

# Market Feasibility Analysis

Lincoln Apartments  
404 Witsell Street  
Walterboro, Colleton County, South Carolina 29488

*Prepared For*

Mr. Mark Tuckfield  
American Community Developers  
20250 Harper Avenue  
Detroit, Michigan 48225

*Effective Date*

January 16, 2020

*Job Reference Number*

19-597 JW



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## 2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

Development Name:	Lincoln Apartments	Total # Units:	64
Location:	404 Witsell St., Walterboro, SC 29488	# LIHTC Units:	64
PMA Boundary:	Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west.		
Development Type:	<input checked="" type="checkbox"/> Family	<input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.1 miles

### RENTAL HOUSING STOCK (found on page H-1 & 13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	690	1	99.9%
Market-Rate Housing	2	192	1	99.5%
Assisted/Subsidized Housing not to include LIHTC	4	276	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>6</b>	<b>222</b>	<b>0</b>	<b>100.0%</b>
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

\* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
16	One	1.0	761	\$120	\$597	\$0.78	79.90%	\$929	\$1.33
24	Two	1.0	935	\$164	\$680	\$0.73	75.88%	\$1,020	\$1.02
16	Three	1.0	1,089	\$215	\$883	\$0.81	75.65%	\$1,350	\$1.13
8	Four	1.5	1,239	\$169	\$921	\$0.74	81.65%	\$1,350	\$1.13
<b>Gross Potential Rent Monthly*</b>				<b>\$10,648</b>	<b>\$47,368</b>		<b>77.52%</b>		

\*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

### DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2010	2019		2022	
Renter Households		3,532	26.2%	3,548	26.2%
Income-Qualified Renter HHs (LIHTC)		2,487	70.4%	2,486	70.1%
Income-Qualified Renter HHs (MR)		-	-	-	-

### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Renter Household Growth				-1		-1
Existing Households (Overburd + Substand)				1,164		1,164
Homeowner conversion (Seniors)				0		0
Other:				0		0
Less Comparable/Competitive Supply				0		0
<b>Net Income-qualified Renter HHs</b>				<b>1,163</b>		<b>1,163</b>

### CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Capture Rate				5.5%		5.5%

### ABSORPTION RATE (found on page G-8)

Absorption Period: 5 months

2020 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Current Tenant Paid Rent	Gross Tenant Rent by Bedroom	Fair Market Rent	Gross Fair Market Rent by Bedroom	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
16	1 BR	\$120	\$1,920	\$597	\$9,552	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
24	2 BR	\$164	\$3,936	\$680	\$16,320	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
16	3 BR	\$215	\$3,440	\$883	\$14,128	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
8	4 BR	\$169	\$1,352	\$921	\$7,368	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$10,648		\$47,368	77.52%

**2020 EXHIBIT S – 2 SCSHFD A PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):**

Development Name:	Lincoln Apartments	Total # Units:	64
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Development Type:	<input checked="" type="checkbox"/> Family	<input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.1 miles

**RENTAL HOUSING STOCK (found on page H-1 & 13)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	690	1	99.9%
Market-Rate Housing	2	192	1	99.5%
Assisted/Subsidized Housing not to include LIHTC	4	276	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>6</b>	<b>222</b>	<b>0</b>	<b>100.0%</b>
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

\* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	One-Br.	1.0	761	\$273	\$597	\$0.78	60.97%	\$929	\$1.33
4	One-Br.	1.0	761	\$506	\$597	\$0.78	15.24%	\$929	\$1.33
8	One-Br.	1.0	761	\$623	\$597	\$0.78	-4.36%	\$929	\$1.33
5	Two-Br.	1.0	935	\$319	\$680	\$0.73	53.09%	\$1,020	\$1.02
5	Two-Br.	1.0	935	\$600	\$680	\$0.73	11.76%	\$1,020	\$1.02
14	Two-Br.	1.0	935	\$740	\$680	\$0.73	-8.82%	\$1,020	\$1.02
4	Three-Br.	1.0	1,089	\$363	\$883	\$0.81	58.89%	\$1,350	\$1.13
4	Three-Br.	1.0	1,089	\$687	\$883	\$0.81	22.20%	\$1,350	\$1.13
8	Three-Br.	1.0	1,089	\$849	\$883	\$0.81	3.85%	\$1,350	\$1.13
2	Four-Br.	1.5	1,239	\$397	\$921	\$0.74	56.89%	\$1,350	\$1.13
2	Four-Br.	1.5	1,239	\$733	\$921	\$0.74	20.41%	\$1,350	\$1.13
4	Four-Br.	1.5	1,239	\$909	\$921	\$0.74	1.30%	\$1,350	\$1.13
<b>Gross Potential Rent Monthly*</b>				<b>\$39,943</b>	<b>\$47,368</b>		<b>15.68%</b>		

\*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

**DEMOGRAPHIC DATA (found on page F-4 & G-5)**

	2010	2019		2022	
Renter Households		3,532	26.2%	3,548	26.2%
Income-Qualified Renter HHs (LIHTC)		1,957	55.4%	1,992	56.1%
Income-Qualified Renter HHs (MR)		-	-	-	-

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)**

Type of Demand	30%	50%	60%	Other: __	Other: __	Overall
Renter Household Growth	7	17	27			35
Existing Households (Overburd + Substand)	519	229	177			717
Homeowner conversion (Seniors)	0	0	0			0
Other:	0	0	0			0
Less Comparable/Competitive Supply	0	0	0			0
<b>Net Income-qualified Renter HHs</b>	<b>526</b>	<b>246</b>	<b>204</b>			<b>752</b>

**CAPTURE RATES (found on page G-5)**

Targeted Population	30%	50%	60%	Other: __	Other: __	Overall
Capture Rate	2.9%	6.1%	16.7%			8.5%

**ABSORPTION RATE (found on page G-8)**

Absorption Period: > 12 months

2020 S-2 RENT CALCULATION WORKSHEET (LIHTC-ONLY)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Fair Market Rent	Gross Fair Market Rent by Bedroom	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
4	1 BR	\$273	\$1,092	\$597	\$2,388	
4	1 BR	\$506	\$2,024	\$597	\$2,388	
8	1 BR	\$623	\$4,984	\$597	\$4,776	
5	2 BR	\$319	\$1,595	\$680	\$3,400	
5	2 BR	\$600	\$3,000	\$680	\$3,400	
14	2 BR	\$740	\$10,360	\$680	\$9,520	
4	3 BR	\$363	\$1,452	\$883	\$3,532	
4	3 BR	\$687	\$2,748	\$883	\$3,532	
8	3 BR	\$849	\$6,792	\$883	\$7,064	
2	4 BR	\$397	\$794	\$921	\$1,842	
2	4 BR	\$733	\$1,466	\$921	\$1,842	
4	4 BR	\$909	\$3,636	\$921	\$3,684	
Totals	64		\$39,943		\$47,368	15.68%

## B. Project Description

Project Name:	<b>Lincoln Apartments</b>
Location:	404 Witsell Street, Walterboro, South Carolina 29488 (Colleton County)
Census Tract:	9705.00
Target Market:	Family
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC and Section 8

The project involves the renovation of the 64-unit Lincoln Apartments at 404 Witsell Street in Walterboro, South Carolina. Built in 1971, the project operates under the HUD Section 8 program, with all units receiving a direct subsidy. The subsidy requires tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a 44-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households with incomes of up to 30%, 50% and 60% of Area Median Household Income (AMHI). Notably, all units will continue to operate under the HUD Section 8 program. All renovations are expected to be complete by December 2021. Additional details of the subject project are as follows:

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
4	One-Br.	1.0	Garden	761	30%/S8	\$700	\$700	\$92	\$792	\$350
4	One-Br.	1.0	Garden	761	50%/S8	\$700	\$700	\$92	\$792	\$583
8	One-Br.	1.0	Garden	761	60%/S8	\$700	\$700	\$92	\$792	\$700
5	Two-Br.	1.0	Garden	935	30%/S8	\$730	\$730	\$115	\$845	\$420
5	Two-Br.	1.0	Garden	935	50%/S8	\$730	\$730	\$115	\$845	\$701
14	Two-Br.	1.0	Garden	935	60%/S8	\$730	\$730	\$115	\$845	\$841
4	Three-Br.	1.0	Townhome	1,089	30%/S8	\$920	\$920	\$139	\$1,059	\$486
4	Three-Br.	1.0	Townhome	1,089	50%/S8	\$920	\$920	\$139	\$1,059	\$810
8	Three-Br.	1.0	Townhome	1,089	60%/S8	\$920	\$920	\$139	\$1,059	\$972
2	Four-Br.	1.5	Townhome	1,239	30%/S8	\$1,000	\$1,000	\$171	\$1,171	\$542
2	Four-Br.	1.5	Townhome	1,239	50%/S8	\$1,000	\$1,000	\$171	\$1,171	\$903
4	Four-Br.	1.5	Townhome	1,239	60%/S8	\$1,000	\$1,000	\$171	\$1,171	\$1,084
64	Total									

Source: American Community Developers

AMHI – Area Median Household Income (2020 National Non-Metropolitan Limits)

S8 – Section 8

*Note that tenants residing at the subject project effectively pay up to 30% of their adjusted gross household income towards gross rent. The maximum allowable LIHTC gross rents of between \$350 and \$1,084 are the programmatic limits for units targeting households earning up to 30%, 50% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that the subject project ceased to operate with a project-based subsidy. In the unlikely event the subject project lost its project-based subsidy, it will be configured as illustrated on the following page.*

**Proposed Unit Configuration**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
4	One-Br.	1.0	Garden	761	30%	\$273	\$77	\$350	\$350
4	One-Br.	1.0	Garden	761	50%	\$506	\$77	\$583	\$583
8	One-Br.	1.0	Garden	761	60%	\$623	\$77	\$700	\$700
5	Two-Br.	1.0	Garden	935	30%	\$319	\$101	\$420	\$420
5	Two-Br.	1.0	Garden	935	50%	\$600	\$101	\$701	\$701
14	Two-Br.	1.0	Garden	935	60%	\$740	\$101	\$841	\$841
4	Three-Br.	1.0	Townhome	1,089	30%	\$363	\$123	\$486	\$486
4	Three-Br.	1.0	Townhome	1,089	50%	\$687	\$123	\$810	\$810
8	Three-Br.	1.0	Townhome	1,089	60%	\$849	\$123	\$972	\$972
2	Four-Br.	1.5	Townhome	1,239	30%	\$397	\$145	\$542	\$542
2	Four-Br.	1.5	Townhome	1,239	50%	\$733	\$145	\$878	\$903
4	Four-Br.	1.5	Townhome	1,239	60%	\$909	\$145	\$1,054	\$1,084
64	Total								

Source: American Community Developers  
 AMHI – Area Median Household Income (2020 National Non-Metropolitan Limits)

Building/Site Information	
Residential Buildings:	9 two-story buildings
Building Style:	Walk-up & townhomes
Community Buildings:	1
Acres:	5.5

Construction Timeline	
Original Year Built:	1971
Renovation Start:	January 2021
Begin Preleasing:	In-Place Renovation
Renovation End:	December 2021

Unit Amenities		
• Electric Range	• Microwave*	• Composite & Vinyl Flooring
• Refrigerator	• Washer/Dryer Appliances*	• Window Blinds
• Garbage Disposal*	• Central Air Conditioning*	

\*To be added during renovations

Community Amenities		
• On-Site Management	• Playground	• Computer Center*
• Laundry Facility	• Community Room with Kitchen*	• Surface Parking Lot
• Fitness Center	• CCTV/Cameras	

\*To be added during renovations

Utility Responsibility							
Paid By Source	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Electric	Electric	Electric					

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
64	0	100.0%	44 Households





## **PLANNED RENOVATION & CURRENT OCCUPANCY:**

Based on information provided by the developer, the subject property will be substantially renovated (~\$65,800/unit) and will include, but not limited to the following renovations:

- Replace all flooring
- New kitchen appliances
- Paint the interior of all the units
- Replacement of all windows
- Addition of a community room
- Addition of a computer center
- Install new entry doors
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary

Note that the complete scope of renovations proposed at the subject project is included in *Addendum C* of this report.

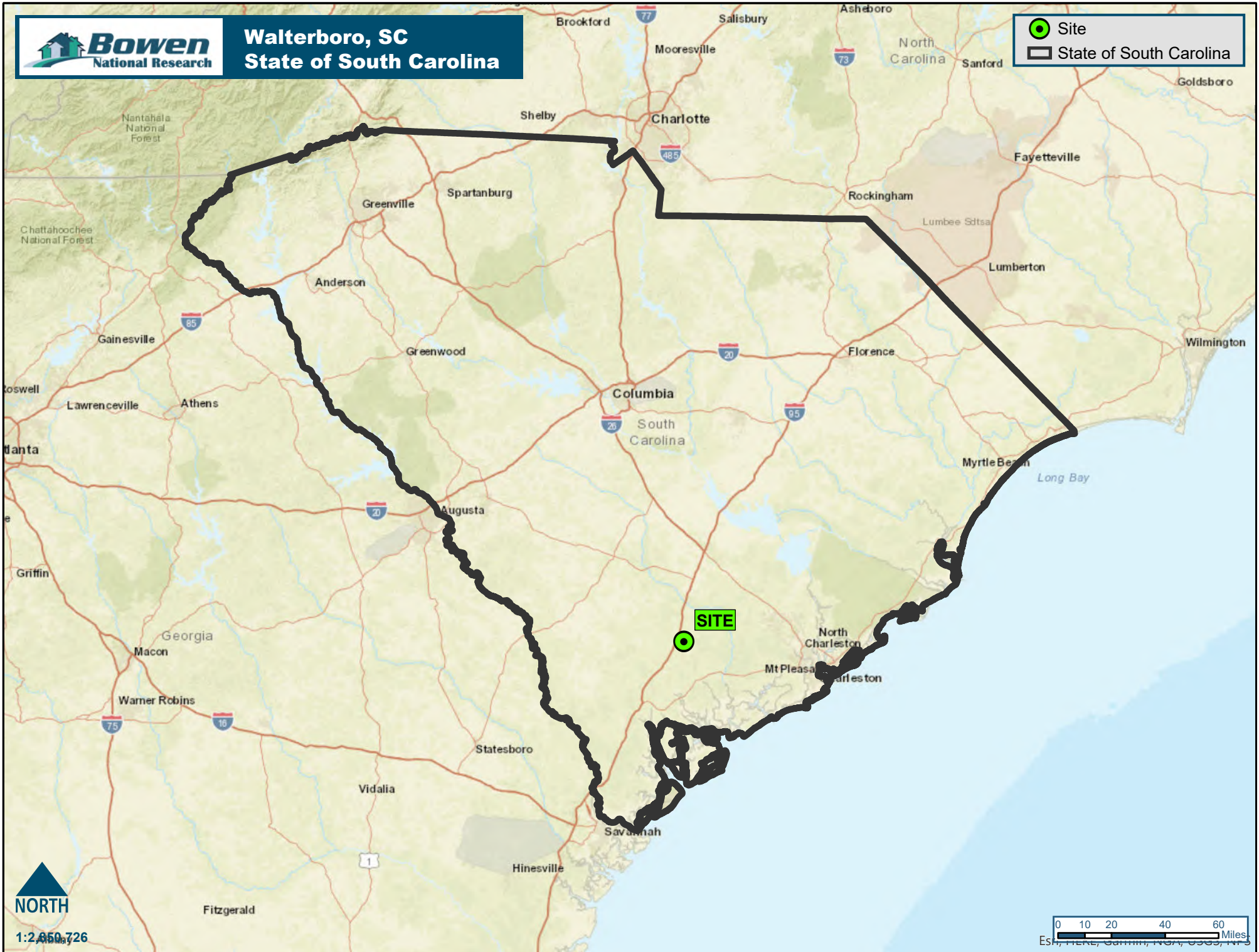
The subject project consists of 64 one-, two-, three- and four-bedroom units that are 100.0% occupied with a waiting list of up to 44 households for the next available unit. The subject project currently operates with a Section 8 subsidy available to all units, requiring tenants of the project to pay up to 30% of their income towards rent. Due to the subsidy that is available on all of the subject units, the average tenant-paid rents are \$120, \$164, \$215 and \$169 for a one-, two-, three- and four-bedroom unit, respectively, based on the subject project's current rent roll, as illustrated in *Addendum D*. Following Tax Credit renovations, the subsidy will be retained on all 64 units. It is anticipated that most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project.

A state map, an area map and a site neighborhood map are on the following pages.



# Walterboro, SC State of South Carolina

- Site
- ▭ State of South Carolina



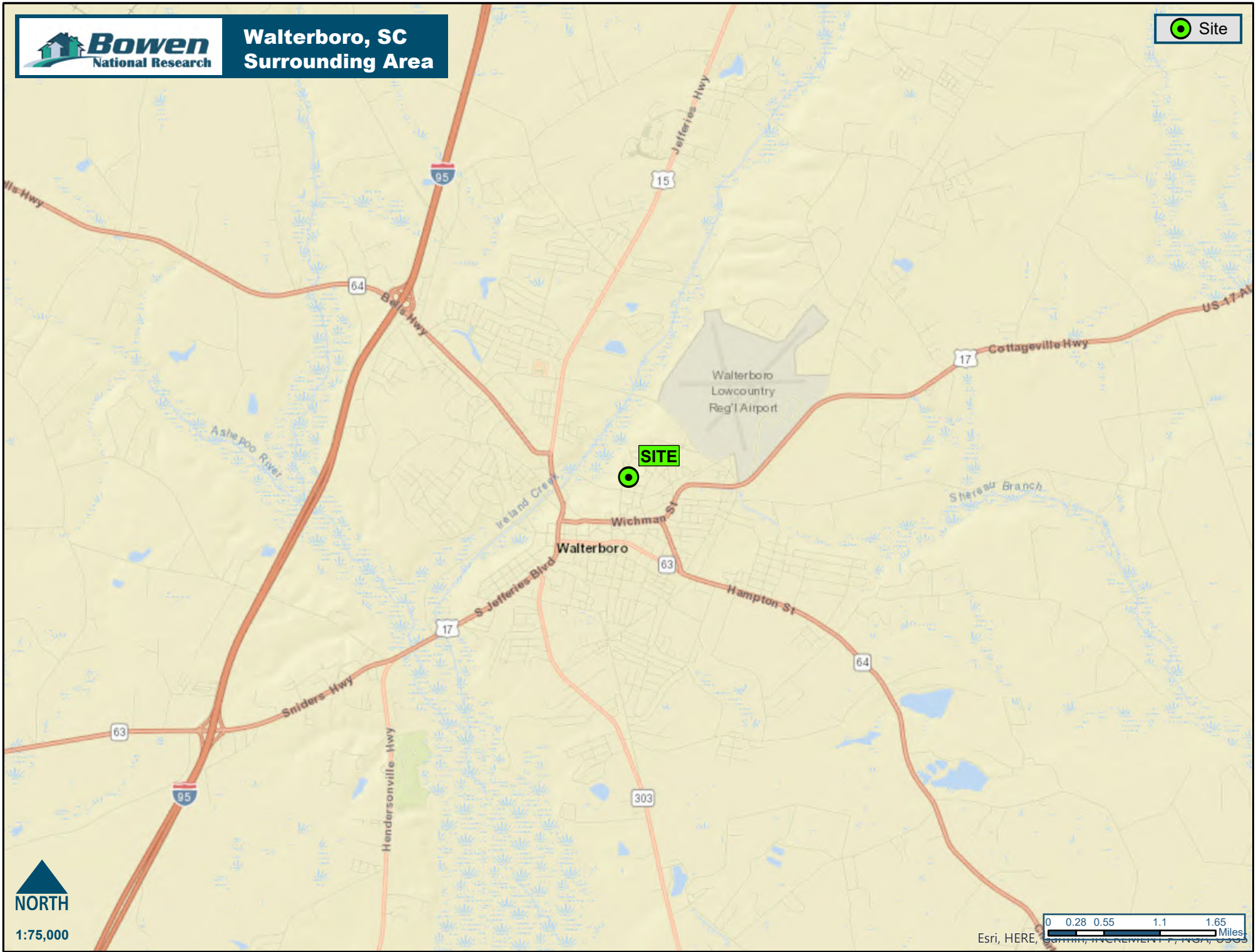
1:2,850,726

0 10 20 40 60 Miles  
ESRI, HERE, Garmin, NAV, USGS, FRS



# Walterboro, SC Surrounding Area

Site



1:75,000

0 0.28 0.55 1.1 1.65 Miles

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of December 16, 2019. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site is the existing Lincoln Apartments located at 404 Witsell Street in Walterboro, South Carolina. Located within Colleton County, Walterboro is approximately 48.0 miles northwest of Charleston, South Carolina and approximately 68.0 miles northeast of Savannah, Georgia. Following is a description of surrounding land uses:

<b>North -</b>	The northern boundary is defined by a scattered tree line and single-family homes in fair to good condition. Continuing north and extending farther north are wooded land and additional single-family homes.
<b>East -</b>	The eastern boundary is defined by a tree line and single-family homes in fair to good condition. Continuing east are wooded land and additional single-family homes. Extending farther east is wooded land, single-family homes and a park.
<b>South -</b>	The southern boundary is defined by wooded land. Continuing south are wooded land and single-family homes in fair to good condition. Extending farther south are wooded land, additional single-family homes and churches.
<b>West -</b>	The western boundary is defined by Witsell Street, a two-lane residential road with light traffic. Continuing west are wooded land, Pruitt Health-Walterboro, a nursing home in good condition, and a single-family home in good condition. Extending farther west is wooded land.

The subject site is situated within a primarily established area of Walterboro, comprised of single-family homes, commercial buildings, churches and a nursing home, all in fair to good condition. As such, renovated apartments are expected to fit well with the surrounding land uses and they should continue to contribute to its marketability.

### 3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	North Jefferies Boulevard/U.S. Highway 15 Interstate 95	0.7 West 3.0 Northwest
Public Bus Stop	Palmetto Breeze Transit	On-Site
Major Employers/ Employment Centers	Colleton County School District Colleton Medical Center Walmart Supercenter	1.2 Southwest 1.9 Northwest 3.3 Northwest
Convenience Store	Valero Stop N Go Shell/SCV Food Mart	0.4 Southwest 0.8 Southwest 1.0 Southwest
Grocery	General Food Store (IGA) Walterboro Foodland BI-LO Grocery	0.5 Southwest 0.7 West 1.7 Northwest
Discount Department Store	Dollar General Citi-Trends Family Dollar	0.8 Southwest 1.4 Northwest 1.4 Southwest
Schools: Elementary Middle/Junior High High	Northside Elementary Colleton County Middle Colleton County High	4.4 Northeast 3.9 Northeast 4.6 North
Hospital	Colleton Medical Center	1.9 Northwest
Police	Walterboro Police Department	0.9 Southwest
Fire	Walterboro Fire Department	1.0 Southwest
Post Office	US Post Office	0.9 Southwest
Bank	South Carolina Bank & Trust Bank of Walterboro Wells Fargo Bank	0.7 West 0.9 West 0.9 Southwest
Gas Station	Valero Stop N Go Shell/SCV Food Mart	0.4 Southwest 0.8 Southwest 1.0 Southwest
Pharmacy	Hiott's Pharmacy CVS Walgreens	0.7 Southwest 1.7 Northwest 1.7 Northwest
Restaurant	Hardee's Castillo's Pizzeria	0.8 West 0.9 Southwest
Day Care	Forest Hills Pre-school	1.6 West
Library	Colleton County Memorial Library	0.6 South
Park	Sankey D. Maree Park Pickney Park	0.5 East 0.6 South
Museum	South Carolina Artisans Center	0.7 Southwest
Church	Bethel Presbyterian Church St. Jude's Church St. Peters AME Church	0.3 South 0.3 South 0.5 South
Higher Education	University of South Carolina Salkehatchie – East Campus	0.8 Southeast

As the preceding illustrates, most area services such as dining, entertainment, shopping and employment are located within approximately 2.0 miles of the subject site and are easily accessible given the site's proximity to North Jefferies Boulevard/U.S. Highway 15, which serves as a commercial corridor within the area, approximately 0.7 miles to the west. Notable services within approximately 1.0 mile of the subject site include, but are not limited to Bank of Walterboro, Stop N Go gas station/convenience store, General Food Store (IGA), Castillo's Pizzeria, Bethel Presbyterian Church and Dollar General.

