/Thorncroft	X				X		X			
Grand Avenue Commons	X						X			
Woodside Manor		X			X		X			
Maplewood Terrace		X					X			
Willow Glen	X						X			

Project Amenities												
Property Name	Year Built	Pool	On-Site Mgt	Laundry	Clubhouse amenities	Fitness Center	Jacuzzi/ Sauna	Play ground	Sports Court	Storage	Picnic Area	Social Services Other
Historic Jennings Apartment	2014			X	X							X
Fosters Landing	2002	X	X	X	X				X			
Autumn Oaks	2000	X	X	X	X			X				
Stonegate Village	1970 Ren 2009				X							
Forest Knoll/Thorncroft	1960's											
Grand Avenue Commons	2005			X								
Woodside Manor	2000			X	X							
Maplewood Terrace	1974			X								
Willow Glen	1988			X								

### Details on LIHTC comparables

This section contains the Section 42 and other subsidized comparables.

**Lease Comparable 1**



**Apartment Details**

<b>Name</b>	Fosters Landing	<b>Date</b>	10/26/12
<b>Address</b>	317 Foster's Way	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Amy
<b>State</b>	IN	<b>phone #</b>	765-593-9653
<b>Zip</b>	47362	<b>Occupancy</b>	97.0%
<b>County</b>	Henry	<b>Vacancy</b>	3.0%
<b>Condition</b>	Good	<b>No. of Units</b>	90
<b>Concessions</b>	1/2 off first month on a 12 month		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse, Pool, Tennis	<b>Extra fee</b>	\$40 for washer/dryers
<b>Parking</b>	Open	<b>Year Built</b>	2002
<b>Market</b>	Section 42	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		

**Utilities**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	Hook-ups	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 40%	596	\$350	\$0.59
1.1 50%	596	\$409	\$0.69
1.1 Mkt	596	\$489	\$0.82
2.1 40%	706	\$385	\$0.55
2.1 50%	706	\$450	\$0.64
2.1 60%	706	\$529	\$0.75
2.1.5 40%	882	\$395	\$0.45
2.1.5 50%	882	\$500	\$0.57
2.1.5 60%	882	\$550	\$0.62
2.1.5 Mkt	882	\$600	\$0.68
3.2.5 50%	1308	\$527	\$0.40
3.2.5 60%	1308	\$600	\$0.46
3.2.5 Mkt	1308	\$640	\$0.49
4.2.5 50%	1430	\$600	\$0.42
4.2.5 60%	1430	\$630	\$0.44
4.2.5 Mkt	1430	\$680	\$0.48

**Comments**

Wait list of 15 for 2BR units.



**Lease Comparable 2**



**Apartment Details**

<b>Name</b>	Autumn Oaks	<b>Date</b>	10/25/12
<b>Address</b>	100 Autumn Oaks Blvd	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Holly
<b>State</b>	Indiana	<b>phone #</b>	765-521-4678
<b>Zip</b>	47362	<b>Occupancy</b>	91.0%
<b>County</b>	Henry	<b>Vacancy</b>	9.0%
<b>Condition</b>	Average	<b>No. of Units</b>	53
<b>Concessions</b>	See Notes		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse, Pool,	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	2000
<b>Market</b>	Section 42	<b>Market Served</b>	Family
<b>Type of Design</b>	2-Story Garden		

**Utilities**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Gas	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	No	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 40%	653	\$369	\$0.57
1.1 40%	653	\$352	\$0.54
1.1 50%	653	\$435	\$0.67
1.1 60%	653	\$459	\$0.70
1.1 Mkt	653	\$520	\$0.80
2.1 40%	852	\$436	\$0.51
2.1 50%	852	\$485	\$0.57
2.1 60%	852	\$535	\$0.63
2.1 Mkt	852	\$610	\$0.72
3.2 40%	1066	\$495	\$0.46
3.2 50%	1066	\$570	\$0.53
3.2 60%	1066	\$610	\$0.57
3.2 Mkt	1066	\$720	\$0.68

**Notes**

Property is located in central New Castle. \$10 more/month for 50% and 60% units that are downstairs. Current concession offers 2BR 50% units at \$449 and 60% units at \$499; and 3BR 50% units at \$549, 60% units at \$589, and mkt units at \$675. Leasing agent said that occupancy is low because of tenants buying houses. She explained that she was not losing tenants to apartment competition, but to the housing market.

**Lease Comparable 3**



**Apartment Details**

<b>Name</b>	Stonegate Village	<b>Date</b>	10/23/12
<b>Address</b>	3302 Stonegate Drive	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Cathy
<b>State</b>	IN	<b>phone #</b>	765-529-2464
<b>Zip</b>	47362	<b>Occupancy</b>	99.0%
<b>County</b>	Henry	<b>Vacancy</b>	1.0%
<b>Condition</b>	Average	<b>No. of Units</b>	122
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Clubhouse	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1970 Ren 2009
<b>Market</b>	Sec 42 w/Sec 8 overlay & 236	<b>Market Served</b>	family
<b>Type of Design</b>	Two-story Garden		

**Building**

<b>Utilities paid by owner</b>	W, S, T, Gas	<b>A.C.</b>	Central
<b>Heat</b>	Gas	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	Hook-ups	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 30%	532	\$271	\$0.51
1.1 40%	532	\$378	\$0.71
1.1 50%	532	\$485	\$0.91
1.1 60%	532	\$591	\$1.11
2.1.5 30%	919	\$318	\$0.35
2.1.5 40%	919	\$446	\$0.49
2.1.5 50%	919	\$574	\$0.62
2.1.5 60%	919	\$702	\$0.76
3.1.5 30%	1122	\$361	\$0.32
3.1.5 40%	1122	\$509	\$0.45
3.1.5 50%	1122	\$565	\$0.50
3.1.5 60%	1122	\$804	\$0.72

**Notes**

Property is Section 42 with Section 8 and 236 overlay. Wait list of (22) for 1BR units, (6) for 2BR units, and (4) for 3BR units.

**Lease Comparable 4**



**Apartment Details**

<b>Name</b>	Forest Knoll/Thorncroft	<b>Date</b>	10/5/12
<b>Address</b>	720 S 15th Street	<b>On site manager</b>	No but housing authority
<b>City</b>	New Castle	<b>Leasing agent</b>	Jerry Cash
<b>State</b>	Indiana	<b>phone #</b>	765-529-1517
<b>Zip</b>	47362	<b>Occupancy</b>	100.0%
<b>County</b>	Henry	<b>Vacancy</b>	
<b>Condition</b>	Average	<b>No. of Units</b>	56
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	None	<b>Extra fee</b>	None
<b>Parking</b>	Open	<b>Year Built</b>	1960's
<b>Market</b>	Sec 8 Housing Authority	<b>Market Served</b>	Family
<b>Type of Design</b>	TH buildings		

**Building**

<b>Utilities paid by owner</b>	None All utilities are metered to	<b>A.C.</b>	Central
<b>Heat</b>	Gas Heat	<b>Cooking</b>	Gas paid by tenant
<b>Hot water</b>	Gas paid by tenant		

**Unit Details**

<b>Stove</b>	Gas	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	None
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	No	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	hook-ups	<b>Balcony/patio</b>	Yes

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
2.1.5 Forest TH		\$410	
2.1.5 Thorn TH		\$407	
3.1.5 Forest TH		\$509	
3.1.5 Thorn TH		\$507	
4.1.5 Forest TH		\$529	
4.1.5 Thorn TH		\$526	

**Notes**

The rents are generally 30% of monthly household income plus a utility allowance based on unit size. Flat rents are shown in grid and are an option for qualified higher income household. Sizes vary by unit. The Thorncroft location is 2326 Grand Avenue. Waiting list is approximately 8-12 months.

**Lease Comparable 5**



**Apartment Details**

<b>Name</b>	Grand Avenue Commons	<b>Date</b>	10/23/12
<b>Address</b>	1628 A Avenue	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Sandra
<b>State</b>	IN	<b>phone #</b>	765-529-2348
<b>Zip</b>	47362	<b>Occupancy</b>	89.0%
<b>County</b>	Henry	<b>Vacancy</b>	11.0%
<b>Condition</b>	Average	<b>No. of Units</b>	45
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry, exercise, beauty salon,	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	2005
<b>Market</b>	Section 42	<b>Market Served</b>	Senior 55+
<b>Type of Design</b>	3-Story Garden w/Elevator		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	Yes	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	Yes	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	No	<b>Balcony/patio</b>	No

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1 30%	700	\$250	\$0.36
1.1 40%	700	\$364	\$0.52
1.1 50%	700	\$450	\$0.64
1.1 60%	700	\$465	\$0.66
2.1 30%	900	\$299	\$0.33
2.1 40%	900	\$440	\$0.49
2.1 50%	900	\$529	\$0.59
3.2 House 50%	1494	\$489	\$0.33
4.2 House 50%	1830	\$509	\$0.28

**Notes**

Property for households aged 55 and older, with 10% reserved for family. Occupancy expected to be 93% by 11/01/2012.

