

Exhibit 8

Market Study Guidelines

Executive Summary

Each market study must include a narrative executive summary and a summary table (Table 1). The narrative must include the following (recommended to be no more than three pages):

1. A brief statement on the overall prospects for the success of the proposed development, given housing demographic trends and economic factors.
2. A brief description of the site and the immediately surrounding area. The description must include the project's name, street address (if available), city, county, and zip code.
3. A description of the targeted population.
4. A brief description of the delineation of the market area.
5. A brief summary narrative that includes an estimate of the demand for each unit type at the proposed start of lease-up through presentation of the penetration, absorption, and capture rates. Also include a summary of strengths and/or weaknesses of the market and of the proposed development that may impact the development's marketability and performance and circumstances that may lessen any negative attributes. A summary of how competitive the proposed development may be relative to existing and planned affordable housing developments in the market area. Please include a statement of possible negative effects on existing subsidized housing (e.g. Rural Development, LIHTC, etc.) in the PMA.

MARKET STUDY TABLE 1: EXECUTIVE SUMMARY

(i) Market Study Summary				
Development Name				Project ID
Location				Total Units
PMA Description				LIHTC Units
Furthest Boundary Distance to Project				# Buildings
Within QCT (y/n)		Within DDA (y/n)		In 100 year floodplain (y/n)
Type of Development (New/Rehab/Acq. Rehab)				
Targeted Household Type				
Development Recommended/Not Recommended				

(ii) Rental Housing Stock (found on pages 8-10)				
Type	# Properties	Total Units	Vacant Units	Current Occupancy
All Rental Housing				
Market-Rate Housing				
Assisted/Subsidized Housing not inc. LIHTC				
LIHTC				
All Comparable Developments ¹				
Non-Stabilized Comps				

(iii) Rent Comparison									
Proposed Development					Adjusted Market Rent			Highest Unadj. Comp Rent	
# Units	# Beds	# Bath	Sq. Ft.	Proposed Rent	Per Unit	Per Sq. Ft.	Mkt. Adv.	Per Unit	Per Sq. Ft.
Gross Proposed Monthly Rent						Avg. Mkt. Adv.			

¹ Comparable developments are those that compete at nearly the same rent levels and tenant profile, such as age family and income.

(iv) Demographic Data (found on page 6)						
	2000		2010		2013	
Renter Households						
Income Qualified Renter Households						
Market Rent Households (if applicable)						

(v) Targeted Income Qualified Renter Household Demand (found on page 9-10)						
Type of Demand	50%	60%	Market-rate	Other	Other	Overall
Renter Household Growth						
Existing Households						
Home Conversion						
Other						
Less Comp. Supply						
Net Demand						

(vi) Capture Rates (found on page 10)						
Target Population	50%	60%	Market-rate	Other	Other	Overall
Capture rate						

(vii) Absorption (found on page 10)						
Absorption Rate		per month		Absorption Period		months

Below are the guidelines for market studies performed for Tennessee's LIHTC application process. Studies should follow the order of information below and include the appropriate section heading. For definitions of terms used and not defined in these guidelines, please refer to the National Council of Affordable Housing Market Analysts' *Market Study Terminology*. Please note that where rehabilitation developments or special needs population developments require a departure from the standard information, analysts are to follow industry best practices in constructing their analysis.