Public safety services are provided by the Walterboro Police Department and Walterboro Fire Department, both of which are located within 0.9 miles southwest and 1.0 mile southwest of the site, respectively. The nearest full-service hospital is the Colleton Medical Center, located 1.9 miles northwest of the site. Pharmacies are all accessed within 1.7 miles. All applicable attendance schools are located within 4.6 miles. Sankey D. Maree Park and Pickney Park, including playgrounds, pavilion, benches and ball court, are within 0.6 miles.

#### **4. SITE PHOTOGRAPHS**

Photographs of the subject site and surrounding land uses are on the following pages.

Lincoln Apartments



North Site Entryway



Entryway Signage



South Site Entryway



Typical exterior of building



View of site from the north



View of site from the northeast

Lincoln Apartments



View of site from the east



View of site from the southeast



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



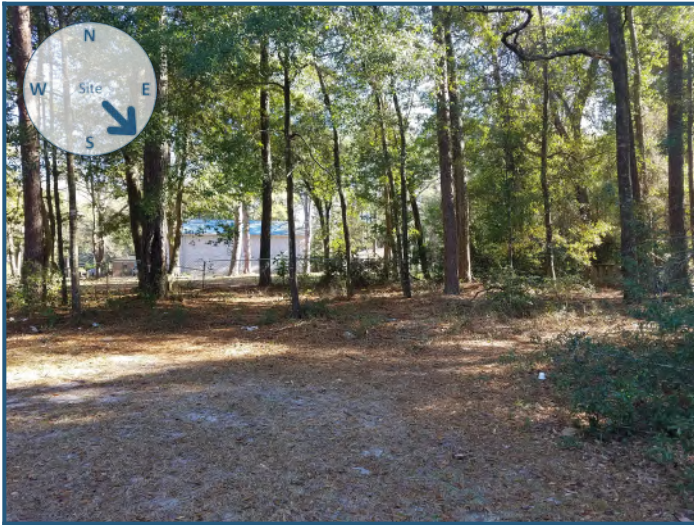
Lincoln Apartments



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site

Lincoln Apartments



Northwest view from site



Streetscape: South view of Witsell Street



Streetscape: North view of Witsell Street



Recreation Area: Playground



Laundry Facility (Washers)



Laundry Facility (Dryers)

Lincoln Apartments



Business Center: Computer



One-Bedroom (Living Room)



One-Bedroom (Dining Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bathroom)

Lincoln Apartments



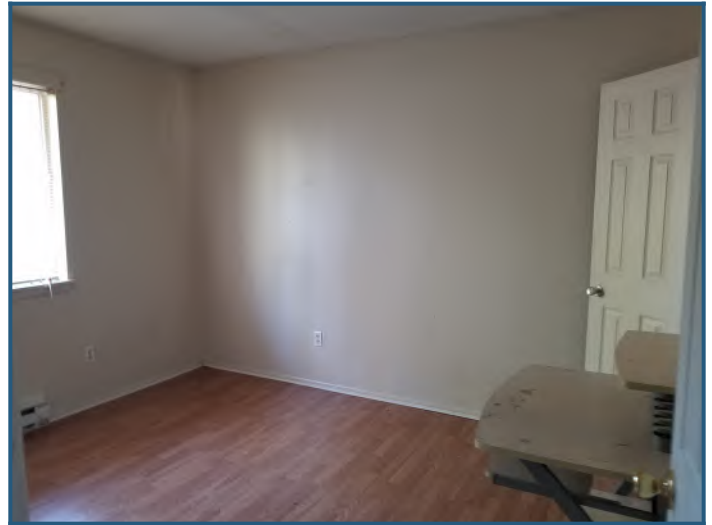
Two-Bedroom (Living Room)



Two-Bedroom (Dining Room)



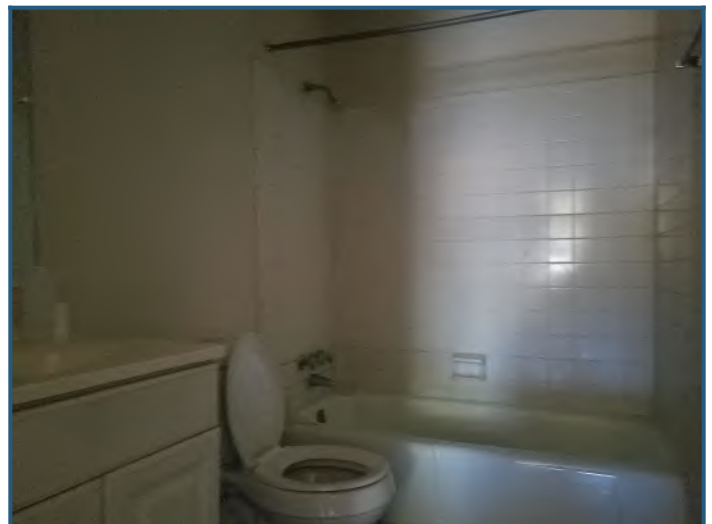
Two-Bedroom (Kitchen)



Two-Bedroom (Master Bedroom - View A)

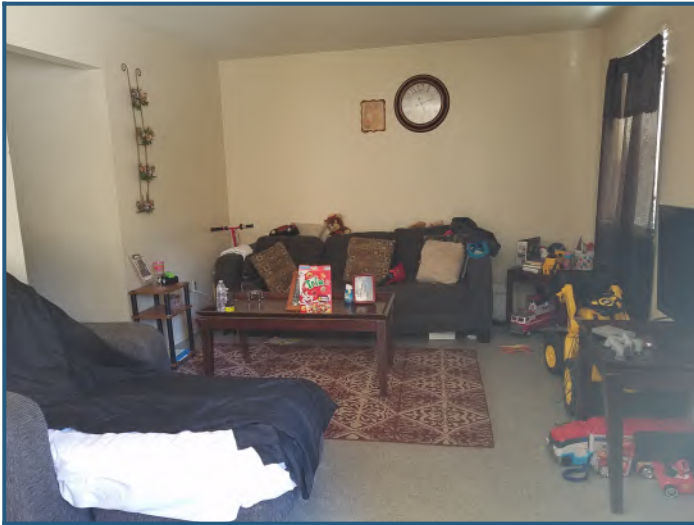


Two-Bedroom (Second Bedroom - View A)



Two-Bedroom (Full Bathroom)

Lincoln Apartments



Three-Bedroom (Living Room)



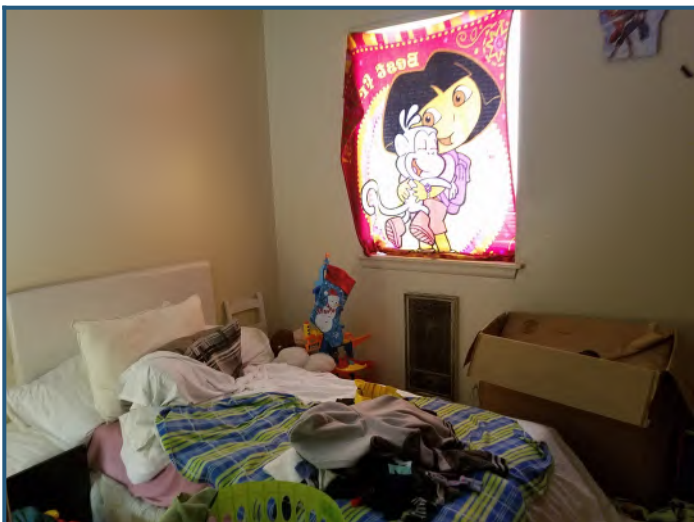
Three-Bedroom (Dining Room)



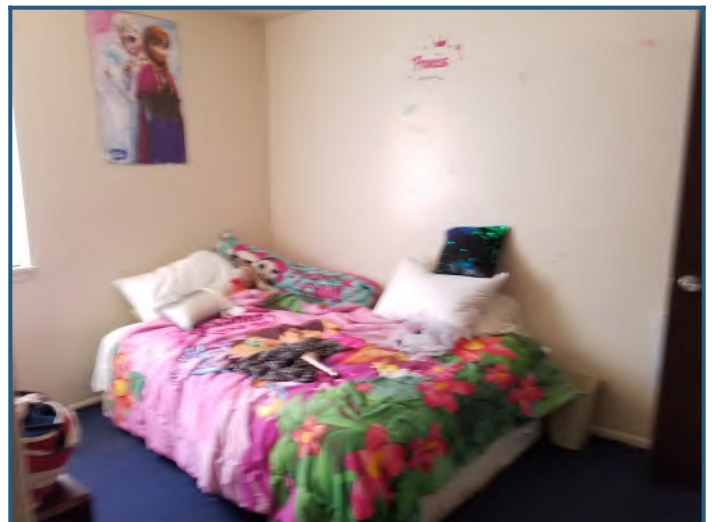
Three-Bedroom (Kitchen)



Three-Bedroom (Master Bedroom - View A)

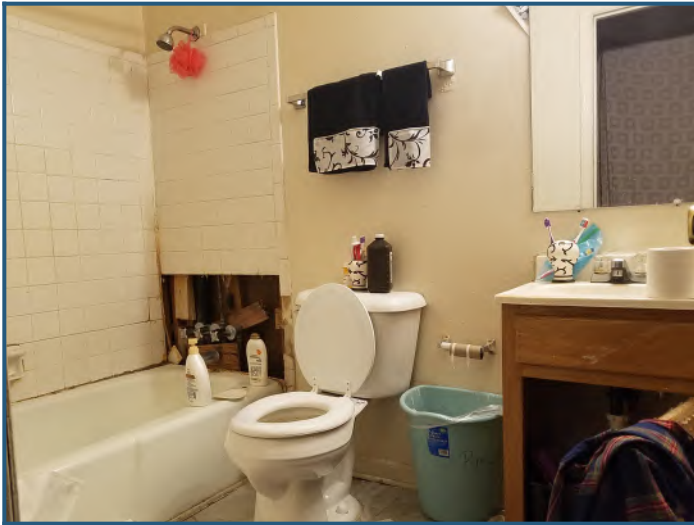


Three-Bedroom (Second Bedroom - View A)



Three-Bedroom (Third Bedroom - View A)

Lincoln Apartments



Three-Bedroom (Full Bathroom)



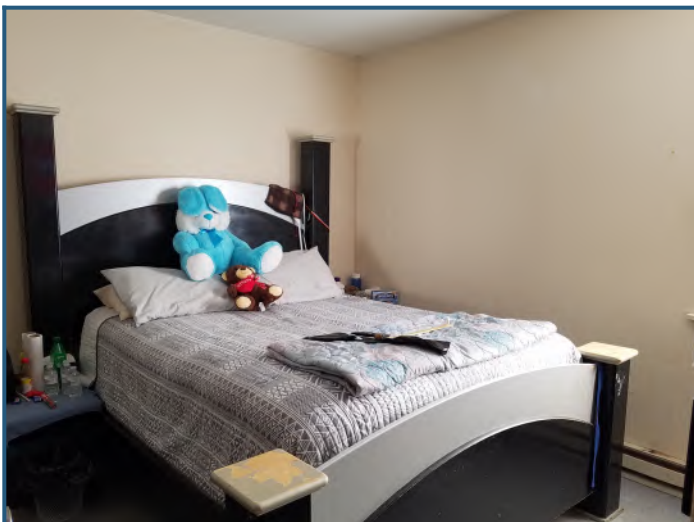
Four-Bedroom (Living Room)



Four-Bedroom (Dining Room)



Four-Bedroom (Kitchen)



Four-Bedroom (Master Bedroom - View A)



Four-Bedroom (Second Bedroom - View A)

Lincoln Apartments



Four-Bedroom (Third Bedroom - View A)



Four-Bedroom (Fourth Bedroom - View A)



Four-Bedroom (Full Bathroom)



Four-Bedroom (Half-Bath)

**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.

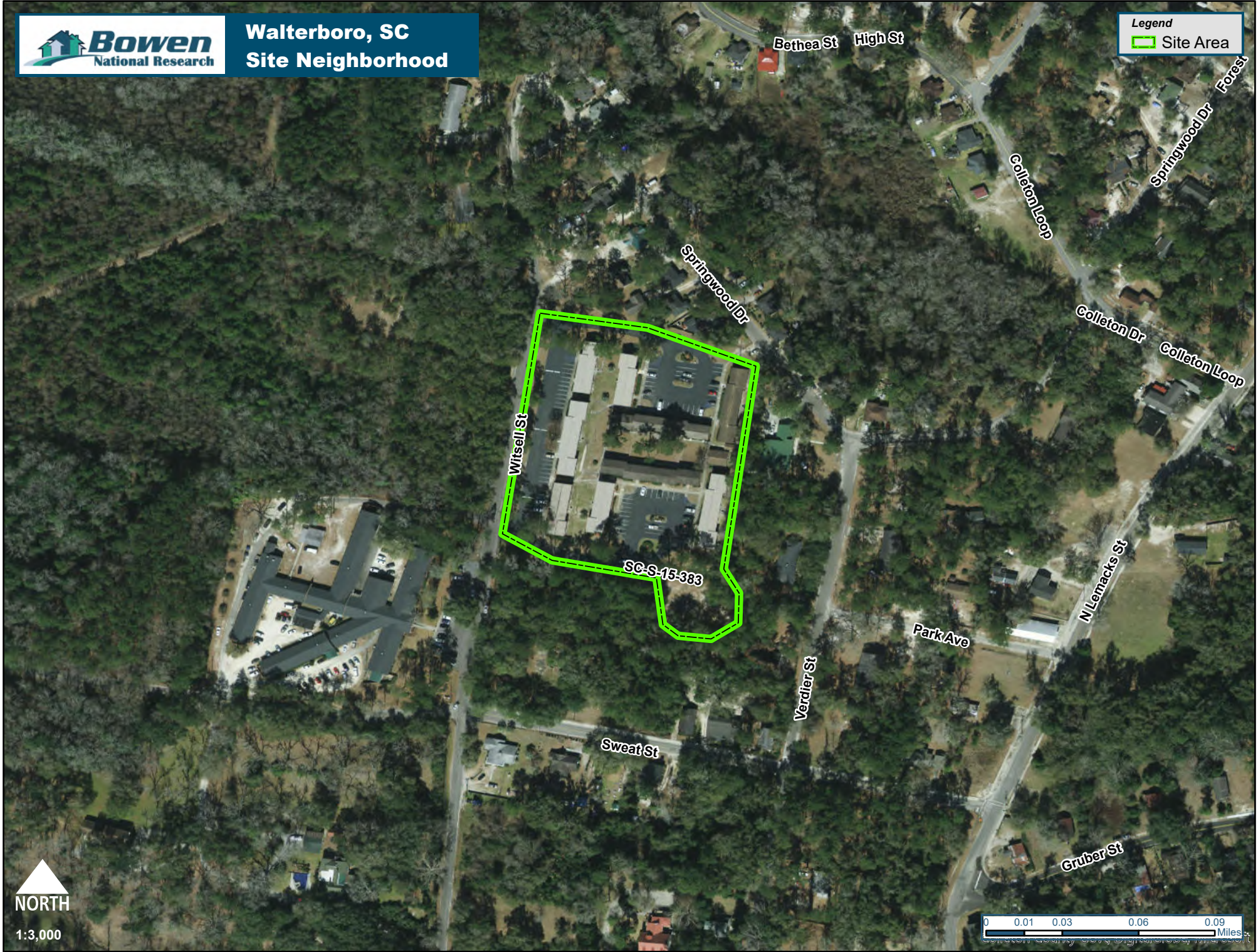




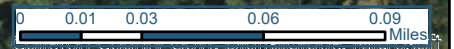
# Walterboro, SC Site Neighborhood

Legend

Site Area

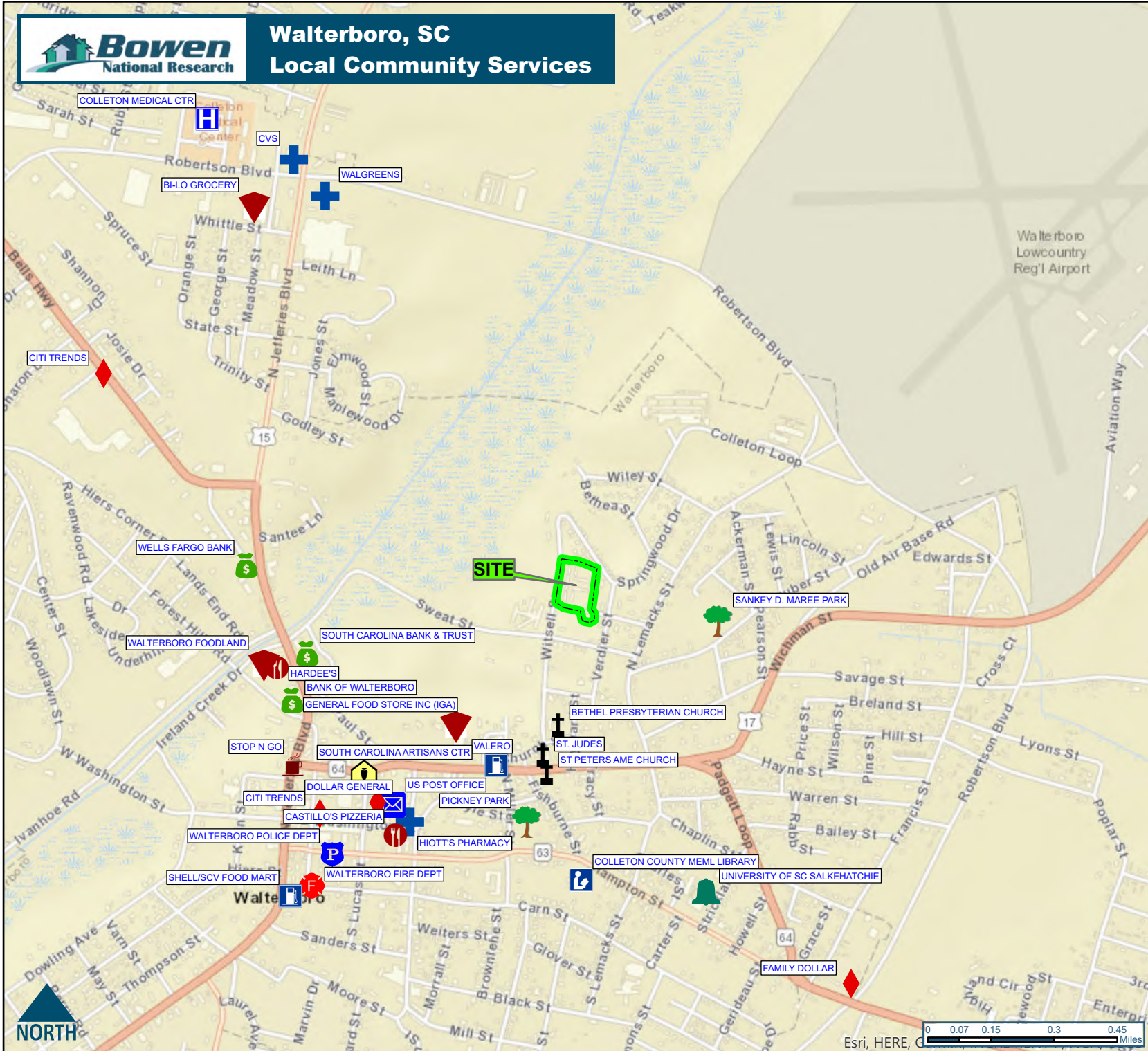


1:3,000

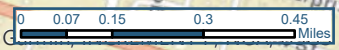




# Walterboro, SC Local Community Services



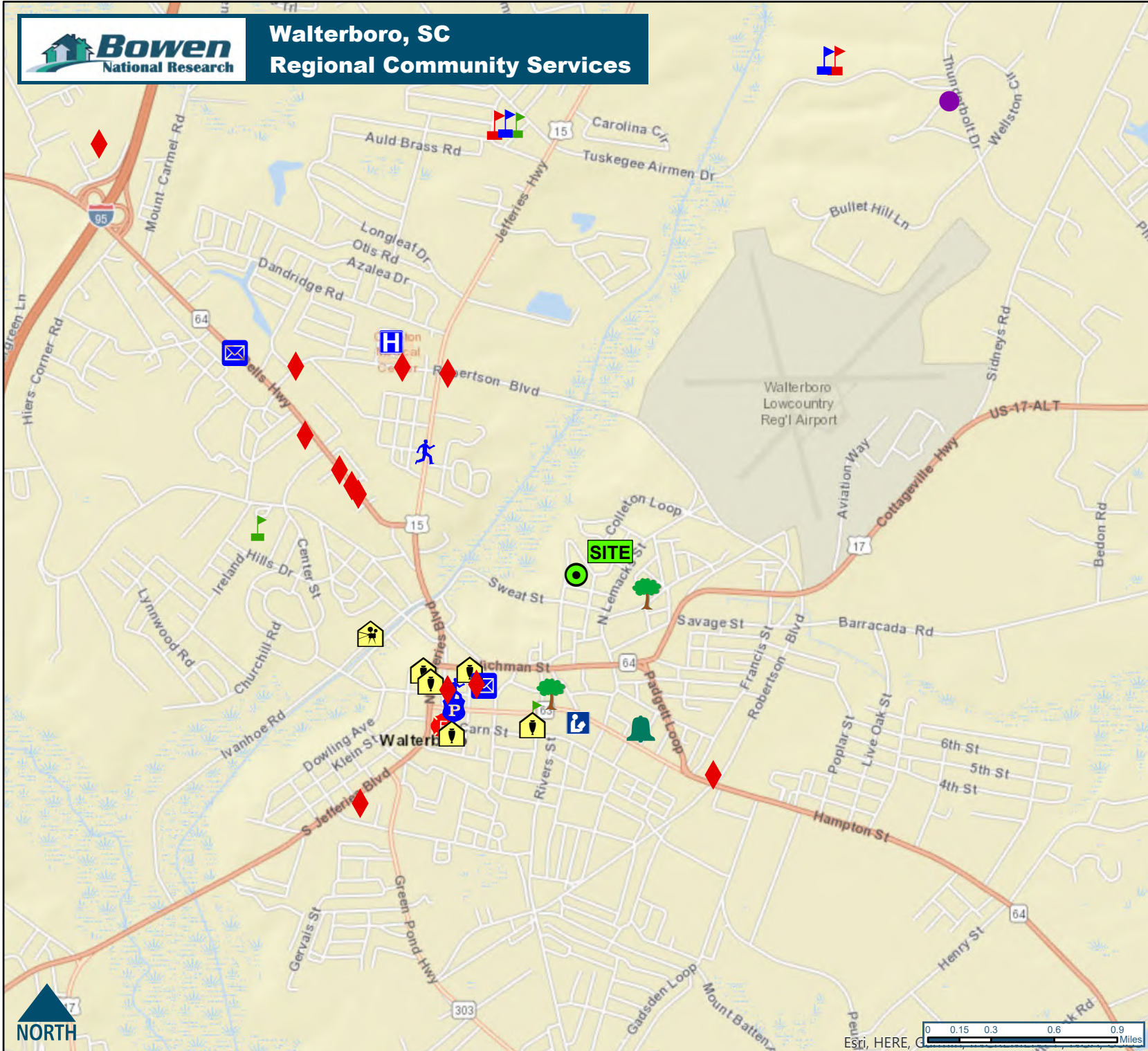
- Legend
- Site Area
  - Bank
  - Church
  - Convenience Store
  - Fire
  - Gas
  - Grocery
  - Hospital
  - Library
  - Museum
  - Park
  - Pharmacy
  - Police
  - Post Office
  - Restaurant
  - Shopping
  - University



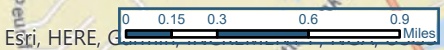
1:20,000



# Walterboro, SC Regional Community Services



- Legend
- Site
  - Cinema
  - Elementary School
  - Fire
  - Fitness Center
  - High School
  - Hospital
  - Library
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Shopping
  - University



1:40,000

**6. CRIME ISSUES**

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the site’s ZIP Code is 152, with an overall personal crime index of 179 and a property crime index of 148. Total crime risk for Colleton County is 127, with indexes for personal and property crime of 172 and 120, respectively.

