

Market Feasibility Analysis

Autumn Glen Villas
202 Fairview Street
Fountain Inn, Greenville County, South Carolina 29644

Prepared For

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2015 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Autumn Glen Villas Total # Units: 48
 Location: 202 Fairview St. Fountain Inn, SC 29644 # LIHTC Units: 48
 Simpsonville city limits, East Georgia Road, County Road 160, Hunter Road, Jones Mill Road, and County Road 145 to the north; Liberty Church Road, Park Road, State Road S-30-731, Fountain Inn city limits, and Abercrombie Road to the east; Claude Road, County Road 451, Nelson Drive, Martin Road, and Nash Mill Road to the south; and Neely Ferry Road and the Simpsonville city limit to the west.
 PMA Boundary:
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 6.0 miles

RENTAL HOUSING STOCK (found on page H-11)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	1,505	8	99.5%
Market-Rate Housing	8	1,279	8	99.4%
Assisted/Subsidized Housing not to include LIHTC	2	98	0	100.0%
LIHTC (All that are stabilized)*	3	128	0	100.0%
Stabilized Comps**	2	80	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					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	Two	2.0	1,100	\$550	\$870	\$0.79	36.78%	\$1,030	\$1.04
24	Two	2.0	1,100	\$625	\$870	\$0.79	28.16%	\$1,030	\$1.04
4	Three	2.0	1,250	\$625	\$1,025	\$0.82	39.02%	\$1,285	\$0.98
14	Three	2.0	1,250	\$700	\$1,025	\$0.82	31.71%	\$1,285	\$0.98
				\$	\$	\$	%	\$	\$
Gross Potential Rent Monthly*				\$30,600	\$44,550		31.31%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. 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-3 & G-5)

	2000		2014		2017	
Renter Households	N/A	N/A	4,191	31.4%	4,337	31.1%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,231	29.4%	1,263	29.1%
Income-Qualified Renter HHs (MR)	(if applicable)	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	27	25				32
Existing Households (Overburd + Substand)	378	422				525
Homeowner conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	405	447				557

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	2.5%	8.5%				8.6%

ABSORPTION RATE (found on page G-6)

Absorption Period: 5 months

2015 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
6	2 BR	\$550	\$3,300	\$870	\$5,220	
24	2 BR	\$625	\$15,000	\$870	\$20,880	
	3 BR		\$0		\$0	
4	3 BR	\$625	\$2,500	\$1,025	\$4,100	
14	3 BR	\$700	\$9,800	\$1,025	\$14,350	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	48		\$30,600		\$44,550	31.31%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 48-unit Autumn Glen Villas affordable rental community in Fountain Inn, South Carolina. The proposed project, which will offer two- and three-bedroom units, will be developed under the Low-Income Housing Tax Credit (LIHTC) program and will target family (general-occupancy) households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The proposed collected rents will be \$550 to \$625 for a two-bedroom unit and \$625 to \$700 for a three-bedroom unit. The project is expected to open in January 2017. Additional details concerning the subject project are as follows:

- a. Property Location:** 202 Fairview Street
Fountain Inn, South Carolina 29644
(Greenville County)
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% AMHI
- e. Special Needs Population:** None
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			Max. Allowable Program Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
6	Two-Br.	2.0	Garden	1,100	50%	\$550	\$79	\$629	\$655
24	Two-Br.	2.0	Garden	1,100	60%	\$625	\$79	\$704	\$786
4	Three-Br.	2.0	Garden	1,250	50%	\$625	\$97	\$722	\$756
14	Three-Br.	2.0	Garden	1,250	60%	\$700	\$97	\$797	\$908
48	Total								

Source: Zimmerman Properties SE, LLC
AMHI – Area Median Household Income (Greenville-Mauldin-Easley, SC MSA; 2015)

- g. Number Of Stories/Buildings:** Four (4) three-story, walk-up residential buildings and one non-residential building.
- k. Project-Based Rental Assistance (Existing or Proposed):** None



l. Community Amenities:

The subject property will include the following community features:

- On-Site Management
- Community Room
- Fitness Center
- Business Center
- Computer Center
- Elevator
- Playground/Tot Lot
- Library
- Storage

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Microwave Oven
- Central Air Conditioning
- Carpet
- Window Blinds
- Washer/Dryer Appliances
- Patio/Balcony
- Ceiling Fan

n. Parking:

A surface parking lot with 96 spaces (2.0/unit) will be available at no charge to residents. This number of parking spaces is considered adequate for a family development.

o. Renovations and Current Occupancy:

Not Applicable

p. Utility Responsibility:

Water, sewer and trash collection are included in the rent, while tenants are responsible for all other utilities and services, including the following:

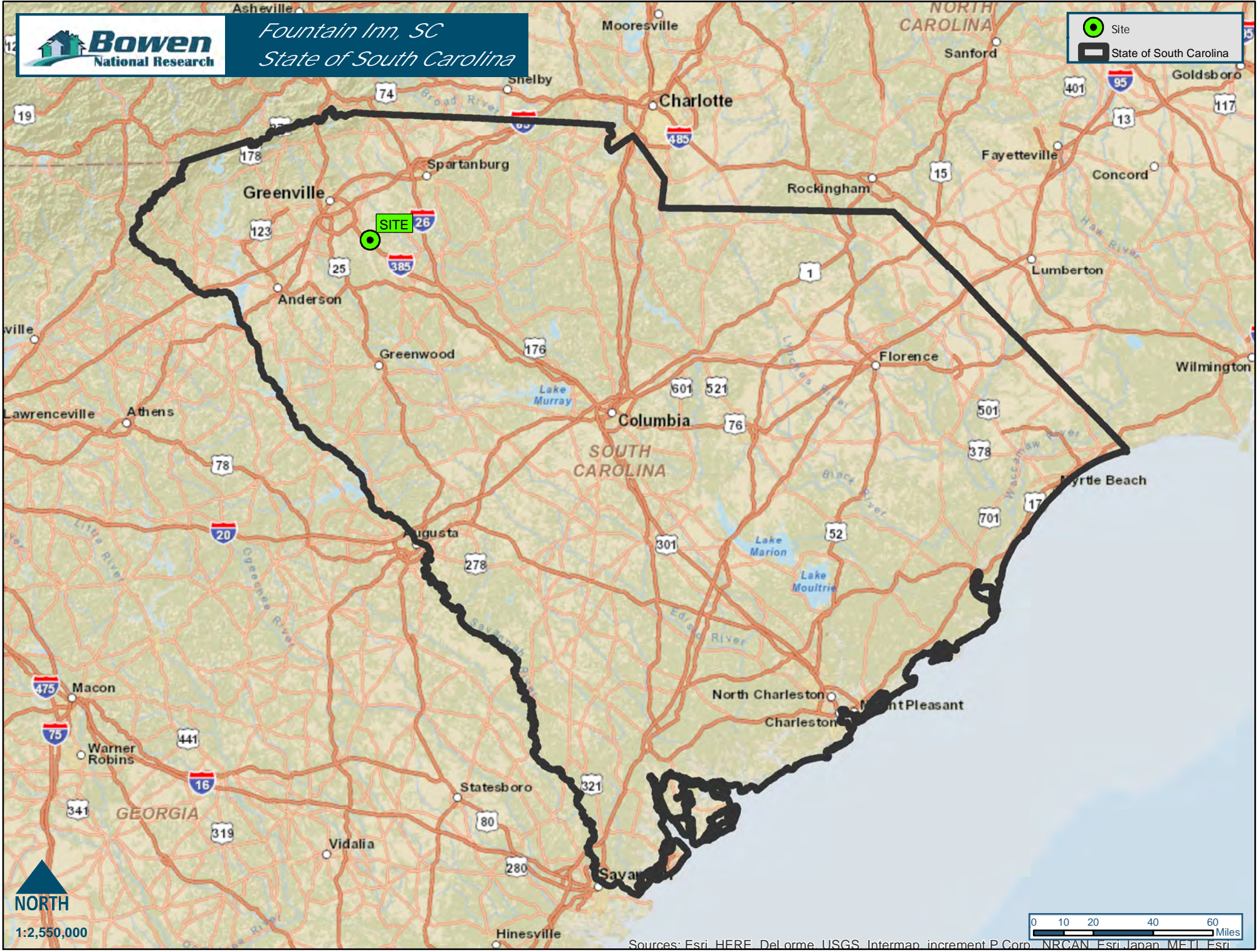
- General Electricity
- Electric Heating
- Electric Water Heating
- Electric Cooking

A state map and an area map are on the following pages.