A. Development Description

1. Development Make Up:
 - a) Proposed number of units by: number of bedrooms and baths, income limit as a percent of area median income (AMI), unit size in square feet, and utility allowances for tenant paid utilities, proposed rents, and target population, including income restrictions, proposed housing assistance and any special needs units, the utilities expected to be paid by tenants and energy sources for tenant paid hot water, heat, cooking and air conditioning.
 - b) Description of: type of construction (new construction or rehabilitation), the type of structure (townhouse, duplex, high-rise, etc.), the number of buildings, design (walk-up, elevator, etc.), and number of stories, units per acre, unit and common amenities, site amenities and the number of parking spaces.
 - c) For rehabilitation developments provide a description of the methodology for the rehabilitation and the scope of work. Include the estimated cost of the rehabilitation per unit. Include the status or date of architectural plans, name of the architect, and/or a copy of the floor plans and elevations. For rehabilitation projects of existing, operational rental housing, provide an explanation of the current occupancy rate, whether current tenants will remain eligible for the rehabbed units, trends in occupancy over the previous 24 months, current rents, rent subsidies in place, and information regarding the future availability of rent subsidies.
 - d) For rehabilitation, identification of any existing assisted housing program at the property such as Section 8, Section 202, Section 811, BMIR, Section 236, etc., as well as current occupancy levels, current rents and proposed rents.
 - e) Developer's projected dates for construction start and completion, and start of pre-leasing.
 - f) Description of the type of households the development is designed to serve (e.g. income level, senior, disabled, homeless, etc.).
2. The market study must provide a clear and thorough development description that includes:
 - a. Color photos of the development site labeled to facilitate understanding of the project. Existing projects should include photos of: the exterior of the property, the interior units, and the common area amenities.
 - b. A map indicating the location of the development site.
 - c. A narrative explaining any zoning, overlays or other types of land use requirements for the development site.
 - d. A narrative explaining the type and character of land use in the immediate area around the development site, including zoning of any undeveloped sites.

- e. Color photographs that show land use surrounding the development site and the type and character of the land surrounding the development site as well as land use in the surrounding neighborhood if different from the immediate area.
- f. Report on any negative attributes of the site and the immediate area, including whether or not any part of the site is in a 100-year floodplain. Other examples of negative attributes of the site include: a site on the National Priorities List, a site neighboring a junkyard/dump, etc.
- g. A description of the site characteristics including its size, shape, general topography and vegetation. Describe the suitability of the proposed site. Describe and evaluate the visibility and accessibility of the site and a conclusion on how it may impact marketability.

3. Neighborhood Amenities

- a. A narrative describing the neighborhood amenities offered.
- b. A table (Table 2) that describes the neighborhood amenities closest to the development site and specify the driving distance of the amenity from the site. Distances will be measured from the physical address of the development site to the physical address of the applicable amenity. If the development is a scattered site development, complete Table 2 for each site.
- c. Other amenities that the neighborhood offers can be included in the table and described in a narrative if applicable. Provide photographs of the site and neighborhood, and two maps: a map at the neighborhood level clearly identifying the location of the development and the amenities listed above that are found in the proposed development's immediate area and a more regionalized map that shows the location of the development, neighborhood, and relevant amenities.

Table 2 – Neighborhood Amenities		
Amenity type (list only nearest of each type of amenity)	Driving Distance from Site	Notes (if applicable)
Full Service Grocery		
Public Transportation Access (e.g bus stop or passenger train station)		
Full Service Bank or credit union (ATMS do not qualify)		
Public or private not for profit educational institution		
Doctor's office (general practitioners, not specialized practices) or Emergency Clinic or Hospital (facilities must not be exclusive)		
Public recreation or community center (e.g. senior center)		
Library		

Public park		
Police, Sheriff or Fire Station		
Convenience Store and/or gas station		

B. Location and Market Area Definition

1. Define the primary market area (PMA) and provide a map of the defined area. Include a map that clearly delineates the areas and an explanation of the basis for the boundaries of the PMA. Identify PMA boundaries by census tracts, jurisdictions, street names, or other geography forming the boundaries. Also define the larger geographic area in which the PMA is located (i.e. city, county, MSA, etc.).
2. Include a narrative that explains the rationale of the PMA definition. This should include clear socio-economic differences in the area, a demographic analysis of the market, and interviews with area stakeholders, including management or leasing agents at comparable properties. The map and/or narrative must include the distance from the project site to the PMA boundaries.