	Crime Risk Index	
	Site ZIP Code	Colleton County
<b>Total Crime</b>	<b>152</b>	<b>127</b>
<b>Personal Crime</b>	<b>179</b>	<b>172</b>
Murder	166	172
Rape	102	81
Robbery	105	105
Assault	224	216
<b>Property Crime</b>	<b>148</b>	<b>120</b>
Burglary	171	159
Larceny	147	111
Motor Vehicle Theft	103	107

Source: Applied Geographic Solutions

The crime risk indices within both the site’s ZIP Code (152) and Colleton County (127) are above the national average (100). However, these relatively high crime indices do not appear to have a negative impact on the overall marketability of the Walterboro rental housing market, as evidenced by the strong occupancy levels maintained at nearly all rental properties surveyed, including the subject site. As such, the perception of crime within the area is not anticipated to have an impact on the site’s continued marketability. A map illustrating crime risk is on the following page.

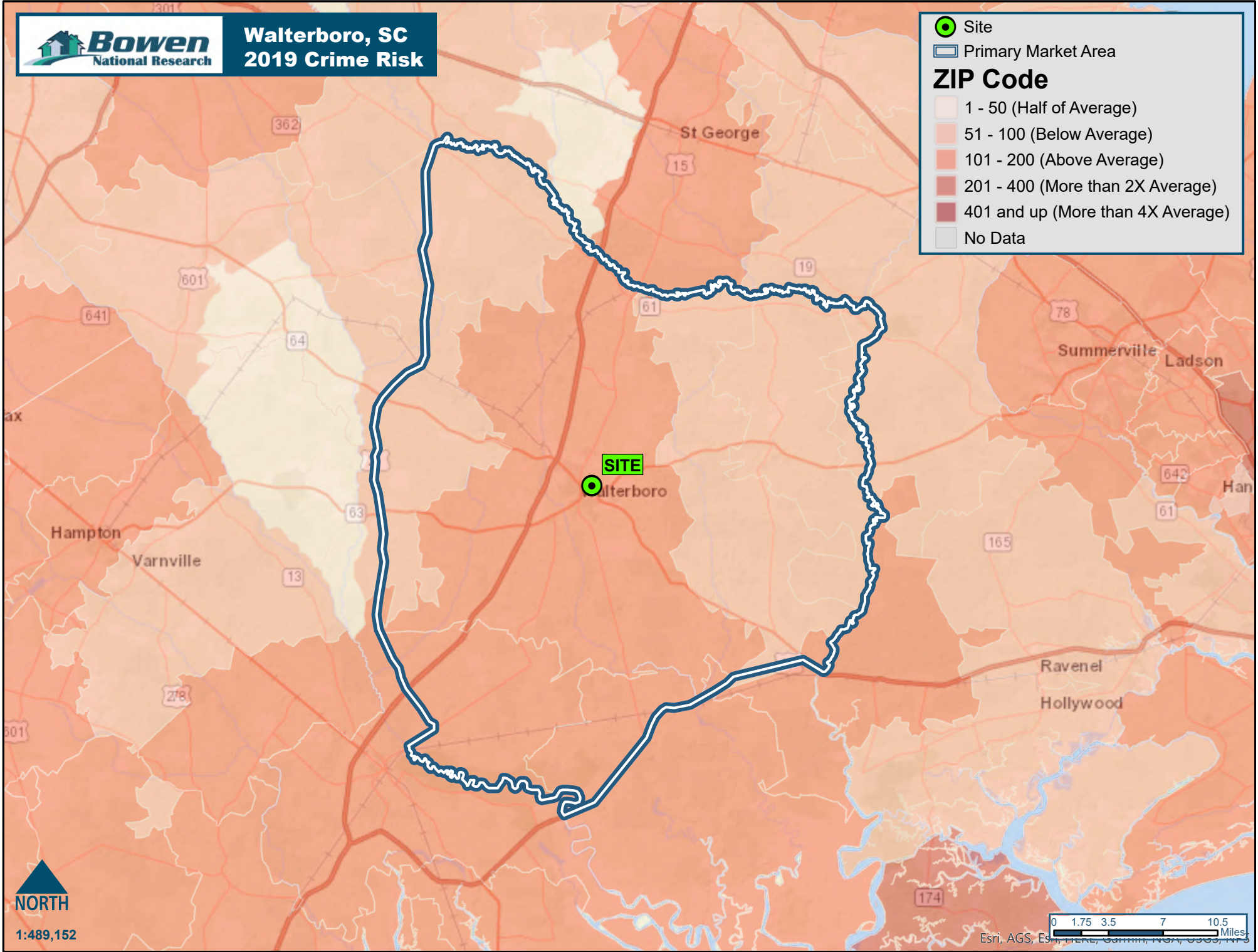


# Walterboro, SC 2019 Crime Risk

- Site
- ▭ Primary Market Area

### ZIP Code

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



**NORTH**  
1:489,152



Esri, AGS, Esri, HERE, Garmin, NAV, USGS, NPS

## **7. ACCESS AND VISIBILITY**

The subject property derives access from Witsell Street, a two-lane residential road that borders the site to the west. Traffic was observed to be light to moderate, which allows for convenient ingress and egress. This roadway also provides access to and from Wichman Street and North Jefferies Boulevard/U.S. Highway 15, approximately 0.4 and 0.7 miles from the site to south and west, respectively. Wichman Street is a three-lane, east-west arterial road with moderate to heavy traffic and North Jefferies Boulevard/U.S. Highway 15 is a five-lane, north-south commercial arterial road with moderate to heavy traffic. In addition, there are scheduled public transportation services, provided by the Palmetto Breeze Transit, available on site. Overall, access is considered good.

Visibility is considered limited due to the mostly obstructed views from the surrounding land uses, such as wooded land and houses bordering the site in all directions. However, the property is clearly visible upon ingress from Witsell Street and signage is present at the subject site entryways. Nonetheless, the limited visibility has not had an adverse impact on the site's marketability, as evidenced by its full occupancy and waiting list. Therefore, visibility of the site is considered adequate.

## **8. VISIBLE OR ENVIRONMENTAL ISSUES**

There were no visible or environmental issues observed while conducting the site visit.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is situated within a predominantly established area of Walterboro and fits well with the surrounding land uses. Visibility of the subject site is limited due to the mostly obstructed views from the surrounding land uses; however, the high occupancy rate demonstrates that the limited visibility has not adversely affected the property's marketability. Access to and from the site is considered good, due to the light traffic on Witsell Street, a two-lane residential road that borders the site to the west. Additionally, Palmetto Breeze Transit provides scheduled public transportation services within the area, with the nearest bus stop on-site. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social and public safety services are all within 2.0 miles. Proximity and ease of access to Wichman Street and North Jefferies Boulevard/U.S. Highway 15, as well as Interstate 95, enhances access and marketability. Overall, we consider the site's location and proximity to community services to have a positive effect on its continued marketability.

## D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Walterboro Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, as well as the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Walterboro Site PMA includes all or portions of Walterboro, Cottageville, Jacksonboro and Smoaks, as well as outlying portions of unincorporated areas of Colleton County. Specifically, the boundaries of the Site PMA include the Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west. All boundaries of the Site PMA are generally within 20.1 miles from the site. The Site PMA includes all of, or portions of, the following Census Tracts:

9701.00	9703.00	9704.01	9704.02
9705.00*	9706.00	9707.00	9708.00

\*Subject site location

Priscilla Myers is the Property Manager of Lincoln Apartments (subject site). Ms. Myers confirmed the Site PMA, stating most of the tenants that reside at the property are from Walterboro and the smaller surrounding communities in Colleton County.

Nancy Crosby is the Property Manager of Bay Meadows Apartments (Map ID 2), a government-subsidized Tax Credit community in Walterboro. Ms. Crosby confirmed the Site PMA, stating that most of her property's tenants come from Walterboro and the surrounding smaller towns.

Phyllis Whitley is the Property Manager of Companion at Cambridge Pointe (Map ID 4), an age-restricted Tax Credit property within Walterboro. Ms. Whitley confirmed the Site PMA, stating that nearly all support comes from within Walterboro and the outlying areas of Colleton County.

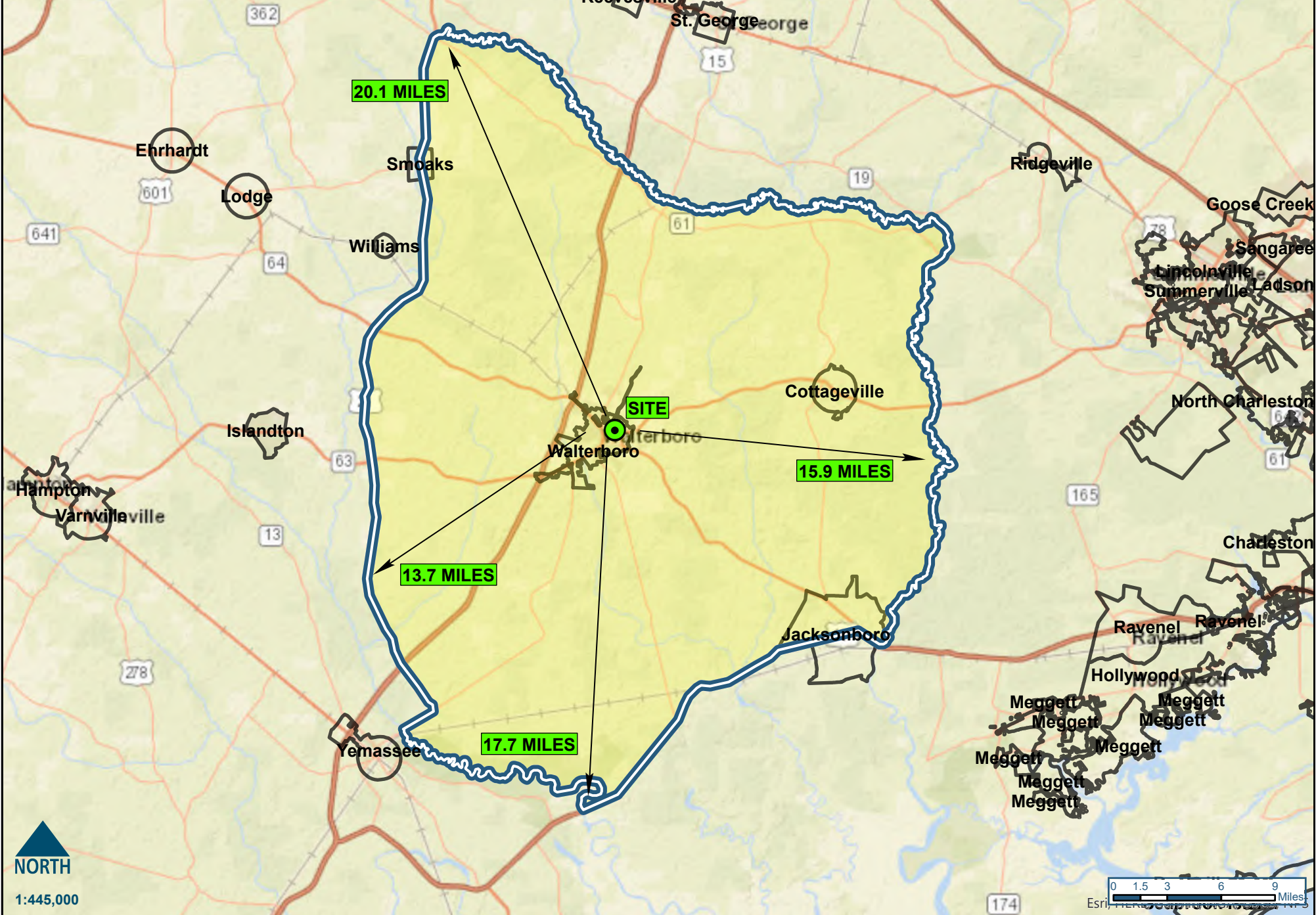
A modest portion of support may originate from some of the outlying areas of the market; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



# Walterboro, SC Primary Market Area

- Site
- Primary Market Area



NORTH  
1:445,000





## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

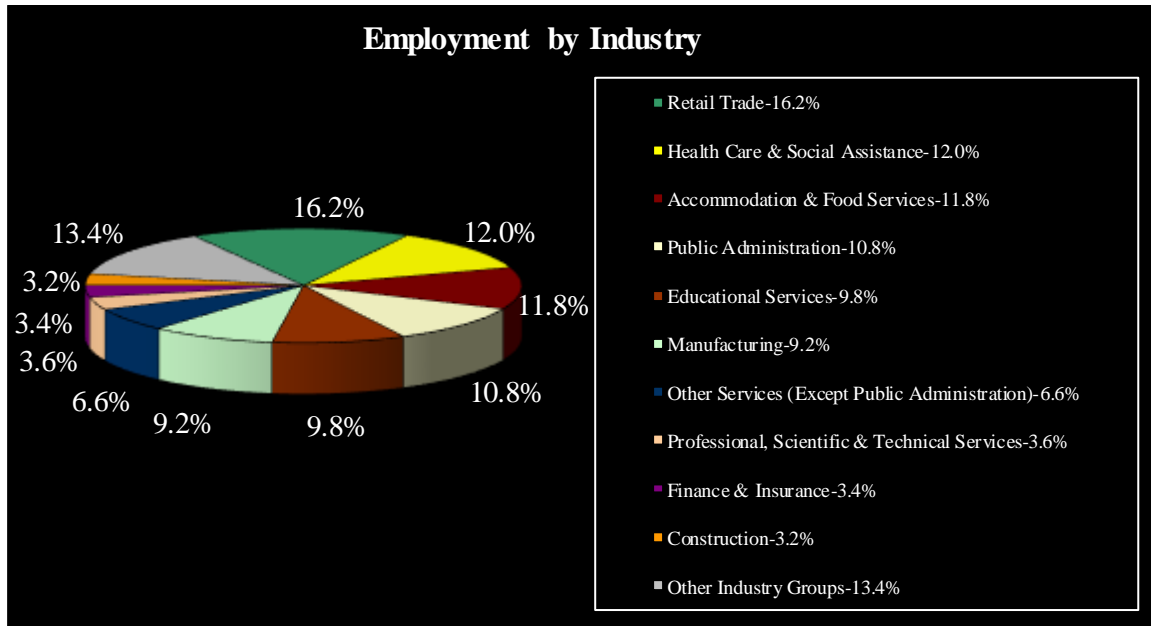
The labor force within the Walterboro Site PMA is based primarily in four sectors. Retail Trade (which comprises 16.2%), Health Care & Social Assistance, Accommodation & Food Services and Public Administration comprise nearly 51% of the Site PMA labor force. Employment in the Walterboro Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	33	2.6%	210	1.9%	6.4
Mining	2	0.2%	8	0.1%	4.0
Utilities	2	0.2%	49	0.4%	24.5
Construction	78	6.1%	363	3.2%	4.7
Manufacturing	32	2.5%	1,031	9.2%	32.2
Wholesale Trade	51	4.0%	317	2.8%	6.2
Retail Trade	201	15.6%	1,817	16.2%	9.0
Transportation & Warehousing	21	1.6%	214	1.9%	10.2
Information	14	1.1%	158	1.4%	11.3
Finance & Insurance	70	5.4%	376	3.4%	5.4
Real Estate & Rental & Leasing	54	4.2%	241	2.2%	4.5
Professional, Scientific & Technical Services	76	5.9%	403	3.6%	5.3
Management of Companies & Enterprises	3	0.2%	36	0.3%	12.0
Administrative, Support, Waste Management & Remediation Services	32	2.5%	146	1.3%	4.6
Educational Services	34	2.6%	1,100	9.8%	32.4
Health Care & Social Assistance	88	6.8%	1,341	12.0%	15.2
Arts, Entertainment & Recreation	20	1.6%	99	0.9%	5.0
Accommodation & Food Services	91	7.1%	1,322	11.8%	14.5
Other Services (Except Public Administration)	248	19.2%	737	6.6%	3.0
Public Administration	97	7.5%	1,205	10.8%	12.4
Nonclassifiable	42	3.3%	19	0.2%	0.5
<b>Total</b>	<b>1,289</b>	<b>100.0%</b>	<b>11,192</b>	<b>100.0%</b>	<b>8.7</b>

\*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Northeast South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Northeast South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$86,310	\$103,100
Business and Financial Occupations	\$58,270	\$64,640
Computer and Mathematical Occupations	\$60,630	\$74,030
Architecture and Engineering Occupations	\$66,660	\$79,960
Community and Social Service Occupations	\$47,980	\$43,170
Art, Design, Entertainment and Sports Medicine Occupations	\$36,510	\$48,550
Healthcare Practitioners and Technical Occupations	\$71,470	\$73,040
Healthcare Support Occupations	\$27,820	\$29,070
Protective Service Occupations	\$39,340	\$38,670
Food Preparation and Serving Related Occupations	\$22,190	\$21,910
Building and Grounds Cleaning and Maintenance Occupations	\$24,430	\$25,170
Personal Care and Service Occupations	\$22,770	\$24,210
Sales and Related Occupations	\$26,560	\$34,590
Office and Administrative Support Occupations	\$32,050	\$34,970
Construction and Extraction Occupations	\$38,910	\$41,220
Installation, Maintenance and Repair Occupations	\$40,540	\$44,730
Production Occupations	\$34,850	\$39,000
Transportation and Moving Occupations	\$31,910	\$33,870

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

Most annual blue-collar salaries range from \$22,190 to \$47,980 within the Northeast South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$68,668. It is important to note that most occupational types within the Northeast South Carolina Nonmetropolitan Area have lower typical wages than the State of South Carolina's typical wages. As such, the area employment base has a significant number of income-appropriate occupations from which the subject project will continue to draw renter support.

### 3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Colleton County comprise a total of 2,675 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Colleton County School District	Education	900
Colleton County Government	Government	500
Colleton Medical Center	Healthcare	420
Walmart	Retail	300
City of Walterboro	Government	115
Cracker Barrel	Restaurant	105
Rockford Manufacturing	Manufacturing	100
Carolina Composites/Pioneer Boats	Manufacturing	100
Carolina Visuals	Manufacturing	75
Floralife	Chemical Manufacturing	60
Total		2,675

Source: Colleton County Economic Alliance (December 2019)

According to a representative with the Colleton County Economic Alliance, the Colleton County economy continues to experience growth. Below are summaries of key economic factors impacting the local employment base:

- In December 2019, Mayzo, Inc., a chemical additive products company, announced it would open a new operations center in a building on Industrial Road in Walterboro. The 61,000 square-foot building will be used for research and development, operations and a warehouse. The expansion will include the addition of 20 new jobs and is expected to open in early 2020.
- In December 2019, Cook Out fast-food restaurant opened a new location in Walterboro on Bells Highway.
- In November 2019, Parker's Kitchen opened a new convenience and foodservice store in Walterboro. The new 4,900 square-foot store is expected to hire approximately 25 employees.

- In September 2019, Colonial Precast Concrete of Carolina announced the opening of a new manufacturing plant in Colleton County. The \$2.5 million investment will create approximately 55 new jobs.
- In January 2019, a new \$5.2 million Colleton County Law Enforcement Complex opened, and all sheriff offices and departments were moved to the new complex. Funding was allocated from a portion of the county's capital improvement sales tax.
- In October 2018, Evanesce Packaging Solutions, Inc. announced it would open a new facility in an existing building in Colleton County. The \$70 million investment was expected to create approximately 360 new jobs manufacturing compostable food service items. Original plans included opening in June 2020; however, changes to the number of production lines and other setbacks have delayed the opening. No firm opening date was available as of December 2019.
- In spring 2018, Carolina Composites began expansion of its Pioneer Boats manufacturing plant in Colleton County. The \$3 million investment is expected to create approximately 90 new jobs over five years.

#### Infrastructure

- In December 2019, the U.S. Department of Commerce announced investment in South Carolina for support of businesses and disaster resiliency efforts. Colleton County has been allocated \$891,072 in federal funds. The state will match up to \$500,000 in addition to local funds of \$94,048. The funding will be focused on water and wastewater infrastructure improvements at the Colleton Venture Park industrial site and is expected to create 125 jobs.
- Approval was also given to accept a \$200,000 grant from the South Carolina Department of Commerce's Rural Infrastructure Fund program. The money will go to the sewer and water line installation at Lowcountry Regional Airport.

#### WARN (layoff notices):

WARN Notices were reviewed in December 2019 and according to SC Works, there have been no WARN notices reported for Colleton County over the past 18 months.

#### 4. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

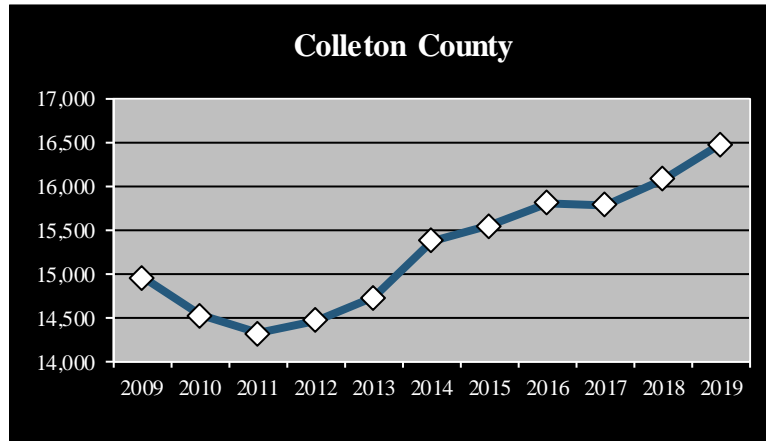
Excluding 2019, the employment base has increased by 4.6% over the past five years in Colleton County, less than the South Carolina state increase of 7.9%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Colleton County, South Carolina and the United States.