Fountain Inn, SC
State of South Carolina

● Site
▭ State of South Carolina



NORTH
1:2,550,000

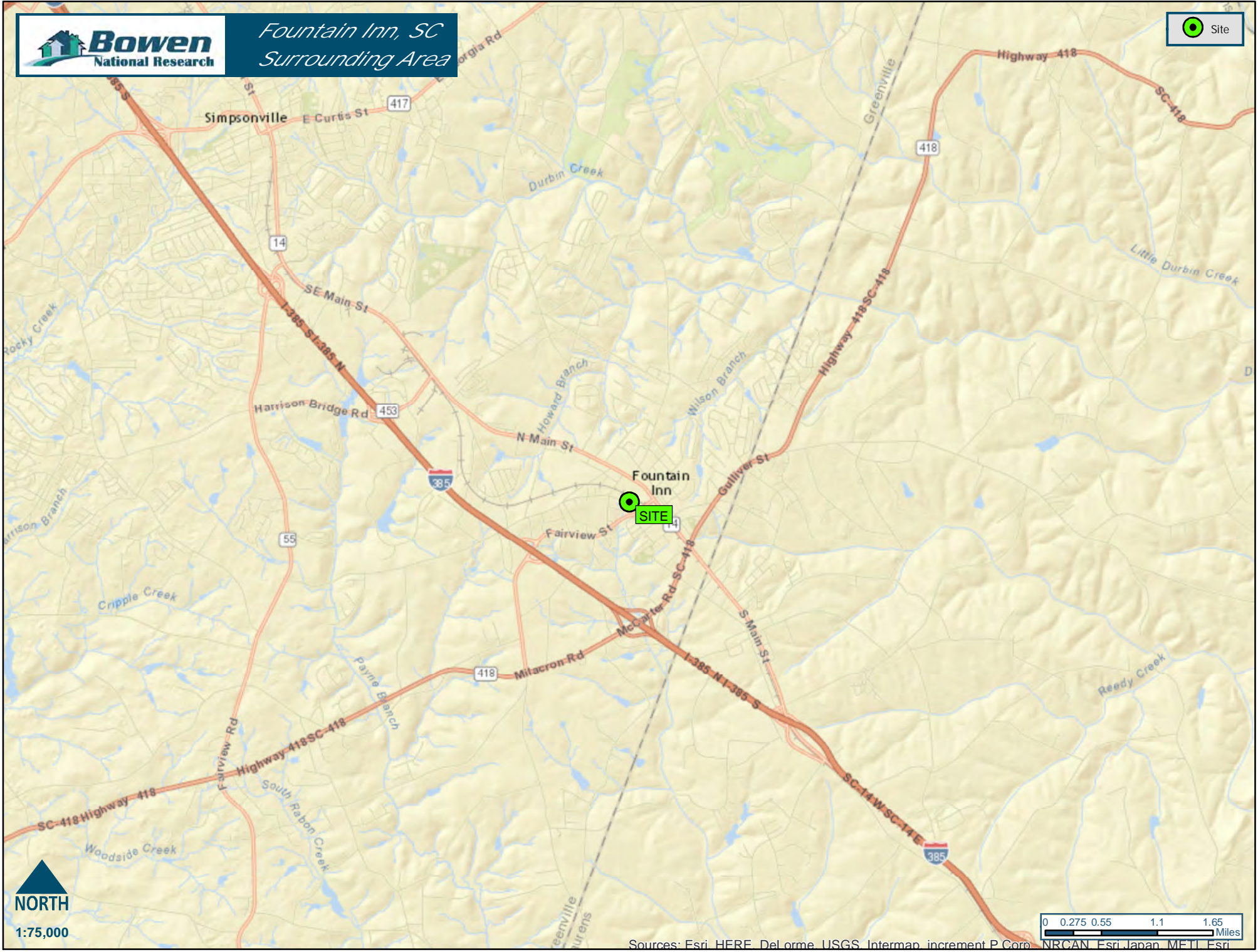


Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



*Fountain Inn, SC
Surrounding Area*

Site



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of March 16, 2015. 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 located at the southwest corner of the intersection of Fairview and Railroad streets in the central portion of Fountain Inn. Located in Greenville County, the site is approximately 85.0 miles northwest of Columbia, South Carolina and approximately 110.0 miles southwest of Charlotte, North Carolina. The subject site is located within an established area, comprised of single-family homes, local businesses, railroad tracks and wooded land. Adjacent land uses are detailed as follows:

North -	Railroad tracks border the site to the north. Continuing north is Railroad Street, a lightly-travelled two-lane east/west thoroughfare with light vehicular traffic. Extending north, are Fountain Inn Presbyterian Church and The Youth Center for Fountain Inn, both considered in satisfactory condition.
East -	Fairview Street, a light to moderately-travelled two-lane roadway, borders the subject site to the east, along with single-family homes in satisfactory condition. Continuing east are local businesses, Subway, CVS Pharmacy and State Farm Insurance, all of which are considered to be in good condition.
South -	Single-family homes considered in good condition border the site south. Continuing south are local establishments including Tony's Pizza and Subs and New Beginnings Christian Church, both in satisfactory condition. Extending south are residential neighborhoods consisting of single-family homes in satisfactory condition.
West -	Wooded land borders the subject site immediately to the west. Extending west are various single-family homes considered to be in satisfactory condition located along Craig Street. Continuing west are residential neighborhoods consisting of single-family homes in satisfactory condition.

Structures within the immediate site area are considered to be in satisfactory to good condition, many of which are single-family homes. These surrounding land uses are consistent with the residential nature of the proposed development.

As noted, there are railroad tracks that border the site to the north. However, it is believed that they will not have a significant impact on the subject's marketability, as evidenced by the established, occupied residential dwellings within the site's neighborhood. Overall, the subject property fits well with the surrounding land uses.

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 Highways	State Route 14 State Route 418 Interstate 385	0.1 Northeast 0.6 Southeast 1.0 Southwest
Major Employers/ Employment Centers	Fountain Inn CBD BI-Lo Greenville Health Systems Walmart Supercenter	0.1 East 1.2 Northwest 3.5 Northwest 4.6 Northwest
Convenience Store	Galt's Food Mart Inn Mart	0.3 East 1.2 Northwest
Grocery	Deal Mart Bi-Lo	0.4 Southeast 1.2 Northwest
Discount Department Store	Dollar General Walmart Supercenter	0.4 Southeast 4.6 Northwest
Schools: Elementary Middle/Junior High High	Fountain Inn Elementary School Bryson Middle School Hillcrest High School	0.7 West 3.9 Northwest 3.7 Northwest
Hospital	Greenville Health Systems	3.5 Northwest
Police	Fountain Inn Police Dept.	0.2 Northeast
Fire	Fountain Inn Fire Dept.	0.2 Northeast
Post Office	U.S. Post Office	0.8 Southeast
Bank	Suntrust Bank Grand South Bank	0.2 East 0.4 Southeast
Recreational Facilities	Youth Center For Fountain Inn	Adjacent Northeast
Gas Station	Galt's Exxon	0.3 East 1.2 Northwest
Pharmacy	CVS Pharmacy	0.1 Northeast
Restaurant	Subway Tony's Pizza & Sub Bucky's Bar B Q	0.1 Northeast 0.1 Southwest 0.2 East
Community Center	Youth Center For Fountain Inn	Adjacent Northeast
Park	Fairview Street Park Woodside Avenue Park	0.1 Southwest 0.4 South
Church	New Beginnings Christian Fountain Inn Presbyterian Church	Adjacent Southwest Adjacent Northeast
Library	Fountain Inn Library	0.2 Northeast

There are numerous community services located within close proximity of the site subject site, many of which are within 1.5 miles, including a Bi-Lo grocery store, CVS Pharmacy, gas stations/convenience stores and restaurants. Additionally, a Walmart Supercenter is located 4.6 miles northwest of the site.

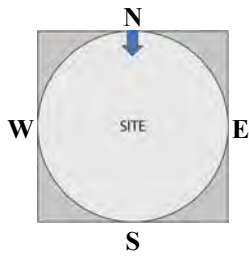
Public services such as, the Fountain Inn Police Department, Fountain Inn Fire Department and a U.S. Post Office are all within 0.8 miles of the subject site. The closest hospital, Greenville Health Systems, is located within 3.5 miles. In addition, all public schools that serve the site are located within 3.9 miles.

Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

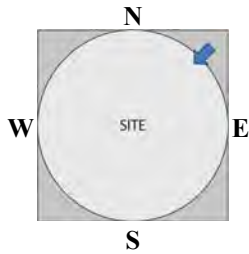
4. **SITE PHOTOGRAPHS**

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

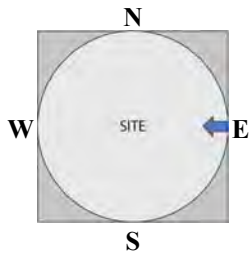
SITE PHOTOGRAPHS



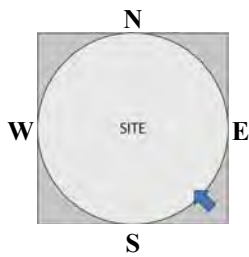
View of site from the north



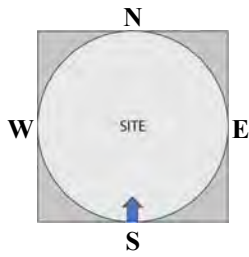
View of site from the northeast



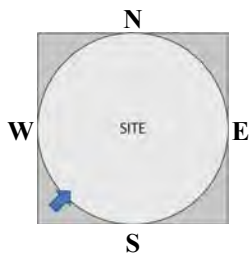
View of site from the east



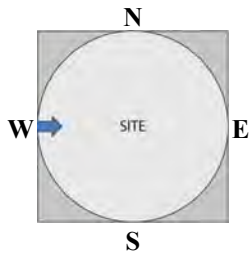
View of site from the southeast



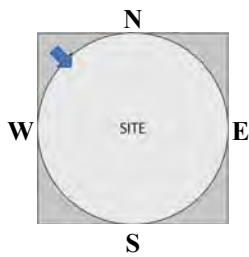
View of site from the south



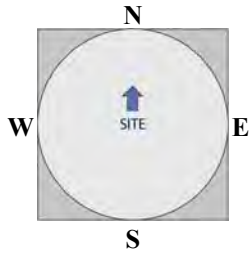
View of site from the southwest



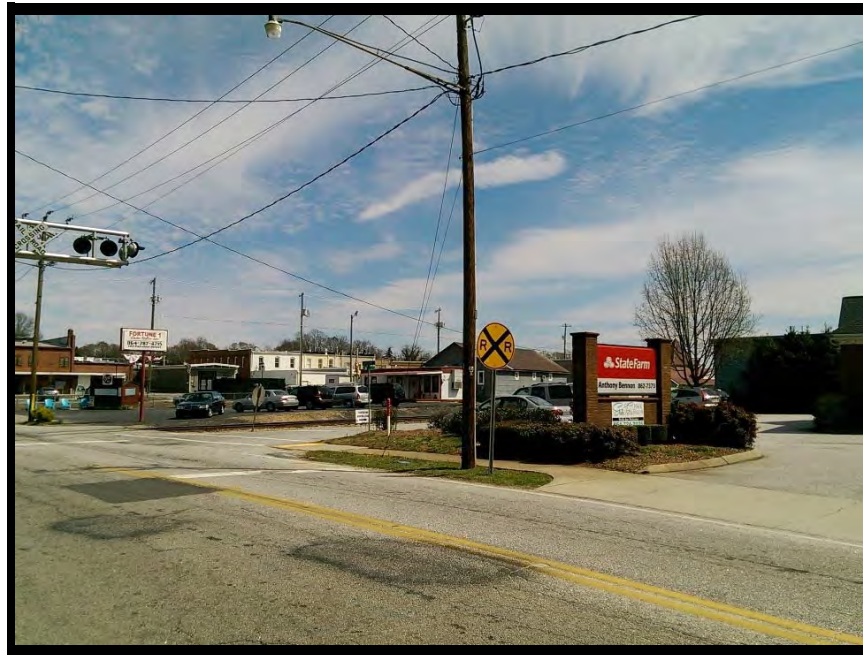
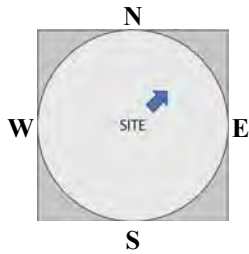
View of site from the west