C. Demographic Characteristics

Present demographic data for the PMA and other geographic areas (like cities, counties, or states) as appropriate. All data should include information for 2000, the current year, and 2013. These data must be from reputable public entities and/or private vendors. All sources of data should be identified and the strengths and weaknesses of each data source should be described as they pertain to the conclusions of the market analyst. These data must include:

1. Population and household counts within the PMA
2. Total population characteristics and households. Population and households by age group and by household type.
3. Households by incomes in \$5,000-\$10,000 increments by tenure and by average household size and average household size by tenure.
4. An analysis of trends indicated by the data including an explanation of methodologies for analyst-generated estimates.
5. If the project is for a targeted population, the above demographics should also focus on the relevant data for this targeted population. For example, studies for proposed developments that target senior households should include demographic data for the relevant age cohort.

D. Employment and Economy

Provide data and analysis on the employment and economy of the Primary Market Area (PMA) to give an understanding of the overall economic health of the community in which the PMA is located. List sources for the data and methodology for the analysis and the strengths and weaknesses of each data source/methodology should be described as they pertain to the conclusions of the market analyst.

1. Provide a description of overall employment and of employment by industry sector for the PMA or smallest geographic area available that includes the PMA and compare the data to the larger geographic area, e.g. the city, county, labor market area, or metropolitan statistical area (MSA).
2. Show the unemployment rate for the last ten years (or other appropriate period) for the most appropriate geographic areas.
3. List major employers in the PMA (or other appropriate small geographic area), the type of business and the number employed. Discuss any announced changes in the area workforce, contractions in the workforce, newly announced employers and their expected effect on the local economy.
4. Show employment growth over the last five years. Compare to the larger geographic area.
5. Comment on trends for employment in the PMA in relation to the development.
6. If relevant (such as in resort areas), comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.
7. Provide a breakdown of typical wages by occupation.
8. Provide commuting patterns for workers such as how many workers commute to/from surrounding areas outside the PMA, the mode of transportation used for the commute, and the average commuting time.
9. Based on the above data provide analysis and conclusions on the overall status of the PMA's economy and how the proposed project would be affected.

E. Competitive Environment

Provide information on other rental housing in the Primary Market Area (PMA) and any rental housing proposed to be developed in the PMA. This section of the market study should address the following:

1. Identify a list of all existing comparable properties, including: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size in square footage of units, kitchen equipment, type of utilities (state whether paid by tenant or owner and energy sources for hot water, heat and cooking), unit and site amenities included, site staffing, occupancy rate, absorption history (if recently completed), name, address and phone number of property contact. A minimum of three comparables must be included, and

all LIHTC comparables must be included. Attach photos of each comparable property. Include a map identifying the location of each comparable property in relation to the subject.

2. Provide a narrative evaluation of the development in relation to the comparable properties, and identify the competitive properties, which are most similar to the proposed development. The analyst should state why the comparables referenced have been selected, which are the most directly comparable, and explain why certain developments have not been referenced.

3. Comparable property comparisons to the proposed development in terms of amenities, tenant paid utilities, location, parking, concessions and rent increase or decrease trends. Please submit this in table format, when appropriate.

- An analysis of the competitive position (rents) of the proposed development relative to other LIHTC rental developments in the PMA.
- An analysis of the competitive position (rents) of the proposed development relative to competitive market-rate rental developments in the PMA.

4. The market occupancy rate for the PMA rental housing stock by population served (i.e. market rate, low income housing tax credit, and project based rent assistance) and type of occupancy (i.e. family, seniors, special populations) and unit size.

5. Discuss the impact of the proposed development on the existing rental housing stock. Detail all existing subsidized housing by type (RD, LIHTC, etc.) and any adverse impact the proposed development may have on the existing subsidized housing.

6. Identify the number of people on waiting lists for each comparable property.

7. Describe the size of the overall rental market in the PMA, including the percentage of market rate and affordable housing units.