Year	Total Employment					
	Colleton County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	14,944	-	1,910,670	-	140,696,560	-
2010	14,513	-2.9%	1,915,045	0.2%	140,469,139	-0.2%
2011	14,309	-1.4%	1,945,900	1.6%	141,791,255	0.9%
2012	14,465	1.1%	1,985,618	2.0%	143,621,634	1.3%
2013	14,716	1.7%	2,023,642	1.9%	145,017,562	1.0%
2014	15,368	4.4%	2,078,592	2.7%	147,313,048	1.6%
2015	15,540	1.1%	2,132,099	2.6%	149,564,649	1.5%
2016	15,798	1.7%	2,175,584	2.0%	151,965,225	1.6%
2017	15,781	-0.1%	2,207,404	1.5%	154,271,036	1.5%
2018	16,079	1.9%	2,243,656	1.6%	156,328,502	1.3%
2019*	16,476	2.5%	2,306,293	2.8%	157,533,049	0.8%

Source: Department of Labor; Bureau of Labor Statistics

\*Through October



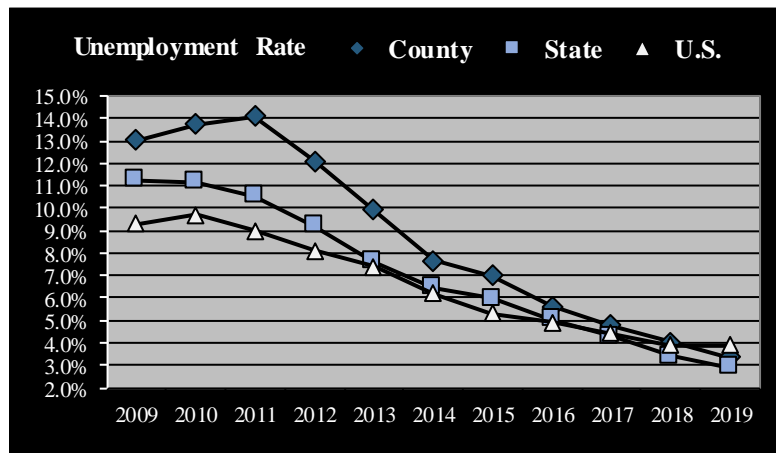
Similar to most of the country during the national recession, the employment base within Colleton County declined between 2009 and 2011. On a positive note, the county's employment base has generally experienced growth since, increasing by 2,167 jobs, or 15.1%, through October 2019.

Unemployment rates for Colleton County, South Carolina and the United States are illustrated below:

Year	Unemployment					
	Colleton County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	2,243	13.0%	242,075	11.3%	14,430,158	9.3%
2010	2,314	13.8%	240,623	11.2%	15,070,017	9.7%
2011	2,353	14.1%	229,623	10.6%	14,035,049	9.0%
2012	1,990	12.1%	201,260	9.2%	12,691,553	8.1%
2013	1,622	9.9%	167,326	7.6%	11,634,201	7.4%
2014	1,273	7.7%	143,753	6.5%	9,776,089	6.2%
2015	1,167	7.0%	135,450	6.0%	8,421,481	5.3%
2016	942	5.6%	114,978	5.0%	7,858,728	4.9%
2017	796	4.8%	98,617	4.3%	7,098,786	4.4%
2018	671	4.0%	79,553	3.4%	6,395,831	3.9%
2019*	575	3.4%	69,803	2.9%	6,310,591	3.9%

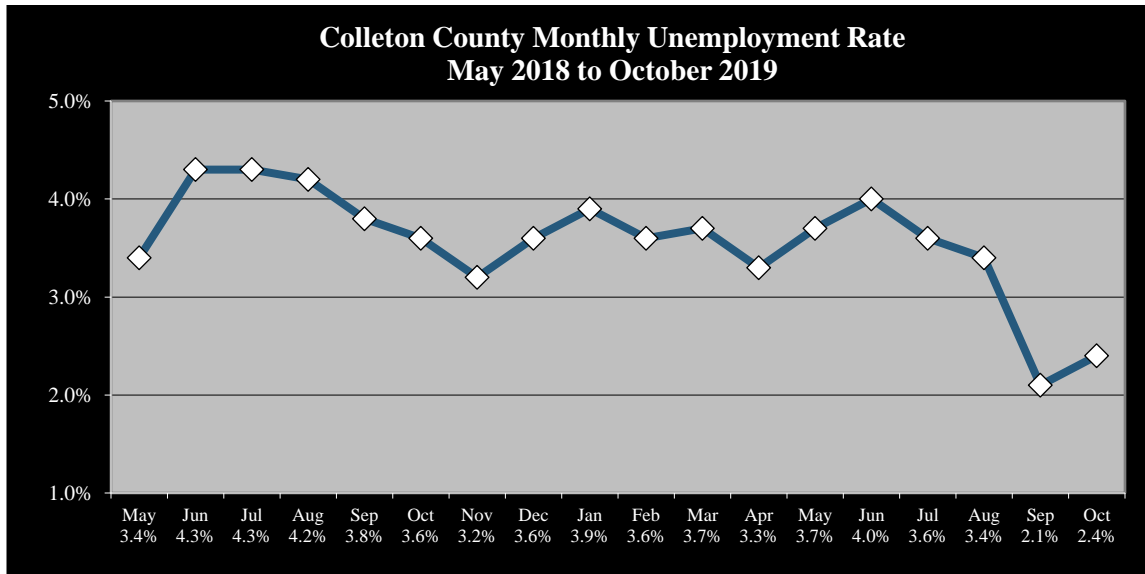
Source: Department of Labor, Bureau of Labor Statistics

\*Through October



As the preceding illustrates, the unemployment rate within the county has generally trended downward within the preceding ten-year period. Notably, the county’s current unemployment rate of 3.4% (through October 2019) is the lowest rate since 2009.

The table on the following page illustrates the monthly unemployment rate in Colleton County for the most recent 18-month period for which data is currently available.



During the previous 18-month period, the unemployment rate has generally trended downward from a high of 4.3% reported in June 2018 to 2.4% reported in October 2019.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Colleton County.

In-Place Employment Colleton County			
Year	Employment	Change	Percent Change
2009	10,421	-	-
2010	10,173	-248	-2.4%
2011	9,863	-310	-3.0%
2012	9,903	40	0.4%
2013	10,128	225	2.3%
2014	10,619	491	4.8%
2015	10,626	7	0.1%
2016	10,787	161	1.5%
2017	10,720	-67	-0.6%
2018	10,717	-3	0.0%
2019*	10,620	-97	-0.9%

Source: Department of Labor, Bureau of Labor Statistics  
\*Through June

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Colleton County to be 66.7% of the total Colleton County employment. This means that Colleton County has more employed persons staying in the county for daytime employment than those who work outside the county. This will continue to have a positive impact on the site's marketability, as it is likely that many of its residents have minimal commute times to their place of employment.

**5. EMPLOYMENT CENTERS MAP**

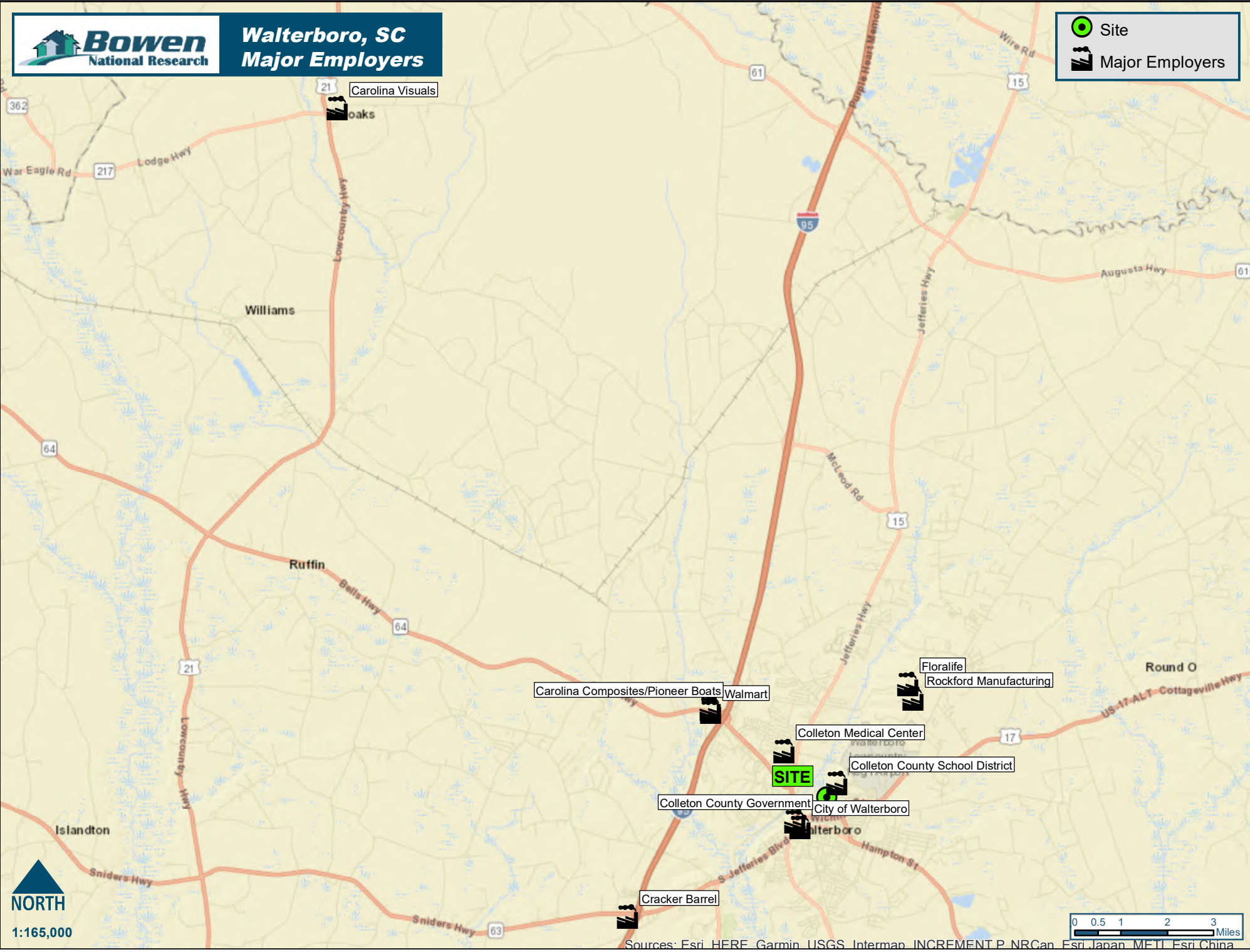
A map illustrating the location of the area's largest employers is included on the following page.





# Walterboro, SC Major Employers

- Site
- Major Employers



**NORTH**  
1:165,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	11,275	81.7%
Carpooled	1,860	13.5%
Public Transit	3	< 0.1%
Walked	48	0.3%
Other Means	245	1.8%
Worked at Home	373	2.7%
Total	13,804	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Nearly 82% of all workers drove alone, 13.5% carpooled and less than 0.1% used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	3,467	25.1%
15 to 29 Minutes	3,488	25.3%
30 to 44 Minutes	1,781	12.9%
45 to 59 Minutes	2,124	15.4%
60 or More Minutes	2,571	18.6%
Worked at Home	373	2.7%
Total	13,804	100.0%

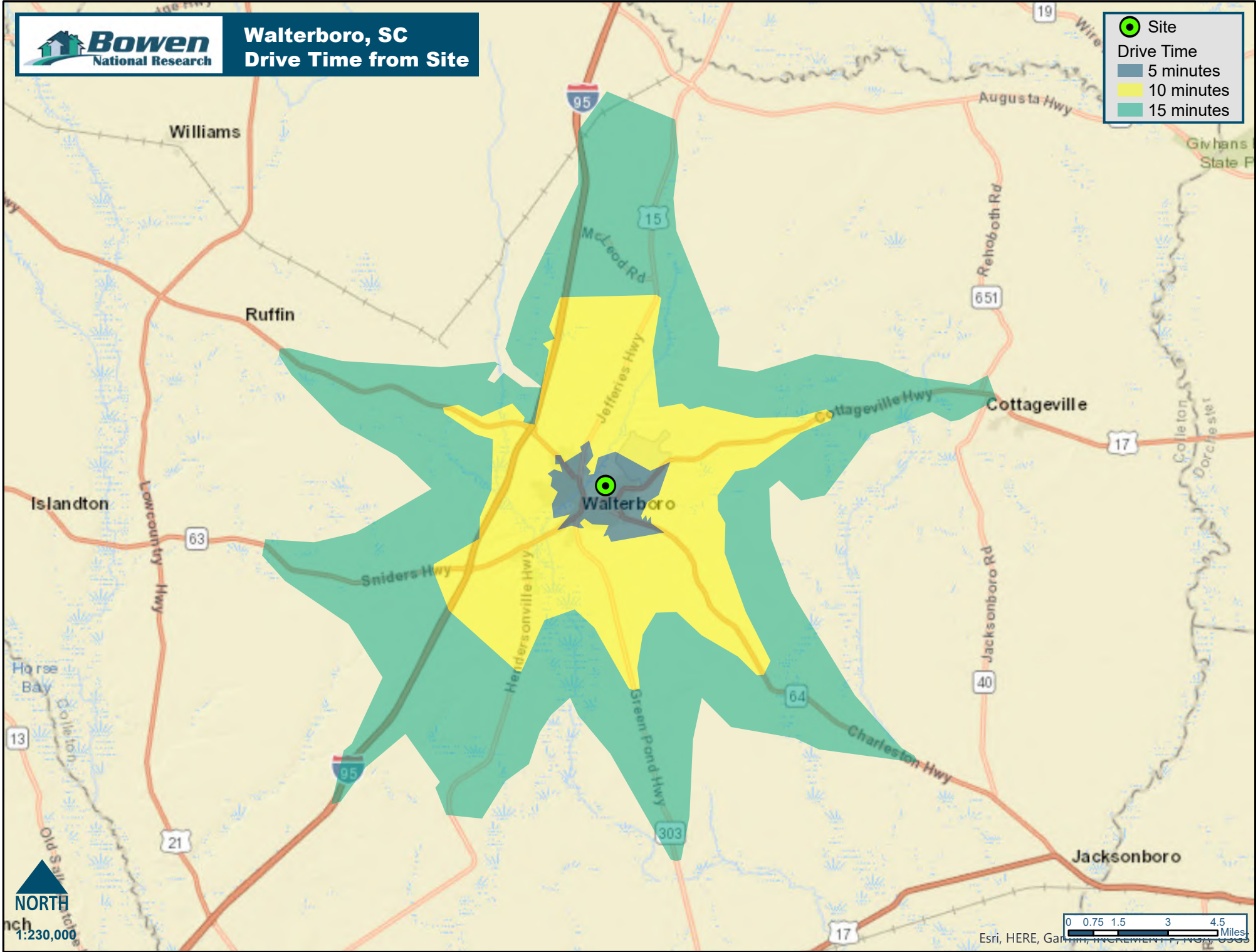
Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should continue to contribute to its marketability. A drive-time map for the subject site is on the following page.



# Walterboro, SC Drive Time from Site

● Site  
■ Drive Time  
■ 5 minutes  
■ 10 minutes  
■ 15 minutes



NORTH  
1:230,000



Esri, HERE, Garmin, INCREMENT P, NOAA, USGS

## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

According to a representative with the Colleton County Economic Alliance, the area's economy continues to experience growth. There have been various new business/business expansion projects in Colleton County, expected to create additional jobs within the next several years. Additionally, based on data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Colleton County employment base has increased by over 2,160 jobs, or 15.1%, and its unemployment rate has decreased by nearly 11 percentage points to 3.4% (through October 2019) since the end of the national recession in 2011. Notably the county's unemployment is the lowest it has been within the past decade. Based on these trends, it is expected that the local economy will continue to experience growth within the foreseeable future. In turn, this will continue to create a stable environment for housing.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2022 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2022 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2022 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Population	33,079	34,322	34,769	34,914
Population Change	-	1,243	447	145
Percent Change	-	3.8%	1.3%	0.4%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Walterboro Site PMA population base increased by 1,243 between 2000 and 2010. This represents a 3.8% increase from the 2000 population, or an annual rate of 0.4%. Between 2010 and 2019, the market's population base was generally stable. This trend is projected to remain relatively stable through 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.1% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	388	1.1%
Population not in Group Quarters	33,934	98.9%
Total Population	34,322	100.0%

Source: 2010 Census

**b. Population by Age Group**

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,439	27.5%	8,444	24.3%	8,507	24.4%	63	0.7%
20 to 24	1,981	5.8%	1,956	5.6%	1,835	5.3%	-121	-6.2%
25 to 34	3,737	10.9%	4,386	12.6%	4,153	11.9%	-233	-5.3%
35 to 44	4,205	12.3%	3,915	11.3%	4,038	11.6%	123	3.1%
45 to 54	5,123	14.9%	4,390	12.6%	4,248	12.2%	-142	-3.2%
55 to 64	4,684	13.6%	4,982	14.3%	4,891	14.0%	-91	-1.8%
65 to 74	3,069	8.9%	4,163	12.0%	4,362	12.5%	199	4.8%
75 & Over	2,084	6.1%	2,533	7.3%	2,880	8.2%	347	13.7%
Total	34,322	100.0%	34,769	100.0%	34,914	100.0%	145	0.4%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2019. This age group is the primary group of current and potential support for the subject site and likely represents a significant number of the tenants.

**c. Elderly and Non-Elderly Population**

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA’s senior and non-senior population.

**d. Special Needs Population**

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

**e. Minority Concentrations**

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	60.0%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	56.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.3%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.8%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.8%

Source: U.S. Census Bureau, 2010 Census

Based on the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, over 69% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable properties surveyed within the market are 100.0% occupied, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have limited options. The subject project will continue to accommodate a portion of this unmet demand.

## 2. HOUSEHOLD TRENDS

### a. Total Households

Household trends within the Walterboro Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	12,427	13,237	13,478	13,548
Household Change	-	810	241	70
Percent Change	-	6.5%	1.8%	0.5%
Household Size	2.66	2.59	2.55	2.55

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Walterboro Site PMA, households increased by 810 (6.5%) between 2000 and 2010. Similar to the market's population base, household growth has been generally stable since 2010. This trend is projected to remain relatively stable through 2022.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	430	3.2%	370	2.7%	359	2.7%	-11	-2.9%
25 to 34	1,560	11.8%	1,753	13.0%	1,657	12.2%	-96	-5.5%
35 to 44	2,203	16.6%	1,972	14.6%	2,015	14.9%	43	2.2%
45 to 54	2,862	21.6%	2,342	17.4%	2,245	16.6%	-97	-4.2%
55 to 64	2,809	21.2%	2,844	21.1%	2,763	20.4%	-81	-2.8%
65 to 74	2,009	15.2%	2,589	19.2%	2,687	19.8%	98	3.8%
75 to 84	1,015	7.7%	1,062	7.9%	1,204	8.9%	142	13.3%
85 & Over	349	2.6%	546	4.1%	619	4.6%	73	13.4%
Total	13,237	100.0%	13,478	100.0%	13,548	100.0%	70	0.5%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2019 and 2022, the greatest growth among household age groups is projected to be those ages 65 and older, increasing by 313, or 7.5%. This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market. However, nearly 67% of all households are projected to be under the age of 65 in 2022. This demonstrates that a larger number of age-appropriate households will continue to be present within the Site PMA to support the subject project.

**b. Households by Tenure**

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	9,805	74.1%	9,946	73.8%	10,001	73.8%
Renter-Occupied	3,432	25.9%	3,532	26.2%	3,548	26.2%
Total	13,237	100.0%	13,478	100.0%	13,549	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2019, homeowners occupied 73.8% of all occupied housing units, while the remaining 26.2% were occupied by renters. The share of renters is considered typical for rural markets, such as the Walterboro Site PMA, and the 3,532 renter households estimated in 2019 represent a good base of continued support for the subject site.

**c. Households by Income**

The distribution of households by income within the Walterboro Site PMA is summarized as follows:

Household Income	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,961	14.8%	1,295	9.6%	1,245	9.2%
\$10,000 to \$19,999	2,346	17.7%	2,166	16.1%	2,174	16.0%
\$20,000 to \$29,999	2,079	15.7%	2,226	16.5%	2,205	16.3%
\$30,000 to \$39,999	1,559	11.8%	1,806	13.4%	1,873	13.8%
\$40,000 to \$49,999	1,434	10.8%	1,255	9.3%	1,263	9.3%
\$50,000 to \$59,999	1,036	7.8%	963	7.1%	980	7.2%
\$60,000 to \$74,999	1,178	8.9%	1,094	8.1%	1,085	8.0%
\$75,000 to \$99,999	797	6.0%	1,285	9.5%	1,259	9.3%
\$100,000 to \$124,999	485	3.7%	649	4.8%	692	5.1%
\$125,000 to \$149,999	221	1.7%	292	2.2%	311	2.3%
\$150,000 to \$199,999	113	0.9%	217	1.6%	223	1.6%
\$200,000 & Over	28	0.2%	231	1.7%	239	1.8%
Total	13,237	100.0%	13,479	100.0%	13,549	100.0%
Median Income	\$31,491		\$35,828		\$36,146	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research



In 2010, the median household income was \$31,491. This increased by 13.8% to \$35,828 in 2019. By 2022, it is projected that the median household income will be \$36,146, an increase of 0.9% from 2019.

**d. Average Household Size**

Information regarding average household size is considered in 2. a. *Total Households* of this section.