**Lease Comparable 6**



**Apartment Details**

<b>Name</b>	Woodside Manor	<b>Date</b>	10/23/12
<b>Address</b>	100 Woodside Manor Ct	<b>On site manager</b>	No
<b>City</b>	New Castle	<b>Leasing agent</b>	Henry
<b>State</b>	IN	<b>phone #</b>	765-674-3074
<b>Zip</b>	47362	<b>Occupancy</b>	97.0%
<b>County</b>	Henry	<b>Vacancy</b>	3.0%
<b>Condition</b>	Good	<b>No. of Units</b>	34
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry, Clubhouse	<b>Extra fee</b>	no
<b>Parking</b>	Open	<b>Year Built</b>	2000
<b>Market</b>	RD 515	<b>Market Served</b>	Senior
<b>Type of Design</b>	Single story garden		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Wall
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	yes	<b>Other appliances</b>	no
<b>Refrigerator</b>	yes	<b>Fireplace</b>	no
<b>Dishwasher</b>	no	<b>Mini-blinds</b>	yes
<b>Disposal</b>	yes	<b>Ceiling fans</b>	no
<b>Washer/dryer</b>	no	<b>Balcony/patio</b>	yes

**Units & Rent**

<b>Description</b>	<b>Unit Size</b>	<b>Rent/Month</b>	<b>\$/SF</b>
1.1 Basic	624	\$378	\$0.61
1.1 Note	624	\$504	\$0.81
2.1 Basic	820	\$513	\$0.63
2.1 Note	820	\$685	\$0.84



**Lease Comparable 7**



**Apartment Details**

<b>Name</b>	Maplewood Terrace	<b>Date</b>	10/25/12
<b>Address</b>	274 S 14th Street	<b>On site manager</b>	No
<b>City</b>	New Castle	<b>Leasing agent</b>	Jerry
<b>State</b>	IN	<b>phone #</b>	765-529-1517
<b>Zip</b>	47362	<b>Occupancy</b>	100.0%
<b>County</b>	Henry	<b>Vacancy</b>	
<b>Condition</b>	Average	<b>No. of Units</b>	100
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry, Bus Stop	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1974
<b>Market</b>	HUD	<b>Market Served</b>	senior
<b>Type of Design</b>	5-Story Elevator		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Thru-wall
<b>Heat</b>	Electric	<b>Cooking</b>	Electric
<b>Hot water</b>	Electric		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	No	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	No	<b>Balcony/patio</b>	No

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1	550	\$419	\$0.76
1 BR	550	\$419	\$0.76

**Notes**

There is a \$60 per year surcharge for A/C. Wait list of 6-12 months. Rent listed is considered the maximum flat rate.

**Lease Comparable 8**



**Apartment Details**

<b>Name</b>	Willow Glen	<b>Date</b>	10/23/12
<b>Address</b>	2800 S Main	<b>On site manager</b>	Yes
<b>City</b>	New Castle	<b>Leasing agent</b>	Ruby
<b>State</b>	Indiana	<b>phone #</b>	765-521-3375
<b>Zip</b>	47362	<b>Occupancy</b>	98.0%
<b>County</b>	Henry	<b>Vacancy</b>	2.0%
<b>Condition</b>	Average	<b>No. of Units</b>	52
<b>Concessions</b>	None		

**Property Details**

<b>Community Amenities</b>	Laundry	<b>Extra fee</b>	No
<b>Parking</b>	Open	<b>Year Built</b>	1988
<b>Market</b>	PB Section 8/Section 42	<b>Market Served</b>	Senior 62+
<b>Type of Design</b>	Single story garden		

**Building**

<b>Utilities paid by owner</b>	W, S, T	<b>A.C.</b>	Central
<b>Heat</b>	Gas	<b>Cooking</b>	Electric
<b>Hot water</b>	Gas		

**Unit Details**

<b>Stove</b>	Yes	<b>Other appliances</b>	None
<b>Refrigerator</b>	Yes	<b>Fireplace</b>	No
<b>Dishwasher</b>	No	<b>Mini-blinds</b>	Yes
<b>Disposal</b>	No	<b>Ceiling fans</b>	No
<b>Washer/dryer</b>	No	<b>Balcony/patio</b>	No

**Units & Rent**

Description	Unit Size	Rent/Month	\$/SF
1.1	650	\$568	\$0.87

**Notes**

Wait list of approximately 6 months. Property is project-based Section 8 as well as Section 42. Leasing agent was unsure of what AMI% units were offered. Rent listed is considered "Market" under the Section 8 contract.

## Rent Discussion of Income Restricted Units

All rents discussed below have been adjusted for utilities.

### Studio units

There are no Section 42 studio units rented in the market, so the subject will offer a unique unit. The subject's 50% and 60% studio units will be the only studio units in this market. The 50% proposed housing cost is \$494, which is lower than the 50% one-bedroom units, and the 60% proposed housing cost is \$536, much lower than any of the 60% rents.

### One-bedroom units

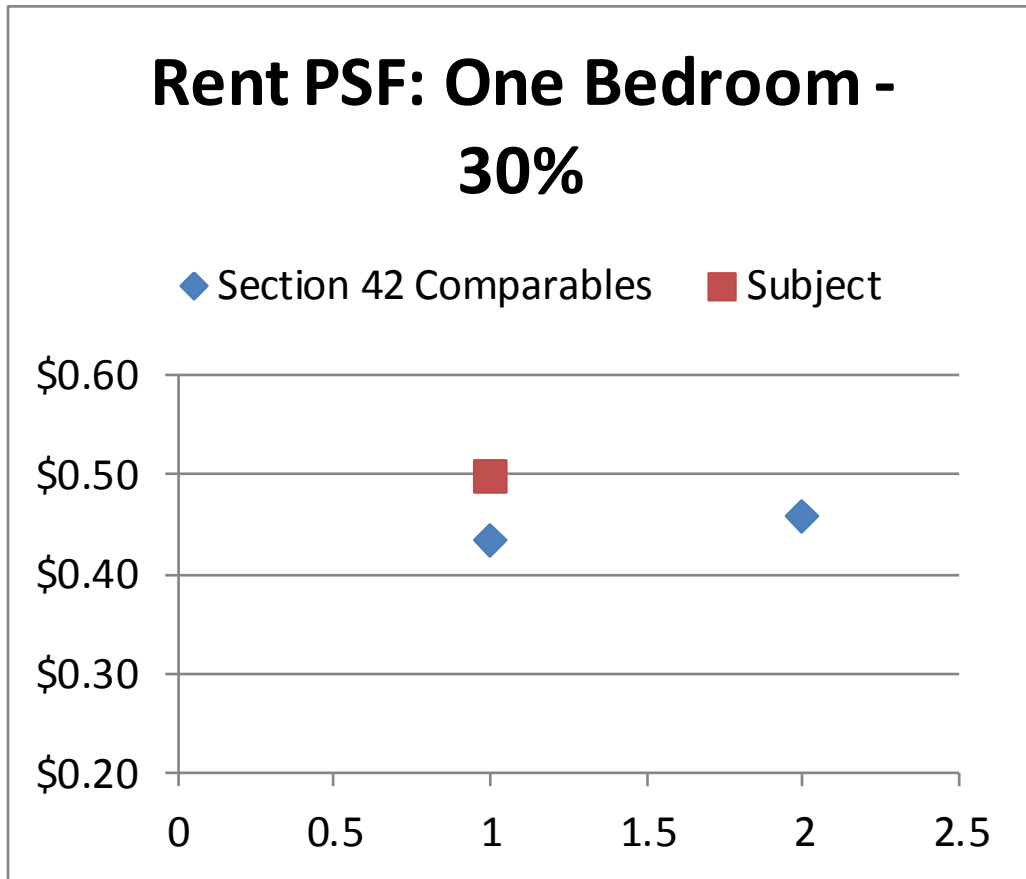
All of the Section 42 comparables pay for water, sewage, and trash utilities, which is fairly typical. The following charts show the comparables with the subject's rents on a rent per square foot basis.

This table summarizes the one-bedroom comparables:

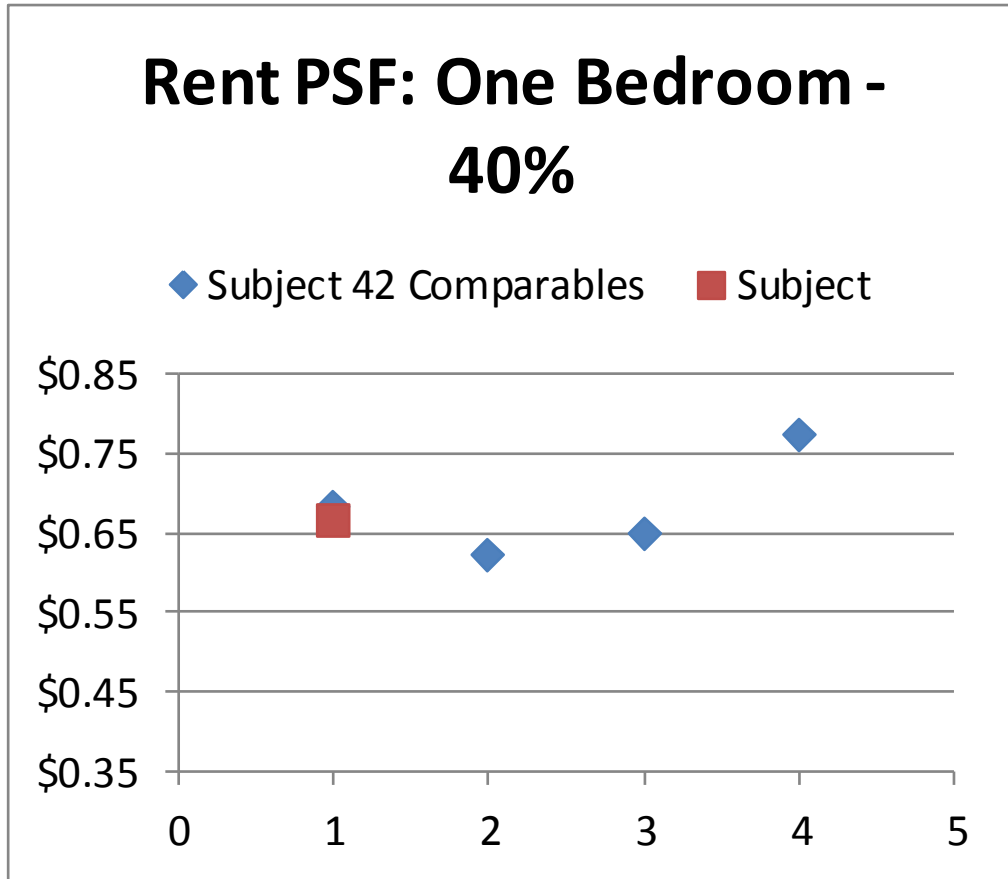
Num	Property	Unit type	AMI %	Size, SF	Pd Utility	Utility allowance	Rent	Proposed Housing Cost (Rent + Utility Allowance)	\$/SF
1	Stonegate Village	1 bed	30%	700	W,S,T,G	\$33	\$271	\$304	\$0.43
2	Grand Avenue	1 bed	30%	700	W,S,T	\$71	\$250	\$321	\$0.46
1	Fosters Landing	0	40%	596	W,S,T	\$71	\$335	\$406	\$0.68
2	Fosters Landing	0	40%	706	W,S,T	\$71	\$369	\$440	\$0.62
3	Autumn Oaks	0	40%	653	W,S,T	\$71	\$352	\$423	\$0.65
4	Stonegate Village	0	40%	532	W,S,T,G	\$33	\$378	\$411	\$0.77
5	Grand Avenue	0	40%	700	W,S,T	\$71	\$364	\$435	\$0.62
1	Fosters Landing	1 Bed	50%	596	W,S,T	\$71	\$392	\$463	\$0.78
2	Fosters Landing	1 Bed	50%	706	W,S,T	\$71	\$369	\$440	\$0.62
3	Autumn Oaks	1 Bed	50%	653	W,S,T	\$71	\$435	\$506	\$0.77
4	Stonegate Village	1 Bed	50%	532	W,S,T,G	\$33	\$485	\$518	\$0.97
5	Grand Avenue	1 Bed	50%	700	W,S,T	\$71	\$450	\$521	\$0.74
1	Fosters Landing	1 Bed	60%	596	W,S,T	\$71	\$529	\$600	\$1.01
2	Fosters Landing	1 Bed	60%	706	W,S,T	\$71	\$369	\$440	\$0.62
3	Autumn Oaks	1 Bed	60%	653	W,S,T	\$71	\$459	\$530	\$0.81
4	Stonegate Village	1 Bed	60%	532	W,S,T,G	\$33	\$591	\$624	\$1.17
5	Grand Avenue	1 Bed	60%	700	W,S,T	\$71	\$465	\$536	\$0.77



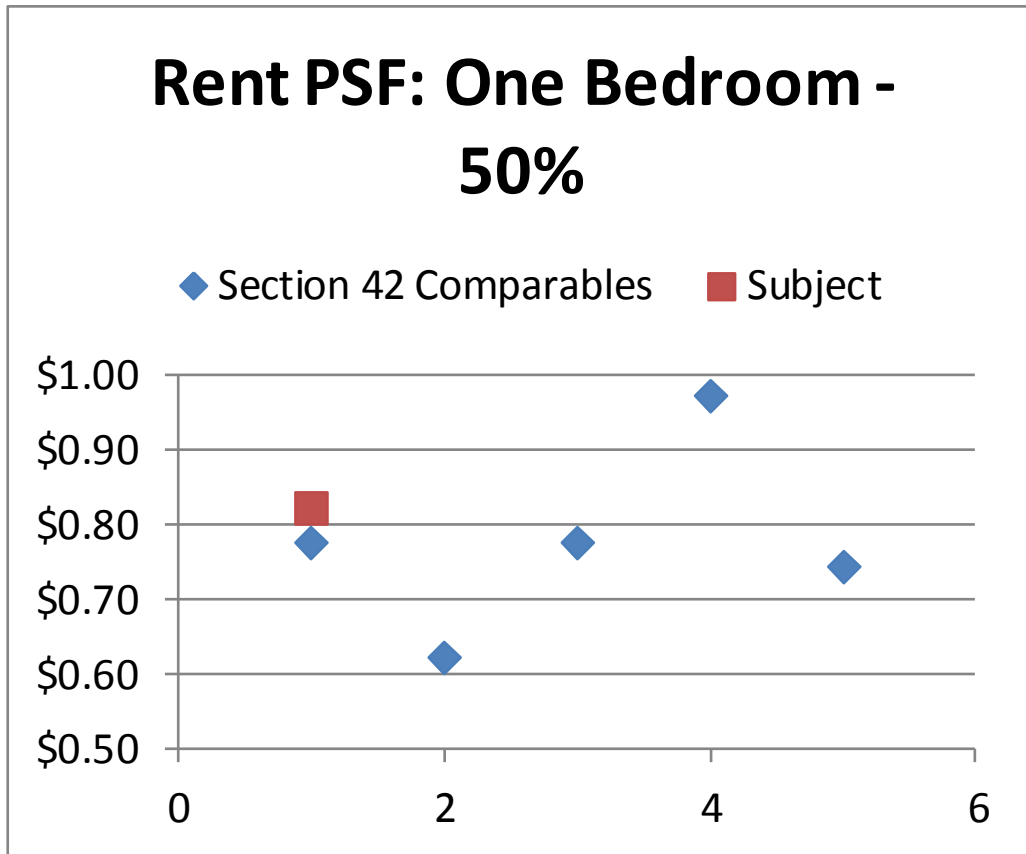
The proposed housing cost for the subject's 30% one-bedroom unit is \$319, or \$0.50 per sf. The comparables' proposed housing costs range from \$304 - \$321, with a rent per sf ranging from \$0.43 - \$0.46. The subject's monthly rent is within the range of the comparables, while the rent per sf is slightly higher.



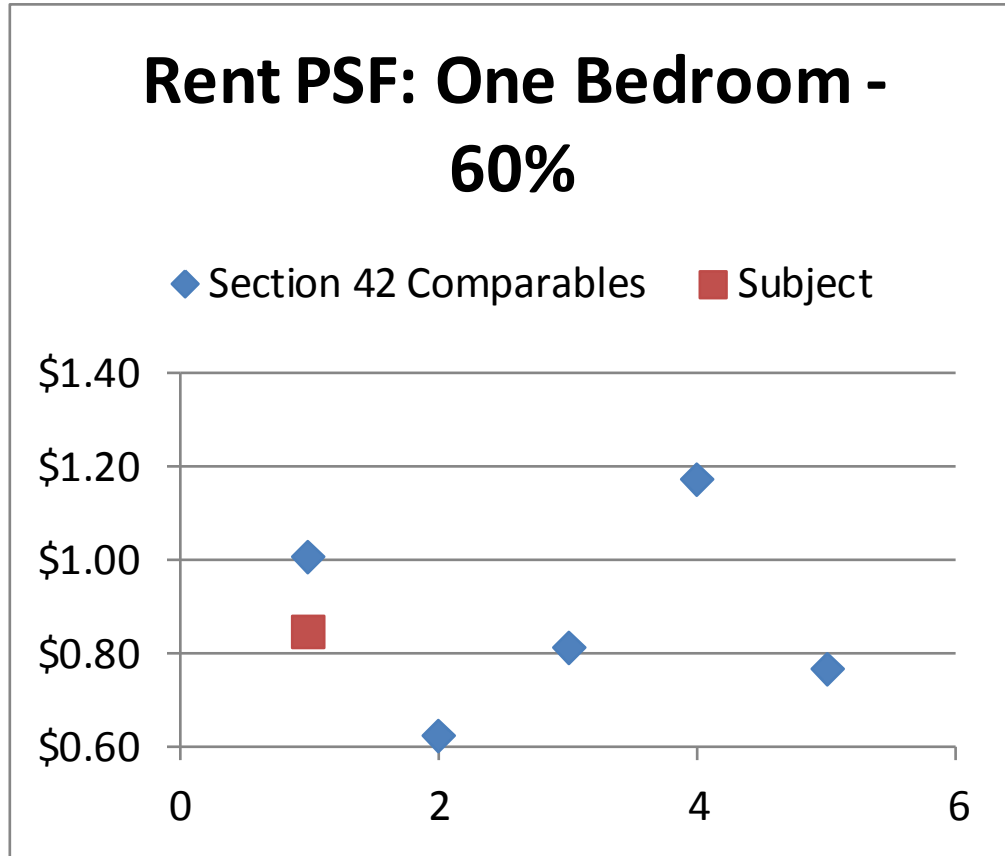
The proposed housing cost for the subject's 40% one-bedroom unit is \$426, or \$0.67 per sf. The comparables' proposed housing costs range from \$406 - \$440, with an average of \$423. The comparables' rents per sf range from \$0.62 - \$0.77, with an average of \$0.67. The monthly rent of the subject is within the range of the comparables, and the rent per sf is the same as the average.