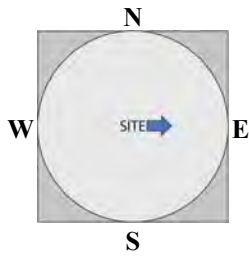
View of site from the northwest



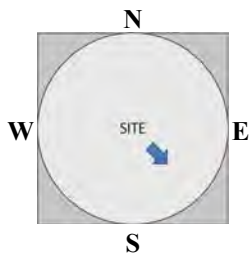
North view from site



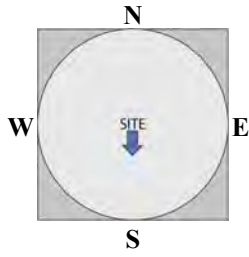
Northeast view from site



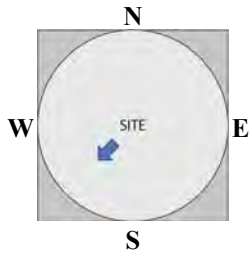
East view from site



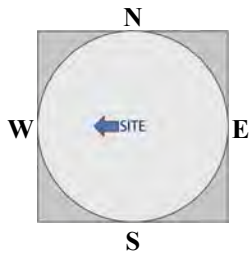
Southeast view from site



South view from site



Southwest view from site



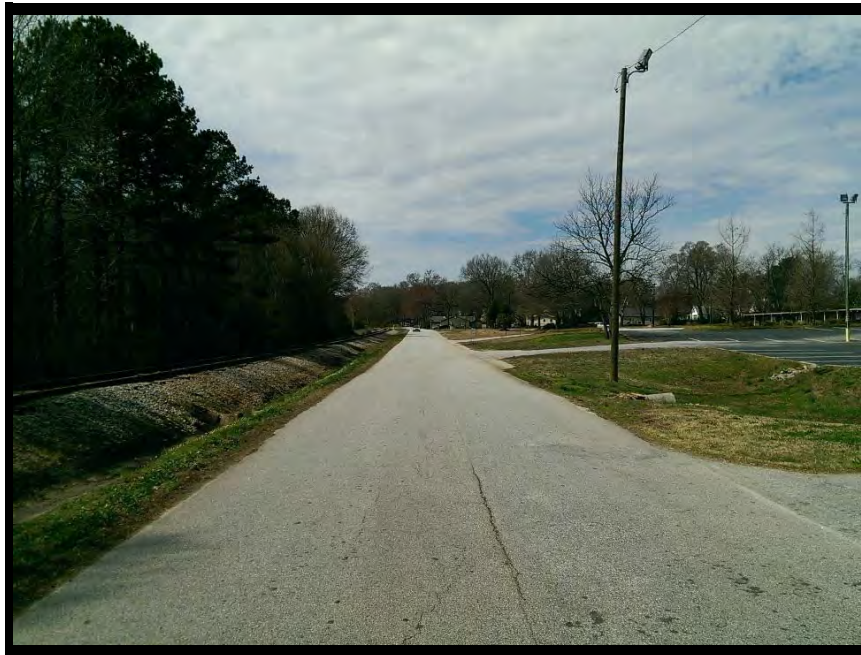
West view from site



Northwest view from site



Streetscape: Railroad Street view southeast



Streetscape: Railroad Street view northwest



Streetscape: Fairview Street view southwest



Streetscape: Fairview Street view northeast

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.