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for 2010, 2019 and 2022 for the Walterboro Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	315	242	131	109	94	891
\$10,000 to \$19,999	345	230	124	103	89	891
\$20,000 to \$29,999	195	151	82	68	58	554
\$30,000 to \$39,999	116	96	52	43	37	344
\$40,000 to \$49,999	94	84	46	38	33	294
\$50,000 to \$59,999	47	42	23	19	16	147
\$60,000 to \$74,999	53	48	26	22	19	167
\$75,000 to \$99,999	28	25	14	11	10	87
\$100,000 to \$124,999	10	9	5	4	4	32
\$125,000 to \$149,999	5	4	2	2	2	15
\$150,000 to \$199,999	3	2	1	1	1	8
\$200,000 & Over	1	1	0	0	0	2
Total	1,210	935	506	419	362	3,432

Source: ESRI; Urban Decision Group

Renter Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	260	136	92	75	61	625
\$10,000 to \$19,999	426	178	121	99	80	904
\$20,000 to \$29,999	279	148	101	82	67	678
\$30,000 to \$39,999	181	103	70	57	46	457
\$40,000 to \$49,999	122	64	44	36	29	295
\$50,000 to \$59,999	60	37	25	21	17	160
\$60,000 to \$74,999	68	42	29	24	19	181
\$75,000 to \$99,999	46	29	20	16	13	125
\$100,000 to \$124,999	16	10	7	6	5	43
\$125,000 to \$149,999	7	4	3	2	2	19
\$150,000 to \$199,999	8	5	3	3	2	22
\$200,000 & Over	9	5	4	3	2	23
Total	1,483	762	519	423	345	3,532

Source: ESRI; Urban Decision Group

Renter Households	2022 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	254	127	88	72	58	599
\$10,000 to \$19,999	443	172	120	98	79	912
\$20,000 to \$29,999	284	146	102	83	67	681
\$30,000 to \$39,999	192	106	74	60	49	480
\$40,000 to \$49,999	128	63	44	36	29	301
\$50,000 to \$59,999	63	37	26	21	17	165
\$60,000 to \$74,999	69	42	29	24	19	182
\$75,000 to \$99,999	42	26	18	15	12	113
\$100,000 to \$124,999	16	10	7	6	5	43
\$125,000 to \$149,999	8	4	3	3	2	20
\$150,000 to \$199,999	10	6	4	3	3	25
\$200,000 & Over	10	6	4	4	3	27
Total	1,518	744	520	423	342	3,548

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

### Demographic Summary

Over one-fourth of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2010 and are projected to remain relatively stable through 2022. Regardless, the 3,532 renter households estimated in 2019 represent a good base of continued support in the market for the subject development. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied. This indicates that pent-up demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is in Colleton County, a nonmetropolitan statistical area, which has a four-person median household income of \$43,900 for 2020. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$62,300 in 2020. The subject property will be restricted to households with incomes up to 30%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income		
	30%	50%	60%
One-Person	\$13,080	\$21,800	\$26,160
Two-Person	\$14,940	\$24,900	\$29,880
Three-Person	\$16,830	\$28,050	\$33,660
Four-Person	\$18,690	\$31,150	\$37,380
Five-Person	\$20,190	\$33,650	\$40,380
Six-Person	\$21,690	\$36,150	\$43,380

The largest subject units (four-bedroom) at the subject site will continue to generally house up to six-person households. As such, the maximum allowable income at the subject site is **\$43,380**.

### 2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to SCSHFDA market study guidelines, the maximum rent-to-income ratio permitted for a family project is 35% and for a senior project is 40%.

The lowest proposed gross LIHTC rent at the site is \$350. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$4,200. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$12,000**.

Considering that the subject project will continue to offer a project-based subsidy on all 64 units post LIHTC renovations, it will continue to serve households with little or no income. Therefore, we used \$0 as the minimum income requirement for the subject's Section 8 units.

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate with a project-based subsidy as proposed, as well as in the unlikely event the subject project lost its subsidy and operated exclusively under the Tax Credit program.

Unit Type	Income Range	
	Minimum	Maximum
<b>As Proposed with Subsidy</b>		
Section 8 (Limited To 50% AMHI)	\$0	\$36,150
<b>As Proposed without Subsidy</b>		
Tax Credit (Limited to 30% AMHI)	\$12,000	\$21,690
Tax Credit (Limited to 50% AMHI)	\$19,989	\$36,150
Tax Credit (Limited to 60% AMHI)	\$24,000	\$43,380

### 3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2019 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2022) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

*In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.*

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source.*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, approximately 14.4% to 58.0% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2017 ACS 5-Year Estimates Table B25016, 4.0% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*

The subject project is not age-restricted; thus, we have not considered elderly homeowner conversion in our demand estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### 4. **METHODOLOGY**

Please note that the Authority's stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2019 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

#### 5. **DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2019 to current). In addition, the one existing comparable LIHTC project within the market is fully occupied with a waiting list. Therefore, we did not utilize any existing units in the demand analysis illustrated on the following page.

Demand Component	Percent of Median Household Income				
	As Proposed w/Subsidy (\$0-\$36,150)	Tax Credit Only			Overall (\$12,000-\$43,380)
		30% AMHI (\$12,000-\$21,690)	50% AMHI (\$19,989-\$36,150)	60% AMHI (\$24,000-\$43,380)	
Demand from New Renter Households (Income-Appropriate)	2,486 - 2,487 = -1	845 - 838 = 7	977 - 960 = 17	990 - 963 = 27	1,992 - 1,957 = 35
+					
Demand from Existing Households (Rent Overburdened)	2,487 X 42.8% = 1,066	838 X 58.0% = 486	960 X 19.9% = 191	963 X 14.4% = 139	1,957 X 32.7% = 640
+					
Demand from Existing Households (Renters in Substandard Housing)	2,487 X 4.0% = 98	838 X 4.0% = 33	960 X 4.0% = 38	963 X 4.0% = 38	1,957 X 4.0% = 77
+					
Demand from Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A	N/A	N/A
=					
Total Demand	1,163	526	246	204	752
-					
Supply (Directly Comparable Units Built and/or Funded Since 2019)	0	0	0	0	0
=					
Net Demand	1,163	526	246	204	752
Subject Units	64	15	15	34	64
Subject Units/ Net Demand	64 / 1,163	15 / 526	15 / 246	34 / 204	64 / 752
Capture Rate	= 5.5%	= 2.9%	= 6.1%	= 16.7%	= 8.5%

N/A - Not Applicable

Typically, under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As such, the capture rate of 5.5% for the subject project as proposed with the retention of a project-based subsidy is considered very low and easily achievable. In the unlikely event that the subject project would ever lose its project-based subsidy and operated solely under the LIHTC program, the capture rate would increase to 8.5%. While this capture rate indicates that a sufficient base of support will continue to exist for the subject project in the unlikely scenario it lost its subsidy, as indicated later in this analysis, most of the proposed LIHTC rents at the site are considered high for the market. Therefore, in this unlikely scenario, most rents would need to be discounted to levels similar to their achievable LIHTC rents (as illustrated in Section H of this report) in order for the project to stabilize within a reasonable time frame. Regardless, the subject project will continue to operate with a subsidy and is 100.0% occupied. Therefore, the effective capture rate is **0.0%**.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	35.0%
Two-Bedroom	40.0%
Three-Bedroom	15.0%
Four-Bedroom	10.0%
Total	100.0%

Applying the preceding shares to the income-qualified renter households yields demand and capture rates of the subject units by bedroom type as illustrated in the following tables:

As Proposed with Subsidy

Units Targeting up to 50% Of AMHI with Section 8 (1,163 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	407	0	407	16	3.9%
Two-Bedroom (40%)	465	0	465	24	5.2%
Three-Bedroom (15%)	174	0	174	16	9.2%
Four-Bedroom (10%)	117	0	117	8	6.8%

\*Directly comparable units built and/or funded in the project market over the projection period.

LIHTC-Only

Units Targeting 30% Of AMHI Tax Credit Only (526 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	184	0	184	4	2.2%
Two-Bedroom (40%)	210	0	210	5	2.4%
Three-Bedroom (15%)	79	0	79	4	5.1%
Four-Bedroom (10%)	53	0	53	2	3.8%

\*Directly comparable units built and/or funded in the project market over the projection period.

Units Targeting 50% Of AMHI Tax Credit Only (246 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	86	0	86	4	4.7%
Two-Bedroom (40%)	98	0	98	5	5.1%
Three-Bedroom (15%)	37	0	37	4	10.8%
Four-Bedroom (10%)	25	0	25	2	8.0%

\*Directly comparable units built and/or funded in the project market over the projection period.



Units Targeting 60% Of AMHI Tax Credit Only (204 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	71	0	71	8	11.3%
Two-Bedroom (40%)	82	0	82	14	17.1%
Three-Bedroom (15%)	31	0	31	8	25.8%
Four-Bedroom (10%)	20	0	20	4	20.0%

\*Directly comparable units built and/or funded in the project market over the projection period.

As proposed with the subsidy on all units, the subject's capture rates by bedroom type are low and easily achievable, ranging from 3.9% to 9.2%. Conversely, while the subject's capture rates ranging from 2.2% to 25.8% are considered low in the unlikely scenario it operated exclusively under the LIHTC program, most of the proposed LIHTC rents are considered high for the market (as illustrated later in Section H – *Rental Housing Supply Analysis* of this report). Regardless, as previously stated, the subject project is expected to retain its subsidy and is 100.0% occupied. Additionally, all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is **0.0%** for each bedroom type.

Considering that the subject project offers 24 three- and four-bedroom units, which comprise 37.5% of all subject units offered, the following analysis has been conducted to consider only large-households (three-person+) and the subject's three- and four-bedroom units:

Demand Component	Percent of Median Household Income Tax Credit Only				
	As Proposed w/Subsidy (\$0-\$36,150)	30% AMHI (\$16,663-\$21,690)	50% AMHI (\$27,771-\$36,150)	60% AMHI (\$33,326-\$43,380)	Overall (\$16,663-\$43,380)*
Demand from New Larger Renter Households (Age- And Income-Appropriate)	879 - 885 = -6	142 - 142 = 0	169 - 162 = 7	159 - 152 = 7	418 - 408 = 10
+					
Demand from Existing Households (Rent Overburdened)	885 X 42.8% = 379	142 X 52.1% = 74	162 X 19.0% = 31	152 X 5.3% = 8	408 X 26.2% = 107
+					
Demand from Existing Households (Renters in Substandard Housing)	885 X 4.0% = 35	142 X 4.0% = 6	162 X 4.0% = 6	152 X 4.0% = 6	408 X 4.0% = 17
=					
Total Large Household Demand	408	80	44	21	134
-					
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2019)	0	0	0	0	0
=					
Net Large Household Demand	408	80	44	21	134
Subject (Three-Br.+ ) Units	24	6	6	12	24
Subject (Three-Br.+ ) Units/ Net Large Household Demand	24 / 408	6 / 80	6 / 44	12 / 21	24 / 134
Large-Household Capture Rate	= 5.9%	= 7.5%	= 13.6%	= 57.1%	= 17.9%

\*Excludes households earning between \$21,690 and \$27,771

The capture rate for the subject's three- and four-bedroom units as proposed with the retention of the project-based subsidy of 5.9% is considered low and easily achievable when considering larger (three-person+) household sizes. This is further illustrated by the subject's 100.0% occupancy rate. The Tax Credit only overall capture rate is 17.9%. Regardless, the subject project is expected to retain its subsidy and all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is **0.0%**. It is important to note that the net demand for the subject's three- and four-bedroom units in the preceding table differs from the net demand by bedroom type on the preceding pages. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three- and four-bedroom units, regardless of bedroom type preference.

## **6. ABSORPTION PROJECTIONS**

All 64 of the subject units are occupied with the project maintaining a waiting list of up to 44 households for the next available unit. It is important to note that the renovations at the subject site will not necessitate the displacement of current residents. As a result, it is anticipated that none, or very few, of the current tenants will move from the project during or following renovations. Therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 64 subject units will be vacated and that all units will have to be re-rented under the Section 8 program. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial renovated units at the site will be available for rent sometime in 2021, though the actual completion time may be earlier.

It is our opinion that the 64 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 12 units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that the subsidy will be maintained.

Should the Section 8 subsidy not be secured, and the project had to operate exclusively under the LIHTC program, the 64 LIHTC units at the subject site would likely experience difficulties reaching and/or maintaining a stabilized occupancy level if all units were vacated simultaneously. Note that if the subject project were to operate exclusively under the limitations of the Tax Credit program, we do not expect all existing tenants to remain at the site, as all existing residents would likely not be able or willing to pay the rent increase based on the current project's rent roll provided by management. In this unlikely scenario,

LIHTC rents at the site will likely need to be lowered to levels similar to their achievable LIHTC rents to better compete within the market. If the achievable LIHTC rents are implemented, the absorption period for the site will likely be less than eight months, based on an absorption rate of approximately eight units per month.

In reality, the absorption period for this project will be less than one month, as most tenants are expected to remain at the project and continue to pay up to 30% of their adjusted gross income towards housing costs.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

We identified one family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) development within the Site PMA. This project, Edisto Terrace Apartments (Map ID 6), targets households earning up to 50% and 60% of Area Median Household Income (AMHI) and is considered comparable to the subject development. Given the limited amount of non-subsidized general-occupancy LIHTC product within the market, we identified and surveyed three additional LIHTC properties located outside of the Walterboro Site PMA, but within the region in Summerville. Note that these three LIHTC projects located outside of the market are not considered competitive with the subject project, as they derive demographic support from a different geographical region. These properties were selected for comparison purposes only. The four comparable LIHTC properties and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Lincoln Apartments</b>	<b>1971 / 2021</b>	<b>64</b>	<b>100.0%</b>	<b>-</b>	<b>44 HH</b>	<b>Families; 30%, 50% &amp; 60% AMHI &amp; Section 8</b>
6	Edisto Terrace Apts.	2007	48	100.0%	3.6 Miles	28 HH	Families; 50% & 60% AMHI
901	Azalea Park	2002	64	100.0%	28.4 Miles	100 HH	Families; 50% & 60% AMHI
903	Cedar Key	2003	48	100.0%	32.8 Miles	3 HH	Families; 50% & 60% AMHI
906	Planters Retreat	2005	192	94.8%	32.2 Miles	None	Families; 60% AMHI

OCC. – Occupancy

HH – Households

900 series Map IDs are located outside Site PMA

The four LIHTC projects have a combined occupancy rate of 97.2%, a strong rate for affordable rental housing. In fact, three of these developments are 100.0% occupied and maintain a waiting list, including the only non-subsidized general-occupancy LIHTC project located within the *market*. This illustrates that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will continue to accommodate a portion of this unmet demand.

The gross rents for the comparable projects and the proposed LIHTC rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
		\$350/30% (4)	\$420/30% (5)	\$486/30% (4)	\$542/30% (2)	
		\$583/50% (4)	\$701/50% (5)	\$810/50% (4)	\$878/50% (2)	
<b>Site</b>	<b>Lincoln Apartments</b>	<b>\$681/60% (8)</b>	<b>\$841/60% (14)</b>	<b>\$972/60% (8)</b>	<b>\$1,054/60% (4)</b>	-
6	Edisto Terrace Apts.	\$459/50% (3/0)	\$651/50% (6/0)	\$786/50% (8/0)	-	None
		\$559/60% (1/0)	\$708/60% (26/0)	\$820/60% (4/0)		
901	Azalea Park	-	\$710/50% (8/0)	\$855/50% (8/0)	-	None
			\$810/60% (24/0)	\$955/60% (24/0)		
903	Cedar Key	-	\$780/50% (16/0)	\$902/50% (12/0)	-	None
			\$972/60% (8/0)	\$1,134/60% (12/0)		
906	Planters Retreat	-	\$1,082/60% (96/5)	\$1,268/60% (96/5)	-	None

900 series Map IDs are located outside Site PMA

The proposed LIHTC gross rents at the subject site, ranging from \$350 to \$1,054, will be some of the lowest LIHTC rents within the region; however, are generally well above the LIHTC rents offered at the one comparable project within the *market*. While the 100.0% occupancy rate and waiting list maintained at Edisto Terrace Apartments indicates that higher rents are likely attainable, considering that the subject project is much older than this development, lacking two full bathrooms within the larger unit types, it is likely that most of the proposed LIHTC rents at the subject site are not achievable. As such, in the unlikely event the subject project did not offer a subsidy and operated exclusively under the LIHTC program, most rents will likely need to be lowered to levels similar to their achievable LIHTC rents (as illustrated later in this section). Regardless, the subject project will continue to offer a subsidy on all units, requiring residents to pay up to 30% of their gross adjusted income towards housing costs. As such, the subject units will continue to represent substantial values to low-income renters within the market.

The following table identifies the one comparable LIHTC property within the Site PMA that accepts Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
6	Edisto Terrace Apts.	48	5	10.4%

As the preceding table illustrates, there are a total of five units that are occupied by Voucher holders among the one comparable LIHTC project in the market. The five units occupied by Voucher holders comprise only 10.4% of these comparable units. This illustrates that nearly 90% of these comparable Tax Credit units in the market are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the comparable LIHTC project in the market are achievable.

One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.

**6 Edisto Terrace Apts. 3.6 miles to site**



Address: 180 Mable T. Willis Blvd., Walterboro, SC 29488  
 Phone: (843) 538-5657 Contact: Claudette (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 48 Year Built: 2007  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2  
 Waitlist: 28 HH;  
 Rent Special:

Ratings  
 Quality: A  
 Neighborhood: B  
 Access/Visibility:

Notes: Tax Credit; HOME Funds (10 units); HCV (5 units)



**Features And Utilities**

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	705	\$0.46	\$326	50%
1	1	G	1	0	705	\$0.60	\$426	60%
2	2	G	6	0	912	\$0.52	\$475	50%
2	2	G	26	0	912	\$0.58	\$532	60%
3	2	G	8	0	1,057	\$0.53	\$555	50%
3	2	G	4	0	1,057	\$0.56	\$589	60%

\* Adaptive Reuse

**901** Azalea Park 28.4 miles to site



Address: 527 Orangeburg Rd, Summerville, SC 29483  
 Phone: (843) 261-6262 Contact: Evonne (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 64 Year Built: 2002  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2,3  
 Waitlist: 100 HH;  
 Rent Special:

Ratings  
 Quality: B+  
 Neighborhood: B  
 Access/Visibility: B-/B+

Notes: Tax Credit; Accept HCV



**Features And Utilities**

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Playground)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	8	0	1,000	\$0.58	\$580	50%
2	1	G	24	0	1,000	\$0.68	\$680	60%
3	2	G	8	0	1,100	\$0.62	\$680	50%
3	2	G	24	0	1,100	\$0.71	\$780	60%

\* Adaptive Reuse



**903 Cedar Key** 32.8 miles to site



Address: 200 Pidgeon Bay Dr, Summerville, SC 29483  
 Phone: (843) 695-0250 Contact: Kelly (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 48 Year Built: 2003  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2  
 Waitlist: 3 HH;  
 Rent Special:

Ratings  
 Quality: B  
 Neighborhood: B  
 Access/Visibility: C/C

Notes: Tax Credit; Accept HCV



### Features And Utilities

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer); Clubhouse, Community Room; Concierge Services (Package Receiving); Gazebo; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground); Extra Storage

Parking Type: Surface Lot

### Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	16	0	915	\$0.66	\$604	50%
2	2	G	8	0	915	\$0.87	\$796	60%
3	2	G	12	0	1,100	\$0.61	\$671	50%
3	2	G	12	0	1,100	\$0.82	\$903	60%

\* Adaptive Reuse

**906** Planters Retreat 32.2 miles to site



Address: 4370 Ladson Rd, Summerville, SC 29485  
 Phone: (843) 832-6111      Contact: Marci (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 192      Year Built: 2005  
 Vacant Units: 10      \*AR Year:  
 Occupancy: 94.8%      Yr Renovated:  
 Turnover:      Stories: 2,3  
 Waitlist:  
 Rent Special:

Ratings  
 Quality: B  
 Neighborhood: B  
 Access/Visibility: B+/B-

Notes: Tax Credit; Accepts HCV

**Features And Utilities**

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Composite)

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	96	5	1,082	\$0.88	\$952	60%
3	2	G	96	5	1,322	\$0.83	\$1,093	60%

\* Adaptive Reuse

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Lincoln Apartments</b>	<b>761</b>	<b>935</b>	<b>1,089</b>	<b>1,239</b>
6	Edisto Terrace Apts.	705	912	1,057	-
901	Azalea Park	-	1,000	1,100	-
903	Cedar Key	-	915	1,100	-
906	Planters Retreat	-	1,082	1,322	-

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Lincoln Apartments</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>
6	Edisto Terrace Apts.	1.0	2.0	2.0	-
901	Azalea Park	-	1.0	2.0	-
903	Cedar Key	-	2.0	2.0	-
906	Planters Retreat	-	2.0	2.0	-

900 series Map IDs are located outside Site PMA

The subject project will continue to offer unit sizes (square feet) within the range of those offered at the comparable LIHTC projects within the market and region. Conversely, the subject project will continue to lack two full bathrooms within its larger unit types. However, this characteristic is considered typical of older subsidized rental product. In addition, the subject’s 100.0% occupancy rate and waiting list is a clear indication that the subject’s unit designs are appropriate for and marketable to the targeted tenant population. The lesser number of bathrooms will, however, limit the subject project’s rent potential if it operates without a subsidy.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market and region.

All Unit Amenities by Map ID						
	Site**	6	901	903	906	
Appliances	Dishwasher	X	X	X	X	
	Disposal	X	X		X	X
	Icemaker					X
	Microwave	X	X			X
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony		X		X	
	Deck / Patio		X		X	
	Basement					
	Ceiling Fan		X	X	X	X
	Controlled Access					
	E-Call System					
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup		X	X	X	X
	W/D	X				
	Walk-In Closet					
	Window Treatments	X	X	X	X	X
	Flooring	Carpet		X	X	X
Ceramic Tile						
Composite (VCT)(LVT)		X				X
Hardwood						
Finished Concrete						
Vinyl		X	X	X	X	
Wood Laminate / Plank						
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage					
	Detached Garage					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
No Provided Parking						

\*\* Proposed Site(s): Lincoln Apartments

X = All Units, S = Some Units, O = Optional with Fee

\* Details in Comparable Property Profile Report

All Property Amenities by Map ID						
	Site**	6	901	903	906	
Bike Racks / Storage						
Business Center *	X		X	X	X	
Car Care *						
Common Patio						
Community Garden						
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse		X	X	X	X
	Conference Room					
	Community Kitchen	X				
	Community Room	X			X	
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge					
	Concierge Service *				X	
	Convenience Amenities *					
Courtyard						
Covered Outdoor Area *				X		
Elevator						
Laundry Room	X	X	X	X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care *						
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center	X				
	Grill		X		X	X
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library					
	Media Room / Theater					
	Picnic Table / Area		X		X	X
	Playground	X	X	X	X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					X
	Tennis					
	Volleyball					
Security	CCTV	X				
	Courtesy Officer					
	Gated Community					
	Gated Parking					
	Police Substation					
	Social Services *					
	Storage - Extra				X	
	Water Feature					
	WiFi					

\*\* Proposed Site(s): Lincoln Apartments

X = All Units, S = Some Units, O = Optional with Fee

\* Details in Comparable Property Profile Report

Once renovations are complete and additions are made, the subject's amenities package will be generally similar with those offered at the comparable LIHTC projects within the market and region. Specifically, when compared to the one comparable LIHTC within the Site PMA, the subject project will be the only LIHTC development to offer washer/dryer appliances; however, it will be the only LIHTC development to not offer a dishwasher, patio/balcony or a ceiling fan within the units. The subject project will also be the only LIHTC project within the market to offer a picnic area and fitness center as a community amenity, while it will be the only LIHTC project to not offer a business center. Nonetheless, the inclusion of the additional amenities at the site post renovations will enhance its marketability.

#### Comparable Tax Credit Summary

Based on our analysis of the unit sizes, amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will continue to be very marketable, assuming the Section 8 subsidy is retained. Although the subject will continue to be much older than the comparable LIHTC properties, lacking two full bathrooms within the larger unit types, these characteristics have not had an adverse impact on the subject site, as evidenced by its current occupancy rate and waiting list. However, the subject project would likely need to reduce the majority of its LIHTC rent levels to be competitive as a non-subsidized property. Regardless, the subject will continue to operate with a subsidy and the proposed renovations will significantly enhance the subject's overall quality and enable it to continue to compete well in this market.