The proposed housing cost for the subject's 50% one-bedroom units is \$526, or \$0.82 per sf. The comparables' proposed housing costs range from \$440 - \$521, with an average of \$490. The comparables' rents per sf range from \$0.62 - \$0.97, with an average of \$0.78. The subject's rent per sf is within the range of the comparables. The monthly rent is only \$5, or 1%, higher than the highest rent. Given the new construction and the middle-range rent per sf of the unit, the rent is reasonable.



The proposed housing cost for the subject's 60% one-bedroom units is \$539, or \$0.84 psf. The comparables' proposed housing costs range from \$440 - \$624, with an average of \$546. The comparables' rents per sf range from \$0.62 - \$1.17, with an average of \$0.88. The subject's monthly rent and rent per sf are below the average of the comparables.



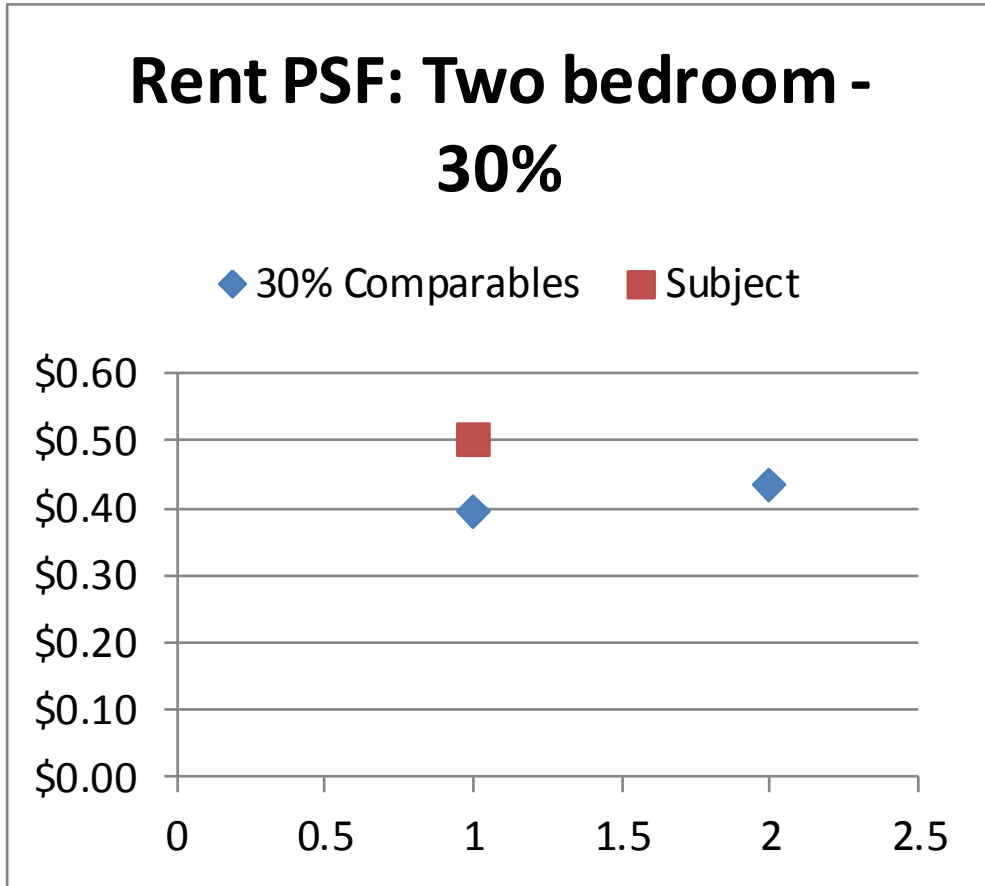
*Two-bedroom units*

All of the Section 42 comparables pay for water, sewer, and trash, which is fairly typical. The following charts show the comparables with the subject's rents on a rent per square foot basis.

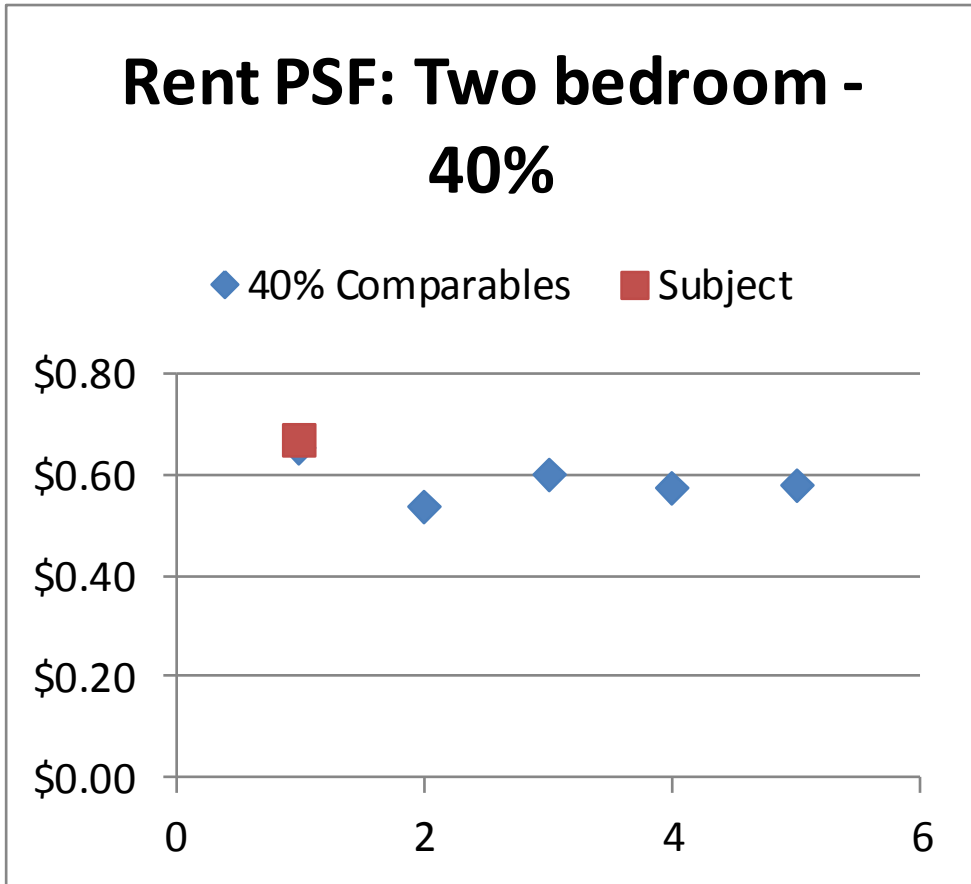
This table summarizes the two-bedroom comparables:

<b>Num</b>	<b>Property</b>	<b>Unit type</b>	<b>AMI %</b>	<b>Size, SF</b>	<b>Pd Utility</b>	<b>Utility allowance</b>	<b>Rent</b>	<b>Proposed Housing Cost (Rent + Utility Allowance)</b>	<b>\$/SF</b>
1	Stongate Village	2 bed	30%	919	W,S,T,G	\$44	\$318	\$362	\$0.39
2	Grand Avenue	2 bed	30%	900	W,S,T	\$92	\$299	\$391	\$0.43
1	Fosters Landing	2 bed	40%	706	W,S,T	\$92	\$369	\$461	\$0.65
2	Fosters Landing	2 bed	40%	882	W,S,T	\$92	\$379	\$471	\$0.53
3	Autumn Oaks	2 bed	40%	852	W,S,T	\$92	\$436	\$528	\$0.60
4	Stongate Village	2 bed	40%	919	W,S,T,G	\$44	\$446	\$490	\$0.58
5	Grand Avenue	2 bed	40%	900	W,S,T	\$92	\$440	\$532	\$0.58
1	Fosters Landing	2 bed	50%	706	W,S,T	\$92	\$431	\$523	\$0.74
2	Fosters Landing	2 bed	50%	882	W,S,T	\$92	\$479	\$571	\$0.65
3	Autumn Oaks	2 bed	50%	852	W,S,T	\$92	\$449	\$541	\$0.63
4	Stongate Village	2 bed	50%	919	W,S,T,G	\$44	\$574	\$618	\$0.67
5	Grand Avenue	2 bed	50%	900	W,S,T	\$92	\$529	\$621	\$0.69
1	Fosters Landing	2 Bed	60%	706	W,S,T	\$92	\$507	\$599	\$0.85
2	Fosters Landing	2 Bed	60%	882	W,S,T	\$92	\$527	\$619	\$0.70
3	Autumn Oaks	2 Bed	60%	852	W,S,T	\$92	\$499	\$591	\$0.69
4	Stongate Village	2 Bed	60%	919	W,S,T,G	\$44	\$702	\$746	\$0.81