8. Describe the status of Section 8 Housing Choice Voucher and Public Housing waiting lists serving the PMA.

9. Discuss the availability and cost of affordable housing options, including purchase or sale of homes, if applicable. This should include a discussion of residential foreclosures.

10. Discussion of rental projects planned or under construction in the market area. Include a list of LIHTC projects with allocations in or near the market area that are not placed in service, giving as much known detail as possible on estimated placed-in-service dates, unit mix and income levels to be served.

11. A 10-year, or other appropriate period, history of building permits, if available, by housing type and comments on building trends in relation to household trends.

12. In cases of rehabilitation of an existing property, discuss the development's marketability and competitiveness in comparison to similar existing or planned multifamily properties.

13. In the case of proposed rural projects where a sufficient number of comparables do not exist in the PMA, data on at least three developments in adjacent markets with similar characteristics must be included in the market analysis. Also, in rural areas lacking sufficient three or four bedroom rental comparables, provide data on three and four bedroom single family rentals, or provide information on rental trailer homes and single family homes in an attempt to identify where potential tenants are currently living.

14. Senior developments should not be used in the survey for a family oriented community. If insufficient senior communities exist in the primary market area to make a determination on rents or market conditions, a survey of family oriented communities with comparable unit types (e.g. 1-bedroom, garden units) should be included.

15. In the case of other special needs housing developments, analysts are to follow industry best practices for examining the competitive environment.

F. Analysis/ Conclusions

The analyst should describe the strengths and weaknesses of each data source as they pertain to the conclusions of the market study.

1. Provide a detailed analysis of the income levels of the potential tenants for the proposed units. State and support the minimum household income used for total housing expenses to set the lower limit of the targeted household income range.

2. Calculate total demand based on existing (current year) and the addition of new income eligible renter households to the PMA that will take place through 2013. Total demand should be based on the following within the PMA:

- New households (growth)
- Rent-overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the proposed development; the analysis should assume rent-overburdened households are paying greater than 35% (family) or 40% (senior) of income towards gross rent.
- Households living in substandard housing units; adjust for age, income bands, and tenure as applicable. The analyst must use conservative estimates as to the demand from households that are both rent-overburdened and living in substandard housing.
- Income-eligible senior homeowners likely to convert to renters. Analysts must provide a narrative of the steps taken in order to derive estimates of demand. Analysts are encouraged to be conservative in this regard.

3. Calculate the capture rate and penetration rate for each income limit in the proposed development incorporating any housing finance agency or other regulating agency restrictions such as age, income, living in substandard conditions, renters versus home owners, household sizes, etc.

4. Define and justify the absorption period (to 93% occupancy) and absorption rate for the proposed development.

5. Calculations for this section should include the following consideration:

- The population projected must be limited to the age and income cohort. The demand for each income group (i.e. 50% of area median income (AMI)) targeted must be shown separately).
- Proposed developments targeting senior households must present data demand calculations for age 62 and older.
- Use a rent burden of up to 35% of total household income for family households and up to 40% for senior households.
- For senior developments, maximum income limits should be capped at a two person household size.
- In instances where three and four bedroom units, the analyst must include analysis of the number of large households for these larger units.
- In the case of special populations being served (e.g. homeless, disabled, senior, etc.) the analyst must include analysis that considers the proposed population, consistent with industry best practices.

7. Derive a market rent and then compare them to the developer's proposed rent. Quantify and discuss market advantage of the proposed development and its impact on marketability. The average market advantage across all unit types must be calculated. This average must be weighted based on the number of units by unit bedroom type. Please use the HUD tables found at www.hud.gov/offices/adm/hudclips/forms/files/92273-s8.xls to assist in your calculation of market advantage.

8. Project and explain any future changes in the housing stock within the primary market area.

9. Identify risks (i.e. competitive properties which may come on line at the same time as the proposed development; declining population in the PMA, etc.), unusual conditions and mitigating circumstances.

10. Provide an overall conclusion on the feasibility of the proposed development.