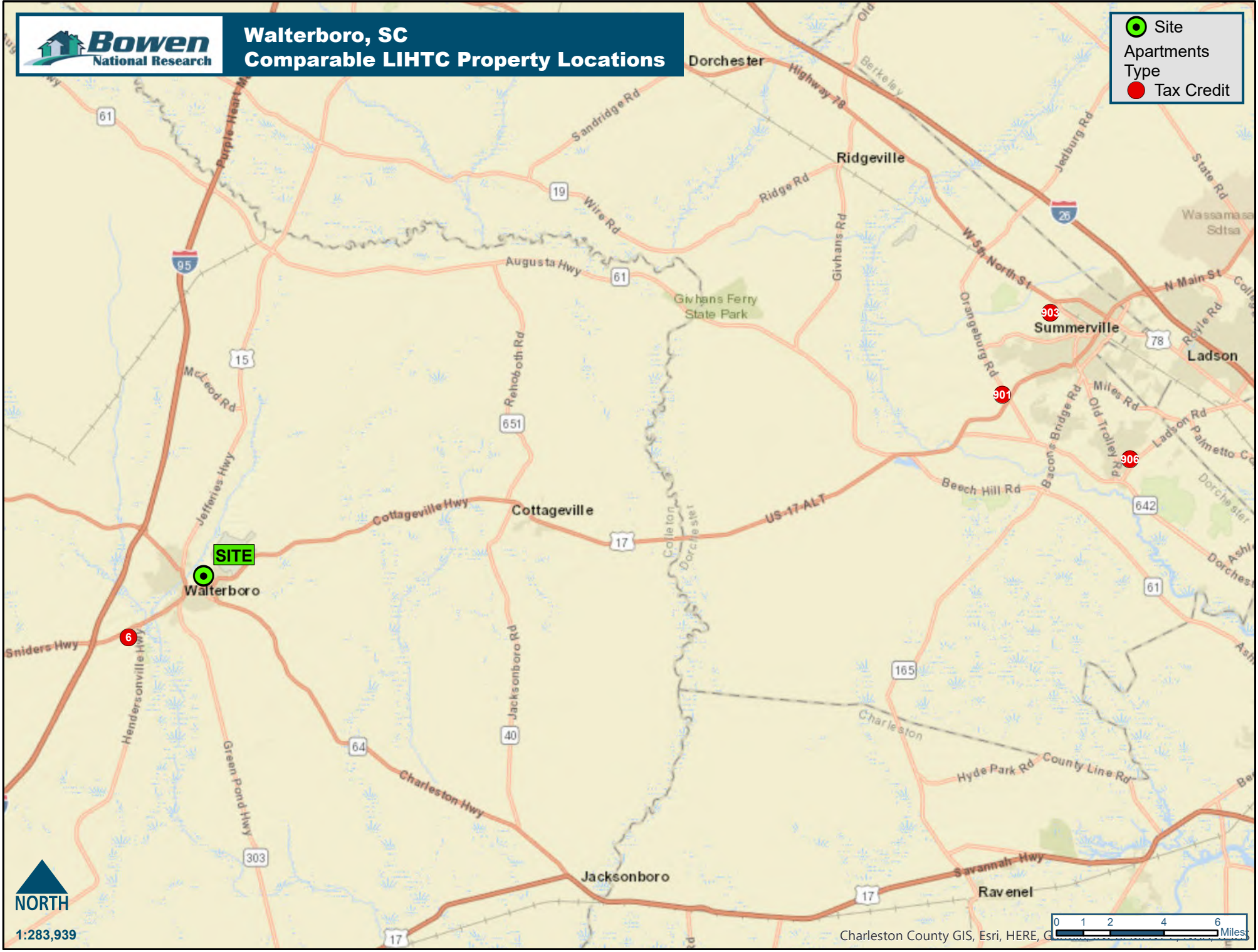
## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

A map illustrating the location of the comparable Tax Credit properties we surveyed is on the following page.



# Walterboro, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



NORTH  
1:283,939

0 1 2 4 6 Miles  
Charleston County GIS, Esri, HERE, G

### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Walterboro Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	13,237	85.2%	13,478	85.2%
Owner-Occupied	9,805	74.1%	9,946	73.8%
Renter-Occupied	3,432	25.9%	3,532	26.2%
Vacant	2,300	14.8%	2,347	14.8%
Total	15,537	100.0%	15,825	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2019 update of the 2010 Census, of the 15,825 total housing units in the market, 14.8% were vacant. In 2019, it was estimated that homeowners occupied 73.8% of all occupied housing units, while the remaining 26.2% were occupied by renters. The share of renters is considered typical for a rural market, such as the Walterboro Site PMA, and the 3,532 renter households estimated in 2019 represent a good base of continued and potential support for the subject project.

#### Conventional Apartments

We identified and personally surveyed 12 conventional housing projects (including the subject site) containing a total of 690 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.9% (a result of only one vacant unit), a very strong rate for rental housing. The surveyed rental projects broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	192	1	99.5%
Tax Credit	2	88	0	100.0%
Tax Credit/Government-Subsidized	4	134	0	100.0%
Government-Subsidized	4	276	0	100.0%
Total	12	690	1	99.9%

Nearly all rental housing segments surveyed in the market are operating at full occupancy, illustrating that pent-up demand exists for all types of rental housing within the Walterboro Site PMA.



The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	48	25.0%	1	2.1%	\$849
Two-Bedroom	1.0	40	20.8%	0	0.0%	\$930
Two-Bedroom	2.0	60	31.3%	0	0.0%	\$1,054
Three-Bedroom	1.5	8	4.2%	0	0.0%	\$1,075
Three-Bedroom	2.0	36	18.8%	0	0.0%	\$1,241
<b>Total Market-rate</b>		<b>192</b>	<b>100.0%</b>	<b>1</b>	<b>0.5%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	20	22.7%	0	0.0%	\$537
Two-Bedroom	2.0	56	63.6%	0	0.0%	\$661
Three-Bedroom	2.0	12	13.6%	0	0.0%	\$786
<b>Total Tax Credit</b>		<b>88</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the median gross market-rate rents. As such, Tax Credit product likely represents a substantial value to low-income renters within the Walterboro Site PMA. This is further evidenced by the 0.0% vacancy rate among all Tax Credit units within the market.

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	72	0.0%
1980 to 1999	0	0	0.0%
2000 to 2009	3	208	0.5%
2010 to 2019*	0	0	0.0%

\*As of December

Vacancies are low regardless of year built, indicating that age has not had an impact on the overall Walterboro rental housing market.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties surveyed were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	2	192	0.5%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	48	0.0%
B+	1	40	0.0%

Vacancies are low regardless of quality, indicating that appearance has not had an impact on the overall Walterboro rental housing market.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) surveyed in the Site PMA, including the subject site, are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	56	41.8%	0	0.0%
Two-Bedroom	1.0	16	11.9%	0	0.0%
Two-Bedroom	1.5	54	40.3%	0	0.0%
Three-Bedroom	1.0	8	6.0%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>134</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	72	26.1%	0	0.0%
Two-Bedroom	1.0	130	47.1%	0	0.0%
Three-Bedroom	1.0	16	5.8%	0	0.0%
Three-Bedroom	1.5	16	5.8%	0	0.0%
Three-Bedroom	2.0	32	11.6%	0	0.0%
Four-Bedroom	1.5	8	2.9%	0	0.0%
Four-Bedroom	2.0	2	0.7%	0	0.0%
<b>Total Subsidized</b>		<b>276</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units (both with and without Tax Credits) surveyed are fully occupied and maintain waiting lists. This illustrates that significant pent-up demand exists for very low-income housing in the market.

A complete list of all properties surveyed is included in Addendum A - *Field Survey of Conventional Rentals*.

**4. RENTAL HOUSING INVENTORY MAP**

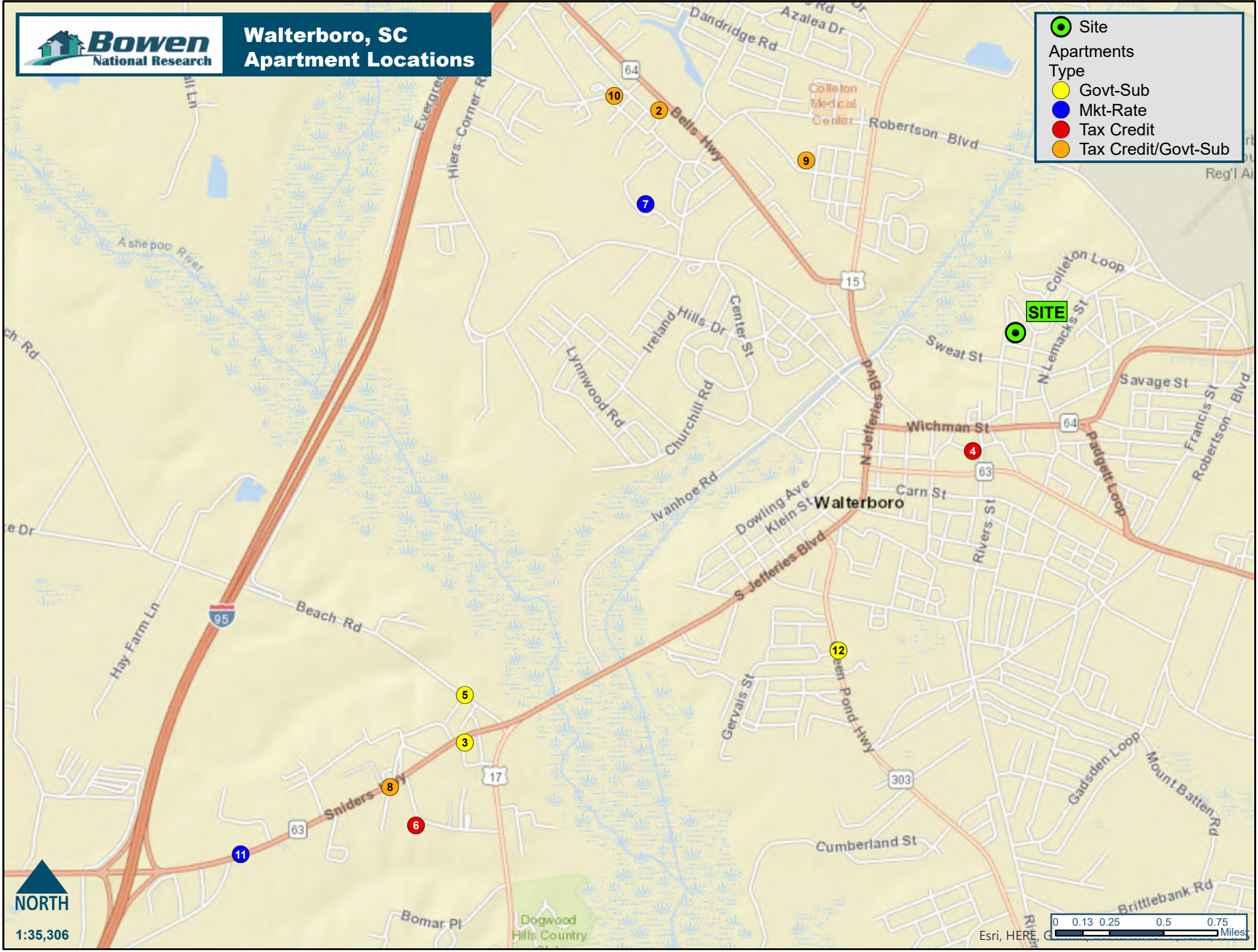
A map identifying the location of all properties surveyed within the Walterboro Site PMA is on the following page.



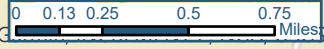


# Walterboro, SC Apartment Locations

● Site  
● Apartments  
Type  
● Govt-Sub  
● Mkt-Rate  
● Tax Credit  
● Tax Credit/Govt-Sub



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## 5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there is one rental housing project within the development pipeline in the Site PMA. Developer Pure Property Management has proposed a 56-unit market-rate apartment community to be located north of Walterboro on U.S. Highway 15. At the time of this study, the county had not received paperwork for this project.

As the aforementioned development, if come to fruition, will target a different income demographic than the subject project, it is not anticipated to have any tangible impact on the site's continued marketability.

## 7. MARKET RENT ADVANTAGE

Per the direction of the South Carolina State Housing Finance and Development Authority (SCSHFDA), the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located. All developments must have an overall minimum market advantage of **10%**.

The current HUD FMRs within Colleton County are \$597 for a one-bedroom unit, \$680 for a two-bedroom unit, \$883 for a three-bedroom unit and \$921 for a four-bedroom unit. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the FMRs with the *average current tenant-paid rent* per subsidized bedroom type, assuming that the subsidy is retained on all units as proposed and all current tenants continue to reside at the project post LIHTC renovations. The second analysis compares the FMRs with the proposed/programmatic Tax Credit rents in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

### Market Advantage – Current Rents

Per SCSHFDA methodology, for existing projects that offer a project-based subsidy, the subject's market advantage should be calculated utilizing current tenant-paid rents to represent the "true" value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project's current rent roll, as illustrated in *Addendum D* of this report, the average tenant rent paid within the subsidized units are \$120 for a one-, \$164 for a two-, \$215 for a three- and \$169 for a four-bedroom unit. The table on the following page illustrates the subject project's market advantages with the retention of the subsidy on all units.

Bedroom Type	Current Collected Rent (AMHI)	Fair Market Rent	Market Advantage
One-Bedroom	\$120	\$597	79.90%
Two-Bedroom	\$164	\$680	75.88%
Three-Bedroom	\$215	\$883	75.65%
Four-Bedroom	\$169	\$921	81.65%
<b>Weighted Average</b>			<b>77.52%</b>

As the preceding illustrates, the subject's market advantages range between 75.65% and 81.65% as proposed with the subsidy retained on all units. The weighted average market advantage is 77.52%, which is well above the minimum SCSHFDA threshold of 10.0%. This demonstrates that the subject project will continue to represent a significant value within the Waltherboro market, which is further evident by its 100.0% occupancy rate.

#### Market Advantage - Proposed Tax Credit Rents

As previously discussed, the proposed LIHTC rents evaluated throughout this report are only effective in the unlikely event the project-based subsidy was lost. Regardless, the market advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

Bedroom Type	Proposed LIHTC Rent (AMHI)	Fair Market Rent	Market Advantage
One-Bedroom	\$273 (30%)	\$597	60.97%
	\$506 (50%)		15.24%
	\$623 (60%)		-4.36%
Two-Bedroom	\$319 (30%)	\$680	53.09%
	\$600 (50%)		11.76%
	\$740 (60%)		-8.82%
Three-Bedroom	\$363 (30%)	\$883	58.89%
	\$687 (50%)		22.20%
	\$849 (60%)		3.85%
Four-Bedroom	\$397 (30%)	\$921	56.89%
	\$733 (50%)		20.41%
	\$909 (60%)		1.30%
<b>Weighted Average</b>			<b>15.68%</b>

The proposed collected Tax Credit rents represent market advantages between -8.82% and 60.97%. Note that the weighted average market advantage is 15.68%. While this is above the SCSHFDA minimum threshold of 10.0%, as indicated earlier in this section, the proposed Tax Credit rents at the subject site are considered high. In the unlikely event the subject project lost its subsidy and operated exclusively under the Tax Credit program, rents would need to be discounted in order for it to stabilize within a reasonable time frame.

Achievable Tax Credit Rent Conclusions

Although not required by SCSHFDA, we have derived achievable Tax Credit rents for the subject project, assuming the project is renovated as outlined in this report. The achievable Tax Credit rents are the highest rent an income-eligible renter would be expected (or willing) to pay. These rents are determined by considering the achievable market rents (as shown in Addendum E), the rents, occupancy rates and quality levels of competing/comparable LIHTC properties (as detailed earlier in this section), the performance of other affordable projects, the status and occupancy rates of other rental choices and the depth of support (capture rate) from income-eligible renters within the Site PMA.

Bedroom Type	Programmatic Rent* (AMHI)	Proposed Collected Rent (AMHI)	Achievable LIHTC Rent (AMHI)
One-Bedroom	\$273 (30%)	\$273 (30%)	\$273 (30%)
	\$506 (50%)	\$506 (50%)	\$400 (50%)
	\$623 (60%)	\$623 (60%)	\$500 (60%)
Two-Bedroom	\$319 (30%)	\$319 (30%)	\$319 (30%)
	\$600 (50%)	\$600 (50%)	\$530 (50%)
	\$740 (60%)	\$740 (60%)	\$600 (60%)
Three-Bedroom	\$363 (30%)	\$363 (30%)	\$363 (30%)
	\$687 (50%)	\$687 (50%)	\$600 (50%)
	\$849 (60%)	\$849 (60%)	\$680 (60%)
Four-Bedroom	\$397 (30%)	\$397 (30%)	\$397 (30%)
	\$758 (50%)	\$733 (50%)	\$700 (50%)
	\$939 (60%)	\$909 (60%)	\$780 (60%)

\*Maximum allowable rents less the value of tenant-paid utilities

As illustrated in the preceding table, the majority of the proposed LIHTC subject rents are positioned above the corresponding achievable LIHTC rent levels. Therefore, in the unlikely event the subject lost its subsidy on all units and operated exclusively as a LIHTC project, rents will need to be set similar to their achievable LIHTC rent levels in order to stabilize within a reasonable time frame.

**8. AFFORDABLE HOUSING IMPACT**

The anticipated occupancy rate of the existing comparable Tax Credit development within the Site PMA following renovations at the subject property is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2021*
6	Edisto Terrace Apts.	100.0%	95.0%+

\*Anticipated year of completion of renovations at the subject property

The one comparable LIHTC development within the Site PMA is 100.0% occupied and maintains a waiting list. In addition, the subject project is currently 100.0% occupied with a waiting list and tenant displacement is not anticipated during renovations. As such, we do not believe the renovation of Lincoln Apartments will have a tangible impact on the occupancy rate of the comparable LIHTC property within the market.

**9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)**

According to ESRI, the median home value within the Site PMA was \$100,459. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$100,459 home is \$604, including estimated taxes and insurance.

<b>Buy Versus Rent Analysis</b>	
Median Home Price - ESRI	\$100,459
Mortgaged Value = 95% of Median Home Price	\$95,436
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$484
Estimated Taxes and Insurance*	\$121
Estimated Monthly Mortgage Payment	\$604

\*Estimated at 25% of principal and interest

In comparison, the proposed collected rents for the subject property are all subsidized where residents pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

**10. HOUSING VOIDS**

As previously noted, we identified and surveyed one comparable Tax Credit project located within the Walterboro Site PMA. This property is fully occupied with a waiting list. In fact, all affordable rental units identified and surveyed within the market (including the subject project) are occupied and maintain waiting lists, illustrating that pent-up demand exists for additional low-income rental housing. The subject development will continue to fill a rental housing void within the Site PMA.

Additionally, it is our opinion that the renovations at the subject site will add much needed modern affordable rental units to a market that is generally aging and in need of updating. The subject site currently is and will continue to accommodate a portion of the housing void that exists in the market, as the project is currently 100.0% occupied with a wait list of up to 44 households for the next available unit.

## I. Interviews

The following are summaries of interviews conducted with various government and private sector individuals:

- Priscilla Myers, Property Manager at Lincoln Apartments (subject site), stated that there is a need for affordable housing in Walterboro. She noted that there needs to be more senior and Tax Credit communities that accept the vouchers. Additionally, Ms. Myers specifically mentioned that the average resident of Walterboro cannot afford the market-rate rents. (843) 885-1197
- Phyliss Whitley, Property Manager at Companion at Cambridge Pointe (Map ID 4), an age-restricted Tax Credit development in Walterboro, stated that there is a need for affordable housing in the area. She noted that she has a long waitlist at the affordable housing communities that she manages. Additionally, Ms. Whitley specifically talked about that this property is one of two in Walterboro that is affordable specifically to seniors and those who are disabled. (843) 549-6440
- Claudette Trippe, Property Manager of Edisto Terrace Apartments (Map ID 6), a Tax Credit community in Walterboro, explained that there is a need for affordable housing in Walterboro. She mentioned that lower-income wages are not enough to afford market-rate rents in the area. Specifically, Ms. Whitley noted that more Tax Credit properties would help due to limited number of vouchers issued in Walterboro. (843) 538-5657
- Zach Montgomery, Director of Planning and Development for Colleton County, stated that there is a need for rental developments for families and seniors. The housing stock in the county is very old and two of the apartment properties in Walterboro that he is aware of each have 60 to 80 names on their waiting lists. It is difficult to find any rentals that are in good condition and have vacancies. (843) 549-1709
- Heyward Horton, Executive Director for the Colleton County Economic Alliance, stated that there is a need for affordable housing for families within the county. When new industries move into the county, the people coming to work for these companies have a difficult time finding housing and often end up living in Summerville located in another county. (843) 549-9597



## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist following renovations at the 64-unit Lincoln Apartments, assuming it is renovated as detailed in this report and retains the project-based subsidy as proposed. Note that changes in the project's scope of renovations or renovation completion date may alter these findings.

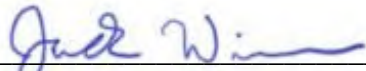
The subject site is currently 100.0% occupied with a waiting list of up to 44 households for the next available unit. As all 64 units are anticipated to continue to offer a subsidy, we expect all tenants to remain at the subject project. As such, the "effective" capture rate for the subject development is **0.0%**. However, it should be noted that in the unlikely event the subject project lost its subsidy, it is likely that the subject's LIHTC rents will need to be set at levels similar to their achievable LIHTC rents in order to better compete within the market and stabilize within a reasonable time frame. This conclusion is based on the fact that the subject project will continue to be significantly older than the comparable LIHTC property within the Walterboro Site PMA, lacking two bathrooms within the larger unit types.

However, the subject project is considered competitive with the affordable housing options within the market and will represent a significant value within the market, as long as the subsidy is offered. So long as the HAP contract remains in place, we have no recommendations or suggested modifications for the subject project at this time.

## K. Signed Statement Requirement

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

Certified:

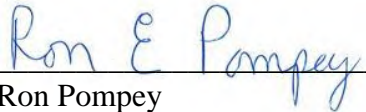


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Date: January 16, 2020



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Market Analyst

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Date: January 16, 2020

## L. Qualifications

### The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

### Company Leadership

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Desireé Johnson** is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

### Market Analysts

**Markus Atkins**, Market Analyst, is experienced in surveying apartments and other housing alternatives throughout the United States. He can identify key metrics that affect a site's marketability, as well as to determine its impact on the overall housing market. Mr. Atkins graduated from Arizona State University and has a Bachelor of Arts degree in Business Administration.