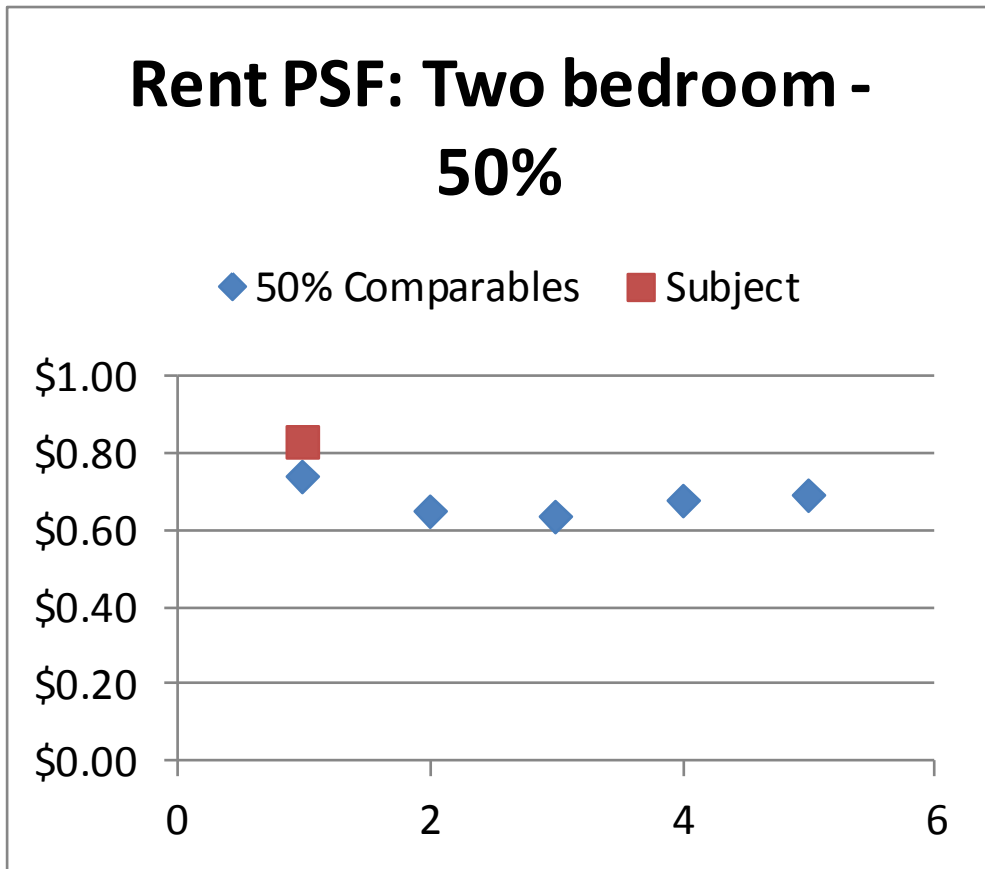
The proposed housing cost for the subject's 30% two-bedroom unit is \$383, or \$0.50 psf. The comparables' proposed housing costs range from \$362 - \$391, with rents per sf ranging from \$0.39 - \$0.43. The subject's monthly rent is within the comparables, and the subject's rent per sf is above the range.



The proposed housing cost for the subject's 40% two-bedroom unit is \$512, or \$0.67 psf. The comparables' proposed housing costs range from \$461 - \$532, with an average of \$496. The comparables' rents per sf range from \$0.53 - \$0.65, with an average of \$0.59. The subject's monthly rent is within the range of the comparables, and the rent per sf is slightly higher.

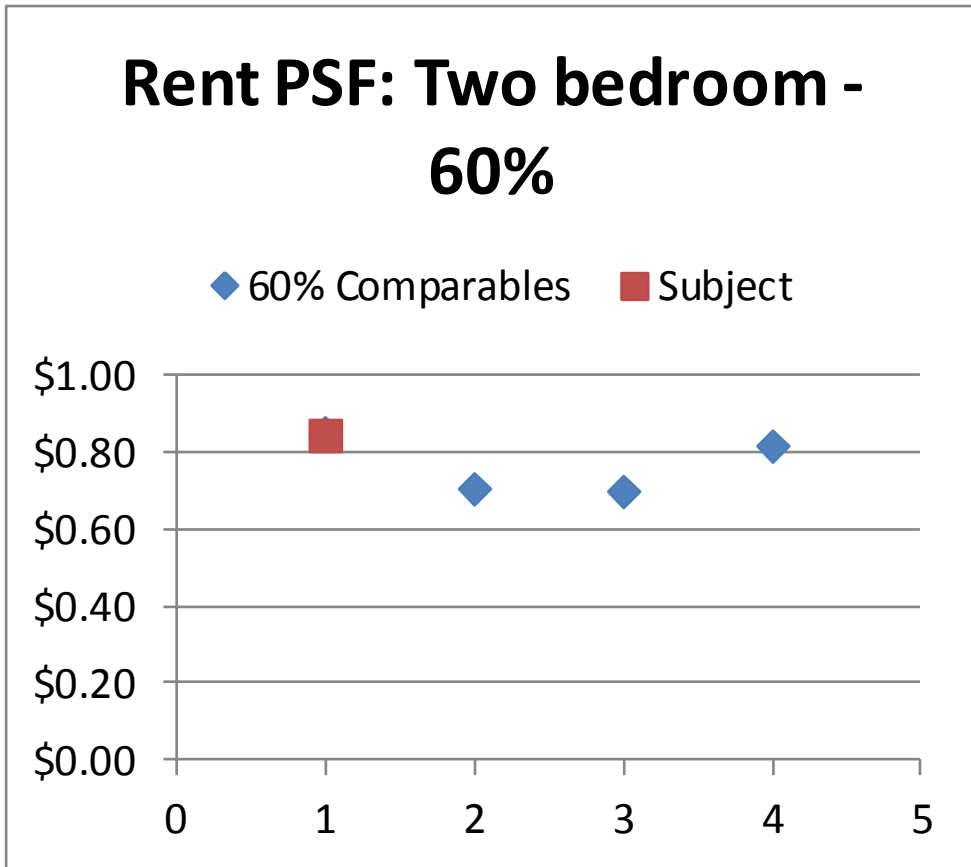


The proposed housing cost for the subject's 50% two-bedroom unit is \$631, or \$0.83 psf. The comparables' proposed housing costs range from \$523 - \$621, with an average of \$575. The comparables' rents per sf range from \$0.63 - \$0.74, with an average of \$0.68. Both the subject's monthly rent and rent per sf are higher than the comparables. However, given the subject's new construction, and the fact that the subject is only \$10—2% —higher than the range, the rent is reasonable.





The proposed housing cost for the subject's 60% two-bedroom unit is \$645, or \$0.85 psf. The comparables' proposed housing costs range from \$591 - \$746, with an average of \$639. The comparables' rents per sf range from \$0.69 - \$0.85, with an average of \$0.76. The subject's monthly rent is within the range of the comparables, while the rent per sf is at the top of the range.



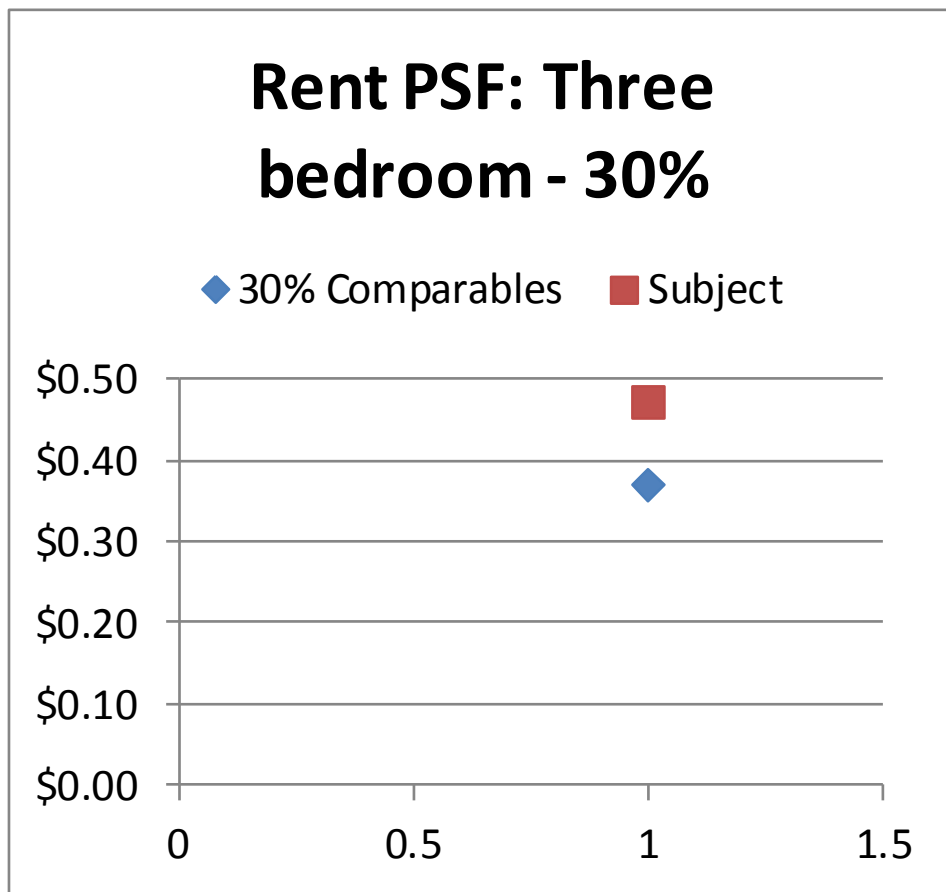
*Three-bedroom units*

All of the Section 42 comparables pay for water, sewage, and trash utilities, which is fairly typical. The following charts show the comparables with the subject's rents on a rent per square foot basis.

This table summarizes the three-bedroom comparables:

Num	Property	Unit type	AMI %	Size, SF	Pd Utility	Utility allowance	Rent	Proposed Housing Cost (Rent + Utility Allowance)	\$/SF
1	Stonegate Village	3 bed	30%	1,122	W,S,T,G	\$54	\$361	\$415	\$0.37

There is only one property that offers a three-bedroom unit at 30% rent. The subject will have a proposed housing cost of \$443 or \$0.47. The comparables proposed housing cost is \$415, or \$0.37psf. With only one, 30% one-bedroom in the market, the subject is offering one of the lowest three-bedroom rents in this market.





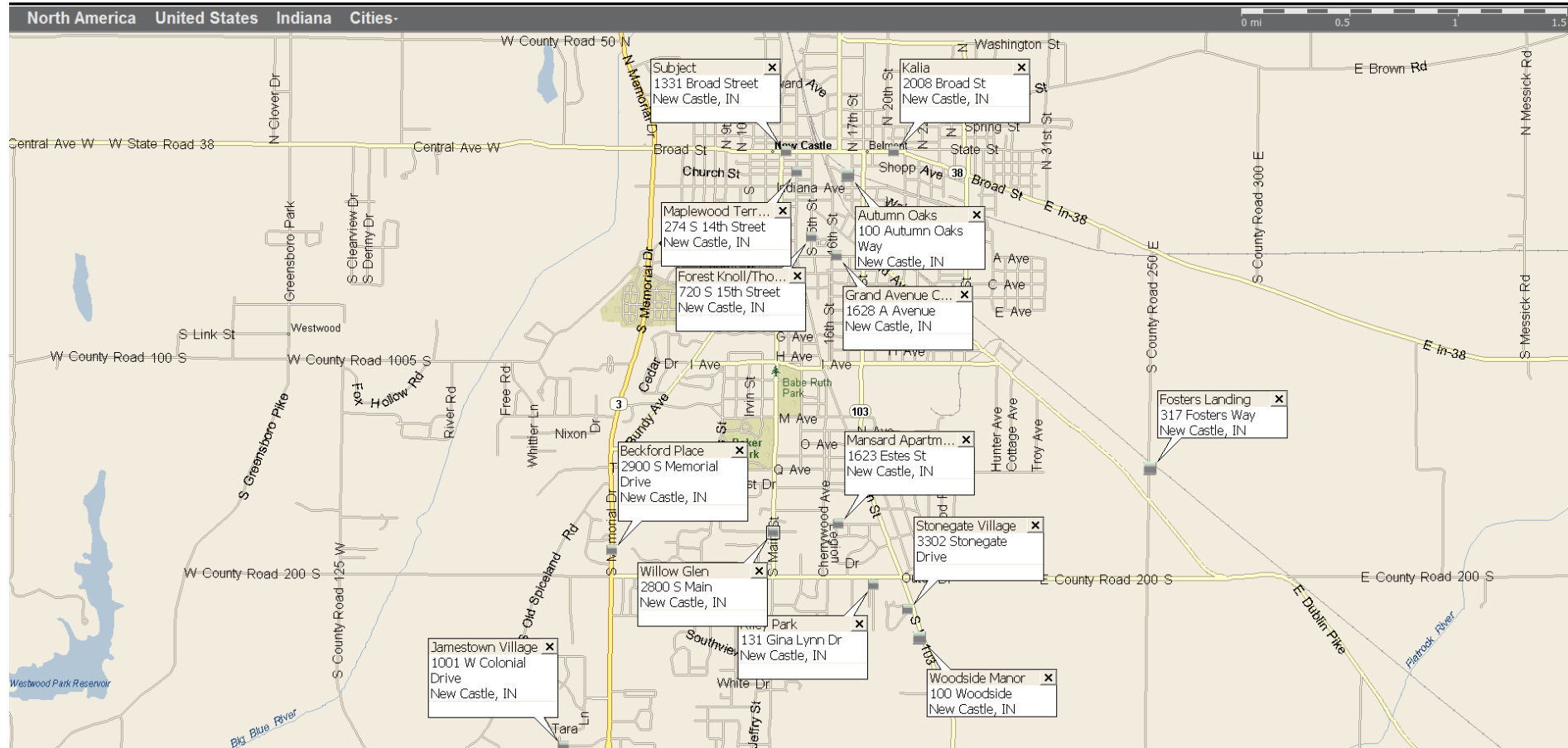
*Summary*

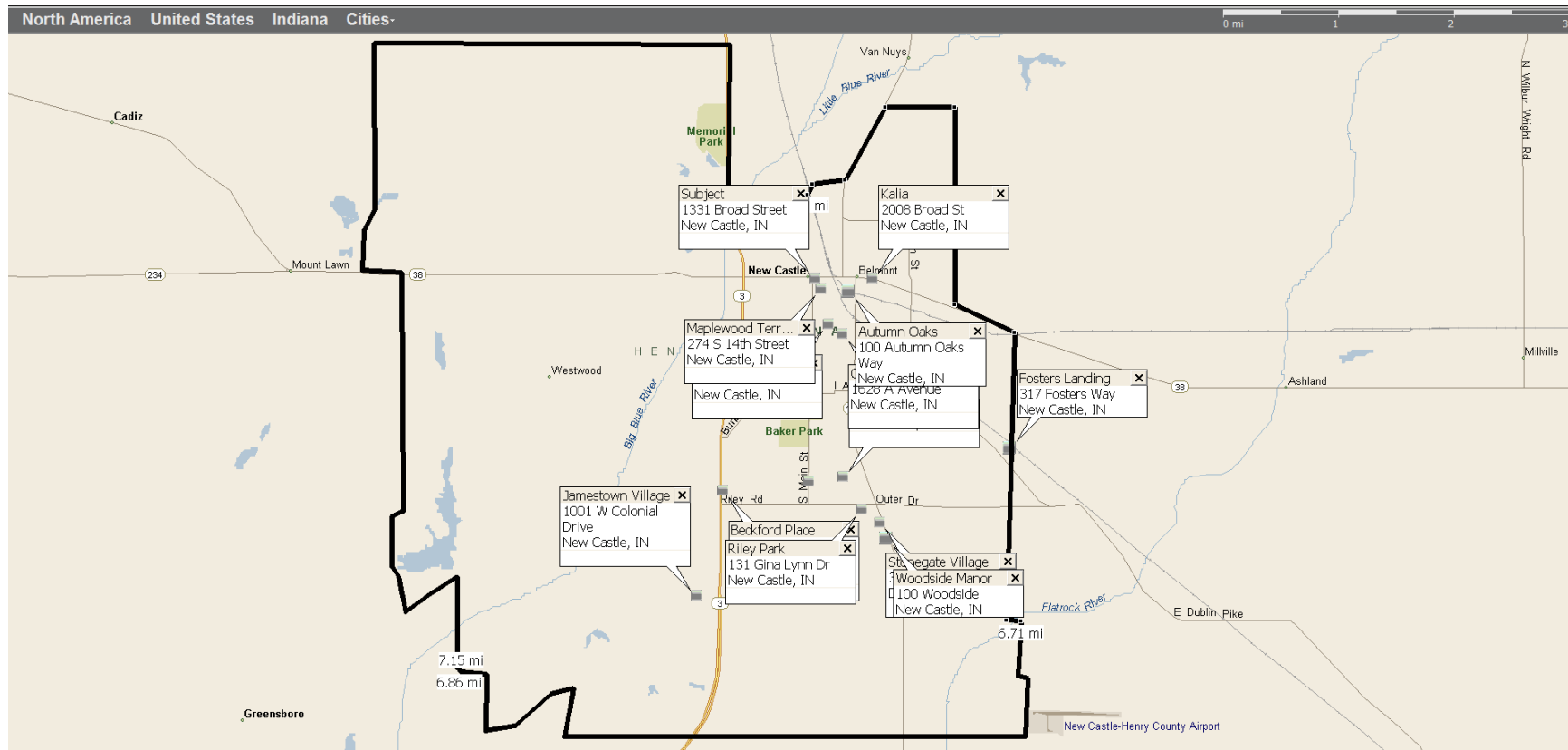
The market for the subject is very strong with the total market reporting a 95.3% occupancy rate. Additionally, only two of the comparables are offering concessions.



## Map of subject relative to all comparables

This map includes both market rate and rent-restricted comparables. The PMA boundaries are outlined on the second map.





## **Comparables for rural developments**

There are rural development projects listed in the LIHTC and other subsidized properties.

### **Waiting list**

During October 2012, our office surveyed many properties in the city of New Castle. A few of the comparables reported waiting lists:

- Foster's Landing has a wait list of 15 for the two-bedroom units
- Stonegate has a waiting list of 22 for one-bedroom units, 6 for the two-bedroom units, and 4 for the three-bedroom units.
- Public housing has a waiting list of 6-12 months.
- Willow Glen reported a six month waiting list.