**Christopher T. Bunch**, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

**Jeff Peters**, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

**Lisa Goff**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

**Ambrose Lester**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

**Gregory Piduch**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

**Craig Rupert**, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

**Jack Wiseman**, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

**Ron Pompey**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

**Nathan Stelts**, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

### **Research Staff**

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

**Stephanie Viren** is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

**Kelly Wiseman**, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

**June Davis**, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

## M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SCSHFDA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

Please note that non-numbered items in this report are not required by SCSHFDA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

## 2. **REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

## 3. **SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- South Carolina State Housing Finance and Development Authority



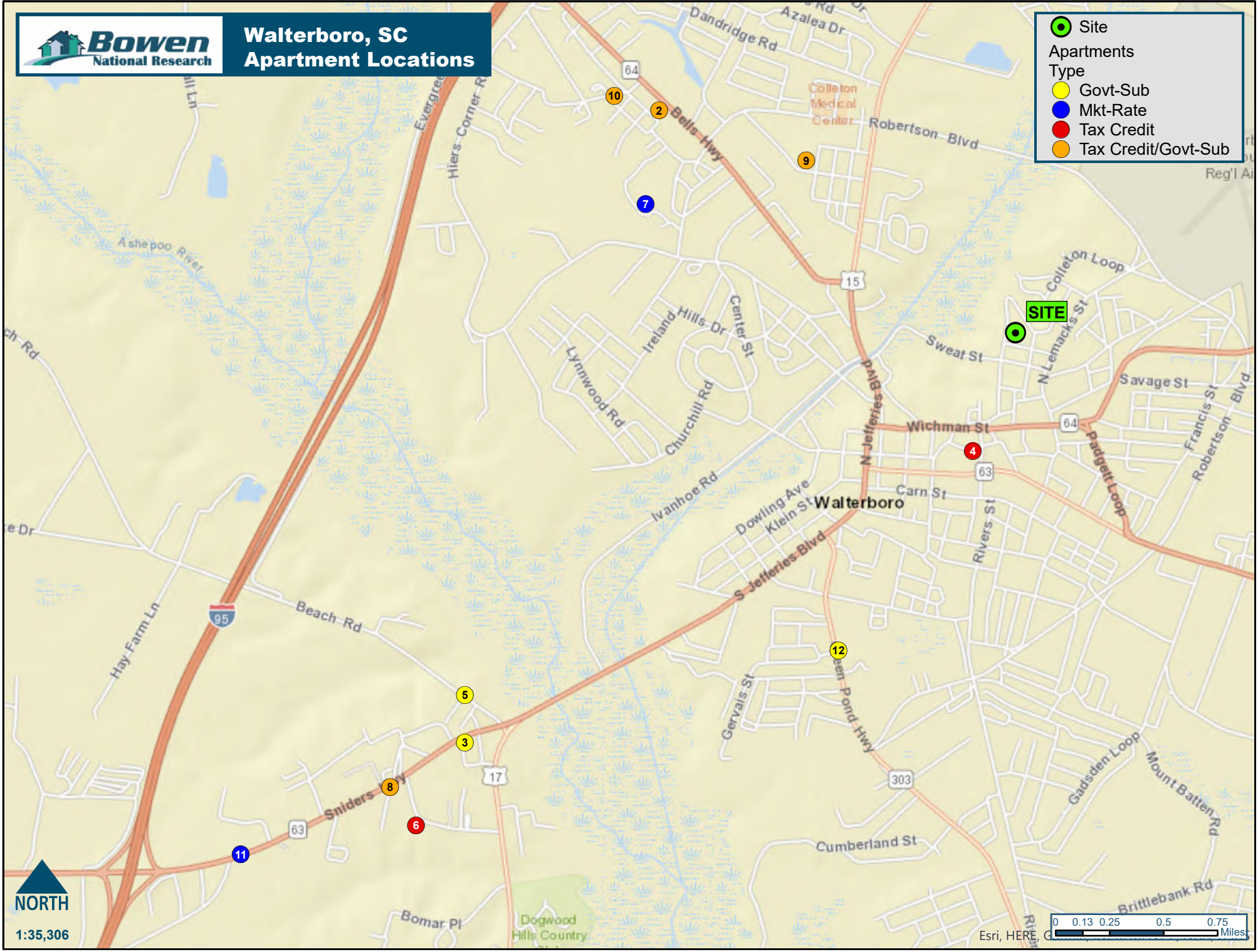
ADDENDUM A

FIELD SURVEY OF  
CONVENTIONAL RENTALS



# Walterboro, SC Apartment Locations

● Site  
● Apartments  
Type  
● Govt-Sub  
● Mkt-Rate  
● Tax Credit  
● Tax Credit/Govt-Sub



















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Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Lincoln Apts.	GSS	B-	1971	64	0	100.0%	-
2	Bay Meadows Apts.	TGS	B	1975	48	0	100.0%	2.2
3	Colleton Heights	GSS	B	1980	80	0	100.0%	3.1
4	Companion at Cambridge Pointe	TAX	B+	2004	40	0	100.0%	0.6
5	Druid Hills Apts. II	GSS	B	1983	64	0	100.0%	3.1
6	Edisto Terrace Apts.	TAX	A	2007	48	0	100.0%	3.6
7	Forest Pointe Apts.	MRR	B	2002	120	1	99.2%	1.9
8	Hillcrest Apts	TGS	B	1985	32	0	100.0%	3.4
9	Magnolia Village Apts.	TGS	B	1994	24	0	100.0%	1.7
10	Meadow Creek Apts.	TGS	B	1995	30	0	100.0%	2.3
11	Plantation Oaks	MRR	B	1974	72	0	100.0%	4.1
12	Walterboro Village	GSS	B	1979	68	0	100.0%	1.9
901	Azalea Park	TAX	B+	2002	64	0	100.0%	28.4
903	Cedar Key	TAX	B	2003	48	0	100.0%	32.8
906	Planters Retreat	TAX	B	2005	192	10	94.8%	32.2
907	Sawbranch Apts.	MRR	B	1978	112	3	97.3%	29.7
908	Summerville Station	MRR	B	1977	200	9	95.5%	32.1
909	Wellington Place	MRR	B	1973	124	7	94.4%	30.6


\*Drive distance in miles

 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		


<b>1</b>	<b>Lincoln Apts.</b> 404 Witsell St., Walterboro, SC 29488	Contact: Priscilla (In Person) Phone: (843) 885-1197
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 44 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
<b>2</b>	<b>Bay Meadows Apts.</b> 200 Dorsey St., Walterboro, SC 29488	Contact: Nancy (In Person) Phone: (843) 538-3964
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1975 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH; AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: Notes: Tax Credit; RD 515, has RA (1 unit); HCV (13 units)	
<b>3</b>	<b>Colleton Heights</b> 100 Sniders Hwy, Walterboro, SC 29488	Contact: Stephanie (In Person) Phone: (843) 538-3665
	Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 78 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
<b>4</b>	<b>Companion at Cambridge Pointe</b> 116 Neyle St., Walterboro, SC 29488	Contact: Phyliss (In Person) Phone: (843) 549-6440
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2004 BR: 1, 2 Vacant Units: 0 Waitlist: 70 HH; AR Year: Target Population: Senior 55+, Other Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units)	
<b>5</b>	<b>Druid Hills Apts. II</b> 189 Beach Rd, Walterboro, SC 29488	Contact: Veronica (In Person) Phone: (843) 538-3522
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1983 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 13 HH; AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: Notes: HUD Section 8	


 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		




<b>6</b>	<b>Edisto Terrace Apts.</b> 180 Mable T. Willis Blvd., Walterboro, SC 29488	Contact: Claudette Phone: (843) 538-5657	(In Person)
		Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 28 HH; Target Population: Family Rent Special: Notes: Tax Credit; HOME Funds (10 units); HCV (5 units)	Year Built: 2007 AR Year: Yr Renovated:




<b>7</b>	<b>Forest Pointe Apts.</b> 504 Forest Cir, Walterboro, SC 29488	Contact: Ashley Phone: (843) 549-1910	(In Person)
		Total Units: 120 UC: 0 Occupancy: 99.2% Stories: 1,2,3 BR: 1, 2, 3 Vacant Units: 1 Waitlist: Target Population: Family Rent Special: Notes: Does not accept HCV; Rent range based on floor level & view of pool	Year Built: 2002 AR Year: Yr Renovated:




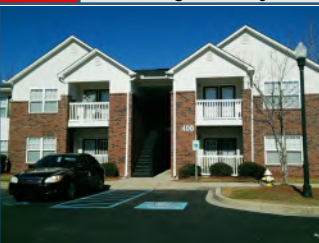

<b>8</b>	<b>Hillcrest Apts</b> 518 Sniders Hwy., Walterboro, SC 29488	Contact: Jody Phone: (843) 538-2181	(In Person)
		Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 25 HH; Target Population: Family Rent Special: Notes: Tax Credit; RD 515, has RA (24 units); Accepts HCV (0 currently)	Year Built: 1985 AR Year: Yr Renovated: 1998






<b>9</b>	<b>Magnolia Village Apts.</b> 450 Spruce St., Walterboro, SC 29488	Contact: Jenny Phone: (843) 549-6615	(In Person)
		Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 BR: 1 Vacant Units: 0 Waitlist: 9 HH; Target Population: Senior 62+, Other Rent Special: Notes: Tax Credit; RD 515, has RA (all units)	Year Built: 1994 AR Year: Yr Renovated: 2007

<b>10</b>	<b>Meadow Creek Apts.</b> 156 Kimbrell St., Walterboro, SC 29488	Contact: Trinia Phone: (843) 538-8089	(In Person)
		Total Units: 30 UC: 0 Occupancy: 100.0% Stories: 1,2 BR: 1, 2 Vacant Units: 0 Waitlist: 3 HH; Target Population: Family Rent Special: Notes: Tax Credit; RD 515, has RA (1 unit); HCV (7 units)	Year Built: 1995 AR Year: Yr Renovated:

Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		

11	<b>Plantation Oaks</b> 831 Sniders Hwy., Walterboro, SC 29488	Contact: Colleen (In Person) Phone: (843) 538-7900
	Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 3-6 mos; AR Year: Target Population: Family Yr Renovated: 2004 Rent Special: Notes: Does not accept HCV	
12	<b>Walterboro Village</b> 601 Green Pond Hwy., Walterboro, SC 29488	Contact: Shainse (In Person) Phone: (843) 549-2732
	Total Units: 68 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1979 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 9 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
901	<b>Azalea Park</b> 527 Orangeburg Rd, Summerville, SC 29483	Contact: Evonne (In Person) Phone: (843) 261-6262
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2002 BR: 2, 3 Vacant Units: 0 Waitlist: 100 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accept HCV	
903	<b>Cedar Key</b> 200 Pidgeon Bay Dr, Summerville, SC 29483	Contact: Kelly (In Person) Phone: (843) 695-0250
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2003 BR: 2, 3 Vacant Units: 0 Waitlist: 3 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accept HCV	
906	<b>Planters Retreat</b> 4370 Ladson Rd, Summerville, SC 29485	Contact: Marci (In Person) Phone: (843) 832-6111
	Total Units: 192 UC: 0 Occupancy: 94.8% Stories: 2,3 Year Built: 2005 BR: 2, 3 Vacant Units: 10 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accepts HCV	

✓	Comparable Property		
◆	Senior Restricted	■	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized
■	(MRR) Market-Rate	■	(TAX) Tax Credit
■	(MRT) Market-Rate & Tax Credit	■	(TGS) Tax Credit & Govt Subsidized
■	(MRG) Market-Rate & Govt Subsidized	■	(TIN) Tax Credit & Income Restricted (not LIHTC)
■	(MIN) Market-Rate & Income Restricted (not LIHTC)	■	(TMG) Tax Credit, Market-Rate & Govt Subsidized
		■	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
		■	(INR) Income Restricted (not LIHTC)
		■	(ING) Income Restricted (not LIHTC) & Govt Subsidized
		■	(GSS) Govt Subsidized
		■	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted

✓	<b>907</b>	<b>Sawbranch Apts.</b> 1815 Bacon's Bridge Rd, Summerville, SC 29485	Contact: Kat (In Person) Phone: (843) 871-6880
		Total Units: 112    UC: 0    Occupancy: 97.3%    Stories: 2    Year Built: 1978 BR: 1, 2, 3    Vacant Units: 3    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV    Yr Renovated: 2014	
✓	<b>908</b>	<b>Summerville Station</b> 1660 Old Trolley Rd, Summerville, SC 29485	Contact: Hannah (In Person) Phone: (843) 628-7547
		Total Units: 200    UC: 0    Occupancy: 95.5%    Stories: 2    Year Built: 1977 BR: 1, 2, 3    Vacant Units: 9    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV; Rents change daily    Yr Renovated: 2018	
✓	<b>909</b>	<b>Wellington Place</b> 1 Bosquet Ct, Summerville, SC 29485	Contact: Diana (In Person) Phone: (843) 873-7071
		Total Units: 124    UC: 0    Occupancy: 94.4%    Stories: 2    Year Built: 1973 BR: 1, 2, 3    Vacant Units: 7    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV    Yr Renovated: 2004	

✓ Comparable Property ♦ Senior Restricted ■ (MRR) Market-Rate ■ (MRT) Market-Rate & Tax Credit ■ (MRG) Market-Rate & Govt Subsidized ■ (MIN) Market-Rate & Income Restricted (not LIHTC)	■ (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized ■ (TAX) Tax Credit ■ (TGS) Tax Credit & Govt Subsidized ■ (TIN) Tax Credit & Income Restricted (not LIHTC) ■ (TMG) Tax Credit, Market-Rate & Govt Subsidized	■ (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized ■ (INR) Income Restricted (not LIHTC) ■ (ING) Income Restricted (not LIHTC) & Govt Subsidized ■ (GSS) Govt Subsidized ■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
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Source: South Carolina State Housing Finance and Development Authority  
 Effective: 01/2015

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	30	30	36	52	61	61	30	30	36	52	61	61
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	32	32	39	57	66	66	32	32	39	57	66	66
	Electric	29	29	34	56	55	55	29	29	34	56	55	55
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	34	34	41	59	68	68	34	34	41	59	68	68
Cooking	Natural Gas	6	6	7	10	14	14	6	6	7	10	14	14
	Bottled Gas	10	10	12	15	19	19	10	10	12	15	19	19
	Electric	6	6	7	10	14	14	6	6	7	10	14	14
Other Electric	29	29	44	55	64	64	29	29	44	55	64	64	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	13	13	20	24	29	29	13	13	20	24	29	29	
Water Heating	Natural Gas	15	15	23	25	30	30	15	15	23	25	30	30
	Bottled Gas	20	20	28	32	37	37	20	20	28	32	37	37
	Electric	18	18	25	30	33	33	18	18	25	30	33	33
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	18	18	21	25	32	32	18	18	21	25	32	32	
Sewer	20	20	25	31	41	41	20	20	25	31	41	41	
Trash Collection	11	11	11	11	11	11	11	11	11	11	11	11	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

\* Estimated- not from source



## Addendum B – Member Certification & Checklist

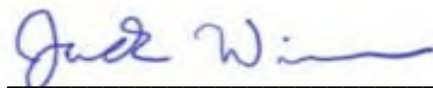
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

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

Certified:



Patrick M. Bowen  
President  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: January 16, 2020



Jack Wiseman (Primary Contact)  
Market Analyst  
[jackw@bowennational.com](mailto:jackw@bowennational.com)  
Date: January 16, 2020

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

		Section (s)
<b>Executive Summary</b>		
1.	Executive Summary (Exhibit S-2)	A
<b>Project Description</b>		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
<b>Location and Market Area</b>		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

**CHECKLIST (Continued)**

		Section (s)
<b>EMPLOYMENT AND ECONOMY</b>		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
<b>DEMOGRAPHIC CHARACTERISTICS</b>		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
<b>COMPETITIVE ENVIRONMENT</b>		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
<b>ANALYSIS/CONCLUSIONS</b>		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	H
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I

**CHECKLIST (Continued)**

<b>OTHER REQUIREMENTS</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	L
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

ADDENDUM C  
SCOPE OF RENOVATIONS

**St. Clair Construction Company**  
**Construction Budget:**  
**Lincoln Apartments, Walterboro, SC**

Item	Category	Quantity	Price per	Total
3	<b>Metals</b>			
	Gutter installation	2,000 lf	3	6,000
				<b>6,000</b>
4	<b>Rough Carpentry</b>			
	Convert 4 units (5%) to Sec. 504/UFAS Mobility Impaired units (Seal exposed edges of OSB w/low VOC sealant)	4	25,000	100,000
	Laundry space (Incl. moving & bldg. walls/bldg. soffits and installing doors)	64	600	38,400
				<b>138,400</b>
7	<b>Insulation</b>			
	Increase Attic insulation <i>(SCH - R-38)</i>	32,000 sf	2	48,000
				<b>48,000</b>
8	<b>Roofing</b>			
	Decking repairs	6,000	5	30,000
	Replace Roofing <i>(SCH - 30 year asphalt shingle)</i>	2	12,000	24,000
				<b>54,000</b>
9	<b>Sheet Metal / Siding</b>			
	Replace existing vinyl siding w/ New (30-YR Warranty)	9	15,000	135,000
				<b>135,000</b>
10	<b>Doors</b>			
	Replace Bldg. Entry Doors & hardware <i>(SCH - E-Star, metal or fiberglass, paneled, w/peephole)</i>	88	1,218	107,184
	Replace interior doors & hardware <i>(SCH - Replace all damaged &amp; worn interior doors, jambs &amp; hardware. Doors to be side hinged &amp; hollow core panel board)</i>	224	500	112,000
				<b>219,184</b>
11	<b>Windows</b>			
	Replace Windows <i>(E-Star rated for south zone central, vinyl w/screens; 10 year warranty; sliding windows prohibited)</i>	290	550	159,500
				<b>159,500</b>
18	<b>Resilient Flooring</b>			
	Replace flooring in units - vinyl planking	64	4,600	294,400
				<b>294,400</b>
19	<b>Painting and Decorating</b>			
	Paint unit interiors (Low VOC)	64	1,900	121,600
	Paint Entry Doors (Low VOC)	88	214	18,832
	Paint exterior stairs & underside of decking	7	10,500	73,500
	Paint (Stain) exterior brick	9 bldg.	12,000	108,000
				<b>321,932</b>
20	<b>Specialties</b>			
	Install "Accessible" tenant mailboxes	1	7,000	7,000
	Community Bldg.: (Tables & chairs/Sitting area/Computer stations/Exercise area & equipment)	1	15,000	15,000
				<b>22,000</b>

Item	Category	Quantity	Price per	Total	
22	<b>Cabinets &amp; Countertops</b>				
	Unit kitchens & Bathroom Vanities <i>(SCH - Dual track sliding drawers; Double bowl sink)</i>	64	3,750	240,000	
				<b>240,000</b>	
23	<b>Appliances</b>				
	Refrigerator <i>(SCH - E-Star W/14 cubic ft capacity wice maker)</i>	64	675	43,200	
	Stove/Range	64	575	36,800	
	Microwave w/ built in re-circulating fan <i>(SCH - Re-circ fan required in kitchens)</i>	64	275	17,600	
	Range Queens	64	168	10,752	
	Washer/Dryer <i>(SCH - Appliances to be ADA compliant)</i>	64	1,200	76,800	
				<b>185,152</b>	
24	<b>Blinds/Shades/Artwork</b>				
	Replace vertical blinds	320	75	24,000	
				<b>24,000</b>	
26	<b>Special Construction</b>				
	ACM Abatement/Encapsulation (Flooring/Piping)	64		110,000	
	New Community Bldg.: <b>(Including Kitchenette &amp; Community Room)</b>	1,700	162	275,000	
	Old Office/Laundry Bldg. (Upgrade with paint, lighting, shelving & add garage door)	1	15,000	15,000	
				<b>400,000</b>	
28	<b>Plumbing and Hot Water</b>				
	Replace Toilets <b>(1.0 gpm)</b>	72	360	25,920	
	Replace bath tubs & surrounds (3 piece kit)	60	2,500	150,000	
	Replace tub with Roll in shower <b>Meets Sec 504/UFAS mobility impaired</b>	4	3,900	15,600	
	Replace shower valves	64	436	27,904	
	Replace shower heads <b>(1.5 gpm)</b>	64	71	4,544	
	Replace hot water heaters <b>(E- Star)</b>	64	2,500	160,000	
	Replace faucets in kitchen <b>(1.5 gpm)</b>	64	-	130	8,320
	Replace faucets in bathrooms <b>(0.5 gpm)</b>	72	-	60	4,320
	Replace kitchen sinks	64	120	7,680	
	Replace bathroom sinks	72	45	3,240	
	Disposals	64	175	11,200	
	Unit water shut offs	64	500	32,000	
	Plumbing for cloths washer	64	300	19,200	
	Replace unit plumbing supply lines	64	3,000	192,000	
	Sewer Scope <i>(SCH - New sinks, faucets &amp; new shut offs required)</i>	1	15,000	15,000	
					<b>676,928</b>
	29	<b>Heat and Ventilation</b>			
Heat pumps		64	5,500	352,000	
Replace bathroom exhaust fans		72	500	36,000	
				<b>388,000</b>	

Item	Category	Quantity	Price per	Total
31	<b>Electrical</b>			
	Replace Building entry lights (front/rear) (LED)	88	250	22,000
	Install lights on exterior of buildings (LED)	40	500	20,000
	Site lighting	15	6,000	90,000
	Replace interior light fixtures (LED)	384	200	76,800
	Upgrade Service panel	64	1,800	115,200
	Power for disposal	64	250	16,000
	Microwave circuit	64	300	19,200
	Retrofit receptacles & switches from aluminum to copper	64	500	32,000
	Circuit for washer/dryer	64	300	19,200
	High speed internet hook-up (SCH - 1 port in each unit required)	64	250	16,000
	Sec 504/UFAS Audio/Visual Impaired units	2	2,300	4,600
				<b>431,000</b>
	<b>Low Voltage Electrical</b>			
	Upgrade CCTV (including tie-in to main office)	1	50,000	50,000
	Install Smoke Detectors (hardwire)	320	375	120,000
				<b>170,000</b>
37	<b>Roads &amp; Walks</b>			
	Seal coat & stripe (SCH - Reseal all asphalt parking areas & roadways)	60,000 sf	0.30	18,000
	Install ramps for Sec. 504/UFAS mobility impaired units	4	1,500	6,000
	Dumpster enclosure (2 side walls & a concrete apron)	3	12,000	36,000
				<b>60,000</b>
38	<b>Site Improvements</b>			
	Site signage	1	2,500	2,500
	H/C parking signs for Sec. 504/UFAS units	4	250	1,000
	Install 6' tall chain link fence	2,000	75	150,000
	Drainage swales	1	20,000	20,000
				<b>173,500</b>
39	<b>Lawns and Plantings</b>			
	Landscaping Clean and remove old/dead trees & brush from entire site. Install new native plants & trees throughout including new landscaping at Bldg. entries.	1	65,000	65,000
				<b>65,000</b>
42	<b>Total Structures and Land Improvements</b>			<b>4,211,996</b>



# ADDENDUM D

## RENT ROLL

# Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (lincoln) Sort by: Unit  
As of 12/19/2019