### **Availability of other affordable housing units**

According to the US Census, the average home sales price for 2011 was \$97,716 .

Assuming typical terms of 30-year mortgage at 4.25%, the monthly payment would be \$457 . Of course, home ownership comes with property taxes, insurance, utility payments, and home maintenance at an additional 30%, which would increase the payment to \$594. It is possible that home ownership would be a viable option for a potential renter who is willing to take on the responsibilities of home ownership as well as have a credit history that would award them a competitive rate mortgage. However, this is for an average home, and the subject will be new construction. Therefore, home ownership is not a viable option in this market.

### **Rental communities under construction or recently approved**

This information is described in *Recently developed rental units* on page 79.

## Anticipated changes in the housing stock

As noted previously, the City of New Castle was the recipient of the Neighborhood Stabilization Program (NSP) grant. This grant was designed to help communities struggling with blight and foreclosure, and to prevent neighborhoods from tipping. The grant period began at the announcement (June 2009) and will close in the 1st quarter of 2013. All projects must be under contract by the 3rd quarter of 2010, but the grant is designed so that program income can continue to be spent in the target area through the close of the grant in 2013.<sup>5</sup>

New Castle's \$2.7M grant project includes 4 downtown buildings and 3 residential properties. The 4 downtown buildings will initially develop 4 condominiums and structurally stabilize 6 retail spaces. 2 more condominiums are hoped to be constructed in conjunction with the grant at a later date, finishing off what will be known as **The Maxwell Commons**. The plan for the 3 residential properties is to redevelop (*or build*) 3 new homes, and use program income to rehabilitate a 4th home at a later date.

According to Indiana Economic digest, it was announced that there are some two-bedroom units as well as two three-bedroom units ready to go on the market.

The target recipients of the new residential development are 120%, or below AMI (for the condominiums, and 50% or below AMI for the homes. That means that a 2-person household making approximately \$22,200 may be eligible for one of the 50% or below AMI residential opportunities, and a 2-person household making \$59,040 may be eligible for one of the 120% or below AMI residential opportunities.

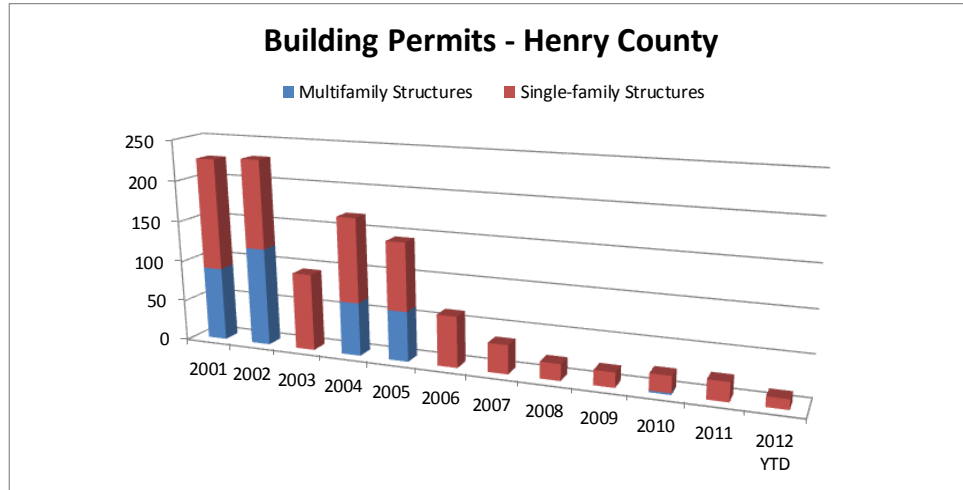
The subject's maximum income is \$30,720, which is much lower than the maximum for this project; therefore, these condominiums would not be considered competition to the subject.

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<sup>5</sup> <http://www.cityofnewcastle.net/category/subcategory.php?fCS=5-26>

## Building permits

According to the building permits filed in Henry County over the last 10 years for multifamily structures, there have been no new apartments built in Henry County since 2005.



Source: U.S. Census Building Permits Survey, SODCS Building Permits data retrieved October 2012.



## **Local perspective of rental housing market officials and housing alternatives**

According to Jerry Cash, Executive Director of the New Castle Housing Authority, there are between 300 and 350 active housing choice vouchers in New Castle. Mr. Cash also reported a wait list of 150-160 vouchers, consisting primarily of younger, single-parent households. The last assessment of the housing market was done in 2000, and the housing authority is currently looking for money to perform a reassessment. Though Mr. Cash reported that landlord's often complain about the number of renters available, his gut feeling was that there was a demand for subsidized housing in New Castle.

In regards to proposed projects, Mr. Cash knew of one senior property on North 20<sup>th</sup> Street that was supposed to go online. He also heard some discussion for a proposed project downtown applying for tax credits. Autumn Oaks, he reported, was trying to get approved for expansion and was able to get zoning approval, but was not approved for tax abatement.

The analyst also spoke with a representative of the New Castle Planning & Zoning department, who was unaware of any proposed projects that would compete with the subject, aside from those discussed earlier in the report, on page 116.

## **Conclusions and Recommendations**

The subject property will offer a highly effective solution to an existing vacant building. The subject will be an adaptive reuse and will stop the building from being a blight on the neighborhood. The project has support from local government, as well as support from local activist involved in providing affordable housing for the area.

The subject will offer 20 units, with a determined capture rate of 4.1%. Because there is unmet demand in the PMA, the subject will not place any undue pressure on existing properties, or on the newer properties that are still leasing up. This would suggest the subject is positioned to attract most of the existing and any future increase in demand as of market entry.

The analysis shows that if the subject does not receive rental subsidy and operates as a pure LIHTC property, the capture rate is still attractive and serves unmet demand.

The subject's proposed rents are positioned well within the range of the market and tax credit rents. Though the economy in the PMA has suffered with the recession, it is exhibiting tentative signs of recovery.

Overall, there is nothing that indicates the project will have difficulty leasing the units. The project is well planned and will be appealing to targeted tenants. The market has strong occupancies and should continue to after the construction of the subject. The market analysts recommend approval of the project based on the market evidence.

## Signed Statement

I have made a physical inspection of the site and market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation in this statement may result in the denial of participation in the rental housing tax credit program in Indiana as administered by the Indiana Housing and Community Development Authority. Neither I nor anyone at my firm has any interest in the proposed development or relationship with the ownership entity. Compensation for my services is not contingent upon this development receiving a reservation or allocation of tax credits. I affirm under the penalties of perjury that the foregoing representations are true.

### Market Study Analyst



*Signature:*

*Printed Name:* Elizabeth Mutzl

# Market Study Analyst Statement of Experience

## About Mitchell Market Analysts, Inc.

Mitchell Appraisals was founded in 1988 by Bonnie Mitchell, Indiana's first female MAI-designated appraiser. As of 2012, we have 9 appraisers on staff and 6 research and support personnel. Mitchell Appraisals provides real estate appraisals and related services throughout the Midwest and occasionally in other states. We are located in Indianapolis and do most of our work in Indiana. We also hold licenses in Tennessee, Kentucky, Michigan, and Ohio.



A of long-term specialty of Mitchell Appraisals is multifamily projects, especially LIHTC multifamily projects. We've done over 600 multifamily projects in the last five years. We started performing LIHTC market studies in 1997 and our work in this area has continued to grow.

Recognizing the need to focus on market studies, we formed a sister company in October 2010 called Mitchell Market Analysts, Inc. Now, all market study services including LIHTC market studies, MAP market studies, and HUD Rent Comparability Studies, are performed by Mitchell Market Analysts. All appraisals are performed by Mitchell Appraisals.



Mitchell Market Analysts is a 100% WBE. The principals are Bonnie Mitchell, Jennifer Atkinson, and Elizabeth Mutzl.

The principals of Mitchell Market Analysts have performed market studies in Indiana, Michigan, North Carolina, and Kentucky.

Our clients have been generous with their praise. Here is a sampling:

- "Thanks, Mitchell team. You guys are great. Again, cannot thank you enough for going the extra mile on this." - Local developer
- "Thank you again – you've been a pleasure to work with." – State finance authority representative
- "By the way, I think this study reads even better than last year's study. Very nicely done!" – Local developer

## Elizabeth (Liza) C. Mutzl

### *Primary Expertise*

Multifamily properties including valuation, market studies, and tax assessment appeals. Specializes in low income housing, MAP, assisted living facilities, nursing homes, office, and retail.

### *Licenses*

- Certified General Appraiser, State of Indiana CG40200255
- Certified General Appraiser, State of Michigan 1201071312

### *Professional Memberships*

- Certified Member of the National Council of Affordable Housing Market Analysts 2008

### *Experience*

- Principal, Mitchell Market Analysts, Indianapolis, IN. 2011 – present.
- Associate vice president, Mitchell Appraisals, Inc. Indianapolis, IN. 2003 – present.
- Staff appraiser, Mitchell Appraisals, Inc. Indianapolis, IN. 1997 – 2003.

### *Professional Activity*

#### **Local**

Indianapolis Sub-Chapter Vice-Chairman of the Hoosier State Chapter of the Appraisal Institute, 2002.