Unit	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility	TTP	Utiliti Reimbt
<b>Lincoln Apartments Holdings LLC (lincoln)</b>																
506	lic.4bd2	0	4	Sec 8	SC16M000032	AR	09/01/19	1,171	1,035	856	0	162	694	179	873	
507	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	1,059	920	0	769	151	139	290	
508	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	1,059	920	0	1,014	0	139	45	9
501	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	392	338	115	453	
502	lic.2bd1	0	2	Sec 8	SC16M000032	IR-1	10/01/19	845	845	730	0	325	405	115	520	
503	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	12/01/19	845	845	730	0	706	24	115	139	
504	lic.2bd1	0	2	Sec 8	SC16M000032	IR-1	11/01/19	845	845	730	0	820	0	115	25	9
505	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	10/01/19	845	845	730	0	797	0	115	48	6
506	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	430	300	115	415	
507	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	12/01/19	845	845	730	0	463	267	115	382	
508	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	471	259	115	374	
701	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	792	700	0	577	123	92	215	
702	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	792	700	0	762	0	92	30	6
703	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	792	700	0	516	184	92	276	
704	lic.1bd1	0	1	Sec 8	SC16M000032	IR	12/01/19	792	792	700	0	545	155	92	247	
705	lic.3bd1	0	3	Sec 8	SC16M000032	IR	12/01/19	1,059	0	920	0	0	0	139	0	
706	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	1,059	920	0	710	210	139	349	
301	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	1,059	920	0	1,030	0	139	29	11
302	lic.3bd1	0	3	Sec 8	SC16M000032	IR-1	10/01/19	1,059	1,059	920	0	909	11	139	150	
303	lic.4bd2	0	4	Sec 8	SC16M000032	GR	10/01/19	1,171	1,171	1,000	0	990	10	171	181	
304	lic.4bd2	0	4	Sec 8	SC16M000032	IR-1	11/01/19	1,171	1,171	1,000	0	521	479	171	650	
305	lic.4bd2	0	4	Sec 8	SC16M000032	IR	12/01/19	1,171	1,171	1,000	0	1,145	0	171	26	14
306	lic.4bd2	0	4	Sec 8	SC16M000032	GR	10/01/19	1,171	1,171	1,000	0	1,135	0	171	36	13
307	lic.3bd1	0	3	Sec 8	SC16M000032	AR-1	11/01/19	1,059	1,059	920	0	1,030	0	139	29	11
308	lic.3bd1	0	3	Sec 8	SC16M000032	AR	11/01/19	1,059	1,059	920	0	547	373	139	512	
301	lic.2bd1	0	2	Sec 8	SC16M000032	IR-1	10/01/19	845	845	730	0	804	0	115	41	7
302	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	11/01/19	845	845	730	0	624	106	115	221	
303	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	545	185	115	300	
304	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	490	240	115	355	
305	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	12/01/19	845	845	730	0	781	0	115	64	5
306	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	11/01/19	845	845	730	0	812	0	115	33	8

# Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (lincoln) Sort by: Unit  
As of 12/19/2019

Unit	Sqft	Bed	Program	Contract No.	Tran Effective Type Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility Reim	TTP	
lincoln Apartments Holdings LLC (lincoln)														
101	lic.1bd1	0	1	Sec 8	SC16M000032	AR-1	10/01/19	792	700	0	571	129	92	221
102	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	765	0	92	27
103	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	457	243	92	335
104	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	565	135	92	227
105	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	920	0	430	490	139	629
106	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	920	0	519	401	139	540
201	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	730	0	512	218	115	333
202	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	730	0	622	108	115	223
203	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	12/01/19	845	730	0	337	393	115	508
204	lic.2bd1	0	2	Sec 8	SC16M000032	GR	10/01/19	845	730	0	486	244	115	359
205	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	11/01/19	845	730	0	412	318	115	433
206	lic.2bd1	0	2	Sec 8	SC16M000032	AR-1	12/01/19	845	730	0	820	0	115	25
207	lic.2bd1	0	2	Sec 8	SC16M000032	IR-1	11/01/19	845	730	0	695	35	115	150
208	lic.2bd1	0	2	Sec 8	SC16M000032	AR	11/01/19	810	678	0	369	309	132	441
301	lic.1bd1	0	1	Sec 8	SC16M000032	AR-1	10/01/19	792	700	0	767	0	92	25
302	lic.1bd1	0	1	Sec 8	SC16M000032	IR-1	10/01/19	792	700	0	371	329	92	421
303	lic.1bd1	0	1	Sec 8	SC16M000032	AR-1	11/01/19	792	700	0	580	120	92	212
304	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	727	0	92	65
305	lic.3bd1	0	3	Sec 8	SC16M000032	GR-1	10/01/19	1,059	920	0	0	0	139	0
306	lic.3bd1	0	3	Sec 8	SC16M000032	GR-1	10/01/19	1,059	920	0	329	591	139	730
401	lic.1bd1	0	1	Sec 8	SC16M000032	AR-1	10/01/19	792	700	0	571	129	92	221
402	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	564	136	92	228
403	lic.1bd1	0	1	Sec 8	SC16M000032	GR	10/01/19	792	700	0	767	0	92	25
404	lic.1bd1	0	1	Sec 8	SC16M000032	IR-1	11/01/19	792	700	0	460	240	92	332
405	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	920	0	609	311	139	450
406	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	920	0	857	63	139	202
501	lic.3bd1	0	3	Sec 8	SC16M000032	GR	10/01/19	1,059	920	0	834	86	139	225
502	lic.3bd1	0	3	Sec 8	SC16M000032	IR	12/01/19	1,059	920	0	600	320	139	459
503	lic.4bd2	0	4	Sec 8	SC16M000032	AR-1	10/01/19	1,171	1,000	0	1,038	0	171	133
504	lic.4bd2	0	4	Sec 8	SC16M000032	IR-1	11/01/19	1,171	1,000	0	1,146	0	171	25
505	lic.4bd2	0	4	Sec 8	SC16M000032	IR-1	11/01/19	1,171	1,000	0	0	0	171	0

# Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (lincoln) Sort by: Unit  
As of 12/19/2019

Jnit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility Allowance	TTP	Utilit Reimb	
<b>Lincoln Apartments Holdings LLC (lincoln)</b>																		
907	lic.2bd1	0	2		Sec 8	SC16M000032	MI-1	10/31/19	845	845	730	0	809	0	115	36	7	
908	lic.2bd1	0	2		Sec 8	SC16M000032	GR	10/01/19	845	845	730	0	524	206	115	321		
<b>Total :</b>		0	144		<b>Number of Units: 64</b>				59,264	55,804	51,244	0	39,935	10,068	7,849	15,869	1,599	
<b>Grand Total :</b>		0	144		<b>Total Units: 64</b>				59,264	55,804	51,244	0	39,935	10,068	7,849	15,869	1,599	

## Addendum E – Achievable Market Rent Analysis

### A. INTRODUCTION

We identified five market-rate properties within and near the Walterboro Site PMA that we consider comparable in terms of unit and project amenities to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Lincoln Apartments</b>	<b>1971 / 2021</b>	<b>64</b>	<b>100.0%</b>	<b>16</b> <b>(100.0%)</b>	<b>24</b> <b>(100.0%)</b>	<b>16</b> <b>(100.0%)</b>	<b>8</b> <b>(100.0%)</b>
7	Forest Pointe Apts.	2002	120	99.2%	24 (95.8%)	60 (100.0%)	36 (100.0%)	-
11	Plantation Oaks	1974 / 2004	72	100.0%	24 (100.0%)	40 (100.0%)	8 (100.0%)	-
907	Sawbranch Apts.	1978 / 2014	112	97.3%	24 (95.8%)	64 (96.9%)	24 (100.0%)	-
908	Summerville Station	1977 / 2018	200	95.5%	48 (95.8%)	128 (95.3%)	24 (95.8%)	-
909	Wellington Place	1973 / 2004	124	94.4%	22 (95.5%)	78 (93.6%)	24 (95.8%)	-

Occ. – Occupancy

900 series Map IDs are located outside Site PMA

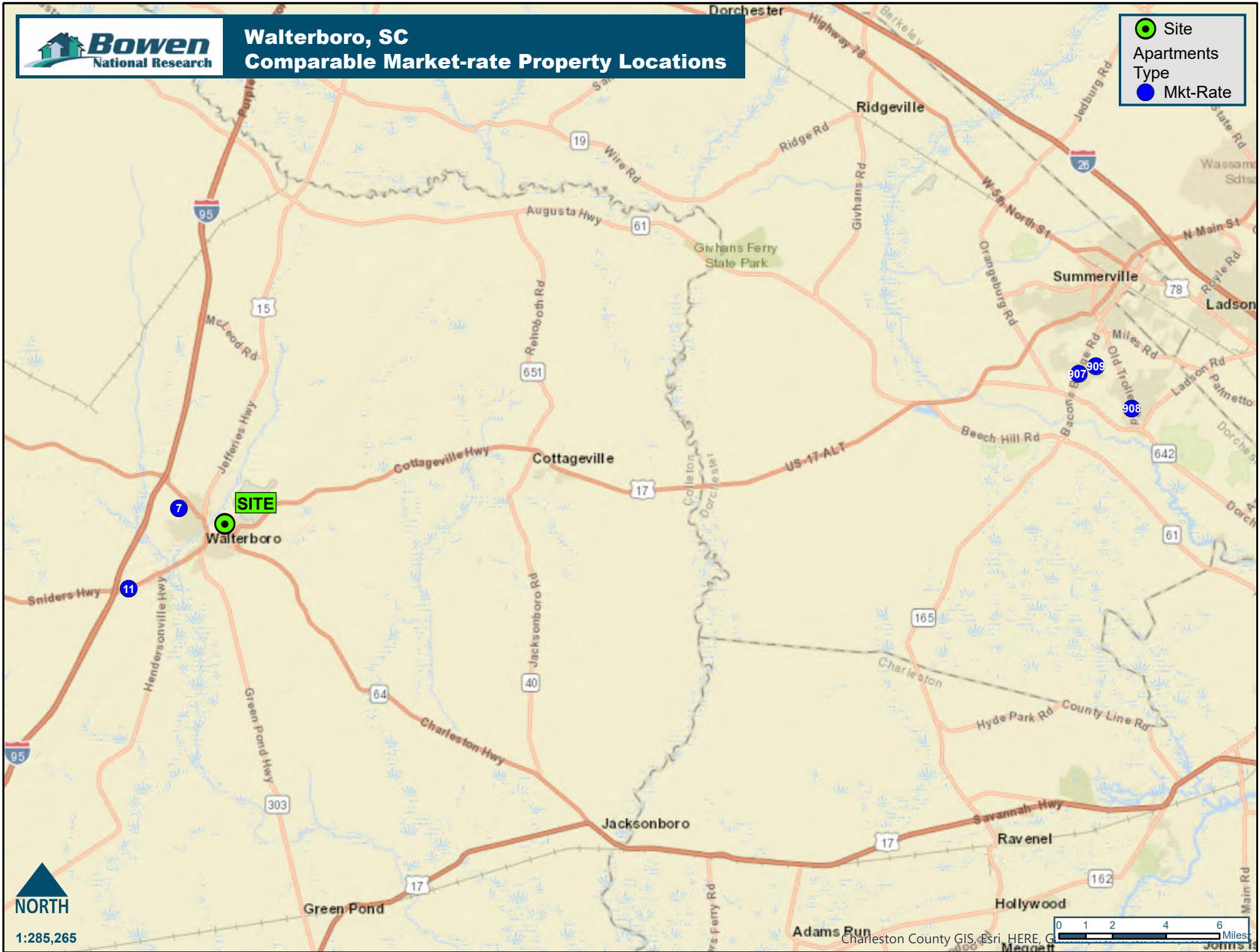
The five selected market-rate projects have a combined total of 628 units with an overall occupancy rate of 96.8%, a good rate for rental housing. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject development.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development. Preceding the Rent Comparability Grids is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



# Walterboro, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



NORTH  
1:285,265



**Rent Comparability Grid**

Unit Type → **ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$769		\$700		\$929		\$867		\$875	
2	Date Surveyed	Dec-19		Dec-19		Nov-19		Nov-19		Nov-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	96%		100%		96%		96%		94%	
5	Effective Rent & Rent/ sq. ft	\$769	1.13	\$700	1.23	\$929	1.33	\$867	1.24	\$875	1.21
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	WU/2		WU/2		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1971/2021		2002 (\$6)		1974/2004 \$7		1978/2014		1977/2018 (\$2)	
8	Condition/Street Appeal	G+	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$186)		No (\$173)		No (\$175)	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	761	\$24	682	\$59	570	\$19	700	\$19	725	\$11
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y	(\$5)	N	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	N/Y	(\$5)	N/Y	(\$5)
18	Washer/Dryer	W/D	\$25	HU/L	\$25	HU/L	\$25	L	\$35	HU/L	\$25
19	Floor Coverings	C/V		C/V		W/V		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N		N/N		N/N	(\$10)	Y/Y	
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/S/T/WT	(\$14)	P/F/T	(\$13)	P/F/T	(\$13)
29	Computer/Business Center	Y		Y	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area/Grills	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$38	N/N	\$38	Y/Y	\$38	N/N	\$38	N/N	\$38
39	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$11	N/N	\$11
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	4	6	7	4	5	4	6	7	6	5
41	Sum Adjustments B to D	\$154	(\$34)	\$204	(\$27)	\$152	(\$207)	\$167	(\$211)	\$151	(\$193)
42	Sum Utility Adjustments	\$38				\$38		\$49		\$49	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$158	\$226	\$177	\$231	(\$17)	\$397	\$5	\$427	\$7	\$393
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$927		\$877		\$912		\$872		\$882	
45	Adj Rent/Last rent		121%		125%		98%		101%		101%
46	Estimated Market Rent	\$890		\$1.17 ←		Estimated Market Rent/ Sq. Ft					



**Rent Comparability Grid**

Unit Type →

**TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$840		\$800		\$1,009		\$1,020		\$980	
2	Date Surveyed	Dec-19		Dec-19		Nov-19		Nov-19		Nov-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		97%		95%		94%	
5	Effective Rent & Rent/ sq. ft	\$840	0.91	\$800	1.04	\$1,009	1.12	\$1,020	1.02	\$980	1.06
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	WU/2		WU/2		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1971/2021		2002 (\$6)		1974/2004 \$7		1978/2014		1977/2018 (\$2)	
8	Condition/Street Appeal	G+	\$100	G \$100		G \$100		G \$100		G \$100	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$202)		No (\$204)		No (\$196)	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$30)	1		1		1.5 (\$15)		1	
13	Unit Interior Sq. Ft.	935	\$3	923 \$3		770 \$42		900 \$9		1000 (\$17)	
14	Patio/Balcony	N	(\$5)	Y (\$5)		Y (\$5)		N		Y (\$5)	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y (\$5)		N/Y (\$5)		Y/Y (\$10)		N/Y (\$5)	
18	Washer/Dryer	W/D	\$25	HU/L \$25		HU/L \$25		HU/L \$25		HU/L \$25	
19	Floor Coverings	C/V		C/V		W/V		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N (\$5)		N/N		Y/Y (\$10)		N/N	
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N \$5		Y		N \$5		N \$5	
27	Community Space	Y		Y	\$5	Y		Y	\$5	Y	
28	Pool/Recreation Areas	F	(\$10)	P/F (\$10)		P/S/T/WT (\$14)		P/F/T (\$13)		P/F/T (\$13)	
29	Computer/Business Center	Y		Y	\$3	N \$3		N \$3		N \$3	
30	Picnic Area/Grills	N	(\$3)	Y (\$3)		Y (\$3)		Y (\$3)		Y (\$3)	
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$46	N/N \$46		Y/Y		N/N \$46		N/N \$46	
39	Trash/Recycling	Y/N		Y/N	\$11	Y/N		N/N \$11		N/N \$11	
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	4	7	7	4	5	4	5	9	6	5
41	Sum Adjustments B to D	\$133	(\$64)	\$187	(\$27)	\$142	(\$223)	\$138	(\$279)	\$143	(\$214)
42	Sum Utility Adjustments	\$46				\$46		\$57		\$57	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$115	\$243	\$160	\$214	(\$35)	\$411	(\$84)	\$474	(\$14)	\$414
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$955		\$960		\$974		\$936		\$966	
45	Adj Rent/Last rent		114%		120%		97%		92%		99%
46	Estimated Market Rent	\$960		\$1.03 ←		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **THREE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
<b>Data on Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$969		\$900		\$1,219		\$1,350		\$1,125	
2	Date Surveyed	Dec-19		Dec-19		Nov-19		Nov-19		Nov-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		96%		100%	
5	Effective Rent & Rent/ sq. ft	\$969	0.89	\$900	0.99	\$1,219	1.06	\$1,350	1.13	\$1,125	0.97
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	TH/2		WU/1,2,3		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated	1971/2021		2002 (\$6)		1974/2004 \$7		1978/2014		1977/2018 (\$2)	
8	Condition/Street Appeal	G+	\$100	G \$100		G \$100		G \$100		G \$100	
9	Neighborhood	G		G		G		G		G	
10	Same Market?			Yes		No (\$244)		No (\$270)		No (\$225)	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	3		3		3		3		3	
12	# Baths	1	(\$30)	2	(\$30)	1.5	(\$15)	1.5	(\$15)	2	(\$30)
13	Unit Interior Sq. Ft.	1089	(\$1)	1093	(\$1)	910 \$45		1150	(\$15)	1200	(\$28)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	W/D		HU/L \$25		HU/L \$25		HU/L \$25		HU/L \$25	
19	Floor Coverings	C/V		C/V		W/V		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		N \$5		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	N/N		N/N		Y/Y	(\$10)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/S/T/WT	(\$14)	P/F/T	(\$13)	P/F/T	(\$13)
29	Computer/Business Center	Y		Y		N	\$3	N	\$3	N	\$3
30	Picnic Area/Grills	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$56	N/N	\$56	Y/Y	\$56	N/N	\$56	N/N	\$56
39	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$11	N/N	\$11
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	3	8	7	5	4	6	5	9	5	7
41	Sum Adjustments B to D	\$130	(\$65)	\$190	(\$42)	\$133	(\$295)	\$138	(\$371)	\$140	(\$275)
42	Sum Utility Adjustments	\$56				\$56		\$67		\$67	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$121	\$251	\$148	\$232	(\$106)	\$484	(\$166)	\$576	(\$68)	\$482
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,090		\$1,048		\$1,113		\$1,184		\$1,057	
45	Adj Rent/Last rent		112%		116%		91%		88%		94%
46	Estimated Market Rent	\$1,090		\$1.00		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **FOUR-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
<b>Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$969		\$900		\$1,219		\$1,350		\$1,125	
2	Date Surveyed	Dec-19		Dec-19		Nov-19		Nov-19		Nov-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		96%		100%	
5	Effective Rent & Rent/ sq. ft	\$969	0.89	\$900	0.99	\$1,219	1.06	\$1,350	1.13	\$1,125	0.97
<b>B. Design, Location, Condition</b>											
6	Structure / Stories	TH/2		WU/2		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated	1971/2021		2002	(\$6)	1974/2004	\$7	1978/2014		1977/2018	(\$2)
8	Condition/Street Appeal	G+	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No	(\$244)	No	(\$270)	No	(\$225)
<b>C. Unit Equipment/ Amenities</b>											
11	# Bedrooms	4	\$50	3	\$50	3	\$50	3	\$50	3	\$50
12	# Baths	1.5	(\$15)	2	(\$15)	1.5		2	(\$15)	1.5	
13	Unit Interior Sq. Ft.	1239	\$37	1093	\$37	910	\$83	1150	\$22	1200	\$10
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	W/D	\$25	HU/L	\$25	HU/L	\$25	HU/L	\$25	HU/L	\$25
19	Floor Coverings	C/V		C/V		W/V		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	N/N		N/N	(\$10)	N/N	
<b>D. Site Equipment/ Amenities</b>											
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/S/T/WT	(\$14)	P/F/T	(\$13)	P/F/T	(\$13)
29	Computer/Business Center	Y		Y		N	\$3	N	\$3	N	\$3
30	Picnic Area/Grills	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>											
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$73	N/N	\$73	Y/Y		N/N	\$73	N/N	\$73
39	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$11	N/N	\$11
<b>F. Adjustments Recap</b>											
40	# Adjustments B to D			5	7	8	4	6	4	7	8
41	Sum Adjustments B to D			\$217	(\$49)	\$278	(\$27)	\$205	(\$265)	\$198	(\$328)
42	Sum Utility Adjustments			\$73				\$73		\$84	
				<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E			\$241	\$339	\$251	\$305	\$13	\$543	(\$46)	\$610
<b>G. Adjusted &amp; Market Rents</b>											
44	Adjusted Rent (5+ 43)			\$1,210		\$1,151		\$1,232		\$1,304	
45	Adj Rent/Last rent		125%				128%		101%		97%
46	Estimated Market Rent	\$1,210		\$0.98							

← Estimated Market Rent/ Sq. Ft

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are \$890 for a one-bedroom unit, \$960 for a two-bedroom unit, \$1,090 for a three-bedroom unit and \$1,210 for a four-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$273 (30%)	\$890	69.3%
	\$506 (50%)		43.1%
	\$623 (60%)		30.0%
Two-Bedroom	\$319 (30%)	\$960	66.8%
	\$600 (50%)		37.5%
	\$740 (60%)		22.9%
Three-Bedroom	\$363 (30%)	\$1,090	66.7%
	\$687 (50%)		37.0%
	\$849 (60%)		22.1%
Four-Bedroom	\$397 (30%)	\$1,210	67.2%
	\$733 (50%)		39.4%
	\$909 (60%)		24.9%

\*Maximum allowable rents less the value of tenant-paid utilities

Typically, Tax Credit rents must represent at least a 10.0% market rent advantage in order to be viewed as a value within a market area. Tax Credit rents that represent a value can help to insure a steady flow of tenants that will allow the project to operate at a stabilized occupancy rate. While the proposed collected Tax Credit rents at the site represent rent advantages between 22.1% and 69.3%, it is likely that most rents will need to be lowered if the project operated exclusively as a Tax Credit development. Regardless, all 64 units at the subject project will continue to operate with a subsidy, requiring residents to pay up to 30% of their adjusted gross incomes towards housing costs. Thus, the subject project will continue to represent a substantial value to low-income renters within the Site PMA.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of renovations, the subject project will have an effective age of a project built in 1996. The selected properties were built between 1973 and 2002; four of which were extensively renovated between 2004 and 2018. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
8. The subject project is expected to have a significantly improved overall quality and appearance, as the proposed renovations are valued at approximately \$65,800 per unit. These extensive renovations are expected to extend the life of the property by at least 30 years, which equates to a prorated value of approximately \$180 per unit per month. Given that the additional amenities to be included post renovations are already factored in other line item adjustments, we have made a positive adjustment of \$100 to all comparable properties that are considered to be of inferior quality compared to the subject site.
10. A total of three of the selected properties are located outside of the Walterboro Site PMA in Summerville. The Summerville market is significantly larger than Walterboro in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Summerville will not directly translate to the Walterboro market. Therefore, we have adjusted each collected rent at the three comparable projects located in Summerville by approximately 20.0% to account for this market difference.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that none of the selected properties offer four-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity generally superior to those offered at the selected properties. We have made adjustments for features offered at the subject project, and in some cases, we have made adjustments for features the subject property does not offer.

- 24.-32. The subject project will offer a project amenities package generally inferior to those offered at the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.