Indianapolis Sub-Chapter Chairman of the Hoosier State Chapter of the Appraisal Institute, 2003.

Indianapolis Sub-Chapter Public Relations Chair, 2003-2005.

Indy Crew Network, Women in Real Estate.

Co-Chair Indy Crew Golf Outing.

#### **National**

National Council of Affordable Housing Market Analysts, peer reviewer and member of the membership committee, 2008 – present.

Co-Chair Education Committee 2011

### *Education*

Bachelor of Arts, Communications with a concentration in Advertising and a minor in Supervision, Purdue University, West Lafayette, 1990.

Successfully completed various qualifying and continuing education courses starting in 1997 through 2012. Recent highlights include:

- MAP (Multifamily Accelerated Processing, a HUD program) Training, 2001, 2002, 2005, and 2009, 2011.
- National Council of Affordable Housing Market Analysts, 2007, 2008, 2009, 2010, 2011, 2012.
- Michigan Appraisal Law, 2008, 2011.



- Appraisal of Nursing Facilities, 2008.
- USPAP 2008-2009, 2010-2011.
- Real Estate Finance Statistics and Valuation Modeling, 2009.
- Appraising and Analyzing Office Building for Mortgage Underwriting 2011.
- Appraising Apartments 2011.
- How to Analyze and Value Income Properties 2011.

# Market Study Checklist

Standard	INCLUDED (Yes or No)	Page
Resume for market professional with demonstrable experience in Indiana affordable housing markets	Yes	Page 130
Executive Summary	Yes	Page 7
<b>Development description</b>	Yes	Page 10
Site Map	Yes	Page 35
Color photos of site	Yes	Page 10
Type of construction, type of structure, number of buildings, number of units, amenities, number of bedrooms and baths, etc.	Yes	Page 35
Discussion on incompatible land uses adjacent to the site	Yes	Page 12
Scope of Rehabilitation, if applicable	Yes	Page 43
Identification of federal or local housing subsidy programs on site	Yes	Page 47
Projected construction start, completion, and start of pre-leasing	Yes	Page 50
<b>Market Area Description</b>	Yes	Page 51
Detail of boundaries of primary market area	Yes	Page 51
Scaled color map of shopping, medical services, public transportation, employment, financial institutions, libraries, schools, community centers within 1 and 1½ mile radius of site	Yes	Page 20
Scaled color map of PMA	Yes	Page 51
Color photos of immediate surrounding area or neighborhood	Yes	Page 13
<b>Market Area Economy</b>	Yes	Page 58
Description of the employment by industry sector for PMA and county where site is located	Yes	Page 58
List of major employers in PMA	Yes	Page 61
Employment and unemployment trends for PMA and county; county total workforce figures in numbers and percentages	Yes	Page 62

Analysis and conclusions on economic status of PMA	Yes	Page 62
Identification of data sources used to compile statistics	Yes	As we cite statistics, we footnote the data source so it occurs throughout the report
<b>Demographic Data</b>	Yes	Page 65
Total population and householders by age group	Yes	Page 65
Number of senior and non-senior households, if applicable	Yes	Page 68
Total number of households by age, tenure, income, average household size, and group quarters	Yes	Page 68, 69, 70, 70, 71
Renter households by number of persons in the household	Yes	Page 72
<b>Demand Analysis</b>	Yes	Page 73
Projection of total demand from demand for new renter households and demand from existing households, and described in Schedule C of QAP	Yes	Page 74, 75
Minimum and maximum income ranges for each targeted group	Yes	Page 74
Definition of absorption period and rate to reach 95% occupancy	Yes	Page 80
Presentation of net demand in narrative, chart, and/or tabular format	Yes	Page 80
Calculation of capture rate for each income target group and bedroom size	Yes	Page 81
Calculation of penetration rate for the PMA	Yes	Page 83
Comparison of market rents and rents at proposed development	Yes	Page 94
Demand calculations with rental assistance and without rental assistance, if applicable	Yes	Page 80, 83
Assumptions for demand analysis	Yes	Page 73
<b>Supply Analysis</b>	Yes	Page 84
Survey of market rate and tax credit rental properties including name, address, age and condition, area median income level	Yes	Page 84
Type of federal and/or municipal subsidies, if applicable	Yes	Page 84




Presents of on-site management	Yes	Page 86
Number of units by bedroom type, number of bathrooms for each unit type, square footage of units	Yes	Page 83
Rents by number of bedrooms and baths, and square footage	Yes	Page 83
Unit and site amenities relative to the subject property	Yes	Page 86
Type of utilities	Yes	Page 86
Occupancy rates of each property	Yes	Page 84
Absorption history of each property (if recently completed)	Yes	Page 80
Color photographs of comparable properties	Yes	Starting on page 86
Color map depicting location of each property relative to subject property	Yes	Page 122
Market vacancy rate for PMA rental stock by population and type of occupancy and unit size	Yes	Page 84
Number of people on waiting lists for each property	Yes	Page 124
Discussion of availability of other affordable housing options	Yes	Page 124
In rural areas, data on developments in adjacent markets with similar characteristics, if properties are not available in PMA	Yes	Page 124
<b>Conclusions and Recommendations</b>	Yes	Page 127
Candid conclusion about the subject property's feasibility in the market	Yes	Page 128

# Addenda

## Items Requested

This form is the list of items that we request from our clients.

  
Mitchell Market Analysts, Inc.

822 Fort Wayne Avenue  
Indianapolis, IN 46204  
317-687-2747 fax 317-687-2748  
[www.mitchellappraisals.com](http://www.mitchellappraisals.com)

### *Items Requested for a Market Study*

Please provide the following items. A market study depends on accurate information, and the more information we have the better.

- Location of property
- Unit mix and planned rents
- Target income level
- Set asides (that is, any units set aside for special needs or homeless)
- Copy of pages 16, 26-29, 31-33, and 36-40 from your application
- Planned project amenities, both for the units and project. Include heat source (gas or electric) and who will pay utilities.
- Estimated date of project completion and/or completion of renovation.
- Costs and scope of renovation
- Site and building plans and specs
- Letters of support from local officials/organizations (if applicable)
- Necessary zoning changes made or in progress
- Environmental study
- Other project specific items: for example, are you partnering with any organization on the project?
- Other:*

Version 6, updated August 2011

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## STDB Online Data Sources

STDB uses several databases as sources in their products. The site lists the following databases:

- Tele Atlas Streets
- i-cubed Imagery
- Business List Data
- DigitalGlobe Imagery
- National Geographic Topography
- ESRI Demographics
- ESRI Quarterly Population
- AGS CrimeRisk
- Market Potential
- Workforce Strategies
- FloodScape Maps
- Community Tapestry –
- Lifestyle/Psychographic
- Consumer Expenditures

However, the report we generate from STDB primarily uses ESRI Demographics and ESRI Quarterly Population.

## Example of demand calculation

The following example explains how demand is calculated for the one-bedroom unit type. The same procedure is used for each unit type.

The methodology for determining the minimum and maximum income was described in the narrative of the report. This describes the methodology used to determine the percentage of income eligible renters by AMI level.

In this example the minimum income is \$15,257 and the maximum is \$35,640. None of the renters in the \$0 - \$10,000 bracket are eligible; a little less than half of the renters in the \$10,000 - \$20,000 bracket are eligible; all of the renters in the \$20,000 - \$30,000 bracket are eligible, and a percentage of the renters in the \$30,000 - \$40,000 bracket are eligible.

To determine the number of eligible households in each bracket, the following algorithm is used.

***This table is used as an example:***

Unit Type	Two Bedroom		
Proposed Lowest rent			\$338
Utility Allowance			\$107
Minimum Income			\$15,257
Maximum Income			\$35,640
Year 2014	Total Renter Households		
<u>Income brackets</u>	<u>#</u>	<u>% eligible</u>	<u># eligible</u>
\$0-10,000	62	0%	0
\$10,000-20,000	134	47%	64
\$20,000-30,000	96	100%	96
\$30,000-40,000	72	56%	40
\$40,000-50,000	94	0%	0
\$50,000-60,000	57	0%	0
\$60,000+	192	0%	0
Total	707		201

1. Eliminate any income bracket that has no eligible households because the income bracket falls entirely below the minimum income or above the maximum income. Eligible households are 0%. (In our example, this is true of \$0 - \$10,000, \$40,000 - \$50,000 and up.)
2. If any income bracket falls entirely within the range specified by the minimum and maximum income, indicate this bracket with 100%. (In our example, the \$20,000 - \$30,000 bracket at 100%.)

For an income bracket where the minimum income is included in the range, use this calculation:



$$\frac{(\text{Maximum income bracket} - \text{Minimum income})}{(\text{Maximum income bracket} - \text{Minimum income bracket})}$$
$$(\$10,000 - \$15,257) / \$10,000$$

3. For an income bracket where the maximum income is included in the range, use this calculation:

$$\frac{(\text{Maximum income} - \text{Minimum income bracket})}{(\text{Maximum income bracket} - \text{Minimum income bracket})}$$
$$(\$35,640 - \$30,000) / \$10,000$$

Once the income eligible households by income bracket are determined, it is summed and divided by the number of renter households in the PMA to determine how many are eligible for this AMI level unit. In this example 201 eligible/ 707 renter households = 28.4%.