Fountain Inn, SC
Site Neighborhood
















Legend
Site Area

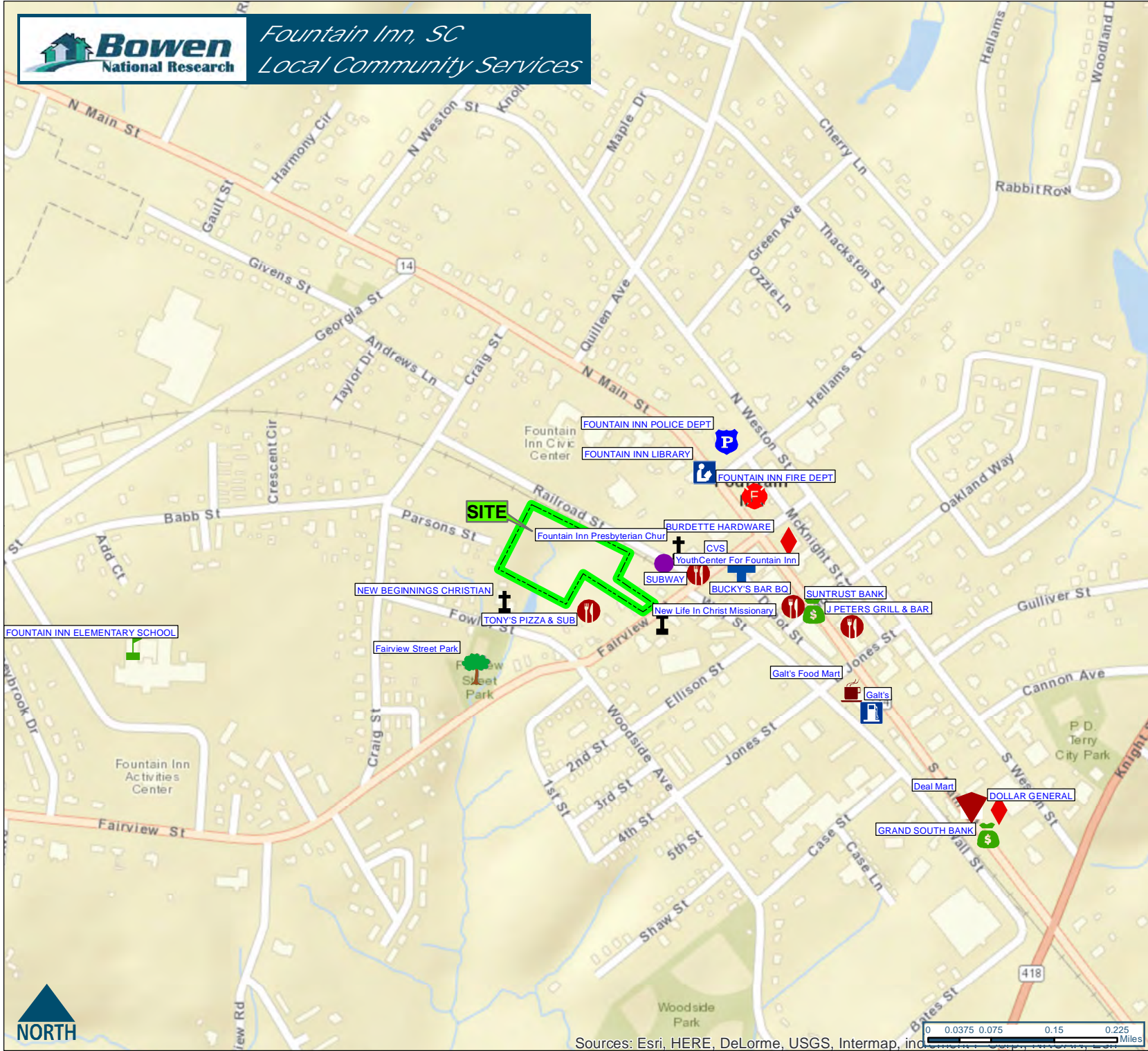


NORTH
1:3,000











Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.015 0.03 0.06 0.09 Miles

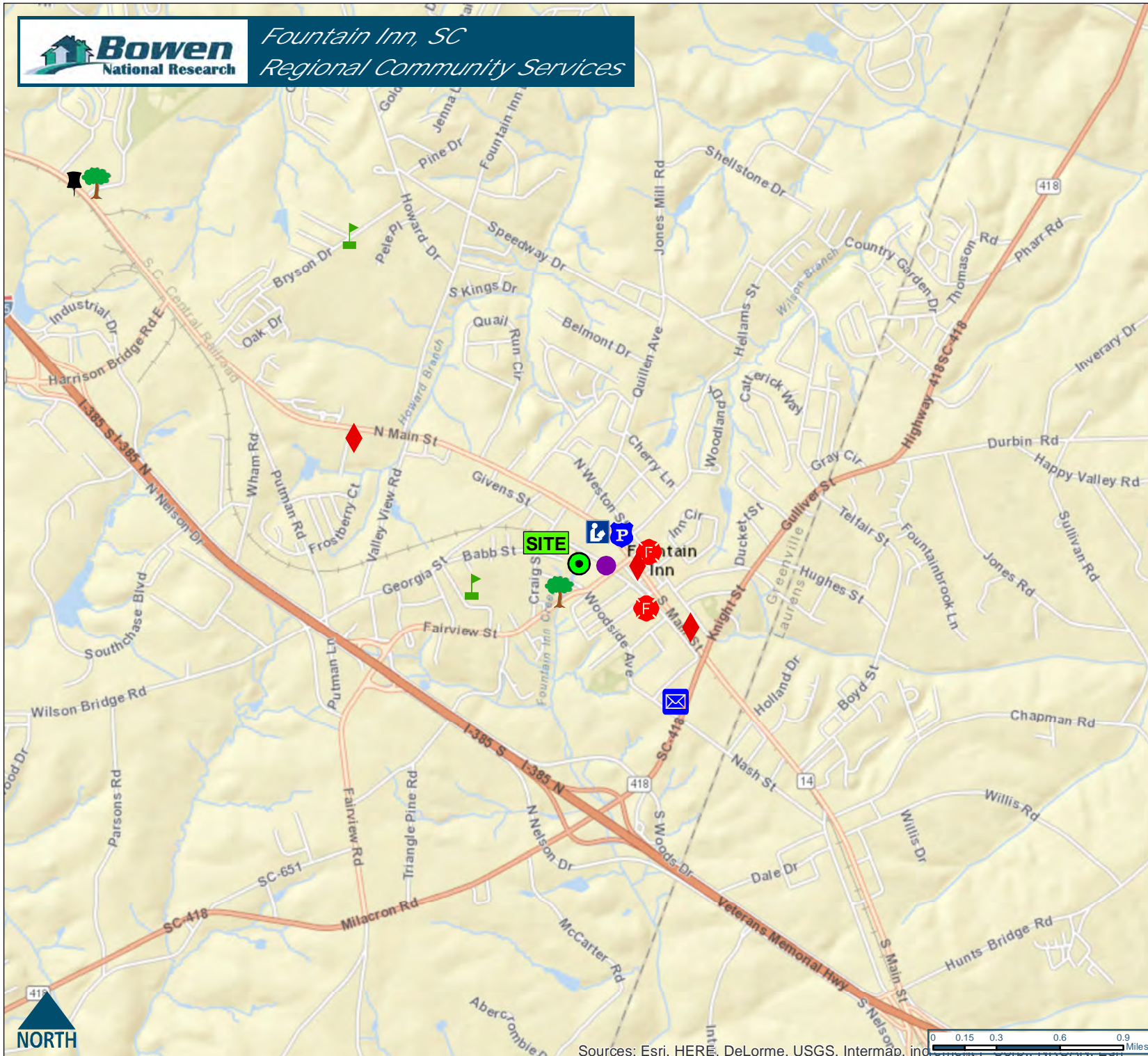
Legend

-  Site Area
-  bank
-  church
-  convenience store
-  elementary school
-  fire
-  gas
-  grocery
-  library
-  park
-  pharmacy
-  police
-  recreation center
-  restaurant
-  shopping



Legend

-  Site
-  elementary school
-  fire
-  library
-  park
-  police
-  post office
-  recreation center
-  shopping
-  stadium_arena



6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is within 0.1 mile from North Main Street/State Route 14. Currently, there is road work at the intersection of Fairview Street and North Main Street/State Route 14 extending east, which in turn, may increase traffic during peak commuting hours along these roadways.

7. 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 (92) for the Site PMA is below the national average with an overall personal crime index of 114 and a property crime index of 91. Total crime risk (131) for Greenville County is above the national average with indexes for personal and property crime of 159 and 132, respectively.

	Crime Risk Index	
	Site PMA	Greenville County
Total Crime	92	131
Personal Crime	114	159
Murder	65	124
Rape	107	129
Robbery	49	94
Assault	170	202
Property Crime	91	132
Burglary	113	146
Larceny	82	144
Motor Vehicle Theft	66	85

Source: Applied Geographic Solutions

The crime risk index for the Site PMA (92) is similar to the national average (100). Therefore, the perception of crime is not likely a factor in the overall marketability of the Fountain Inn rental housing market. It is anticipated that crime will not play a significant role in the subject's marketability.

A map illustrating crime risk is on the following page.



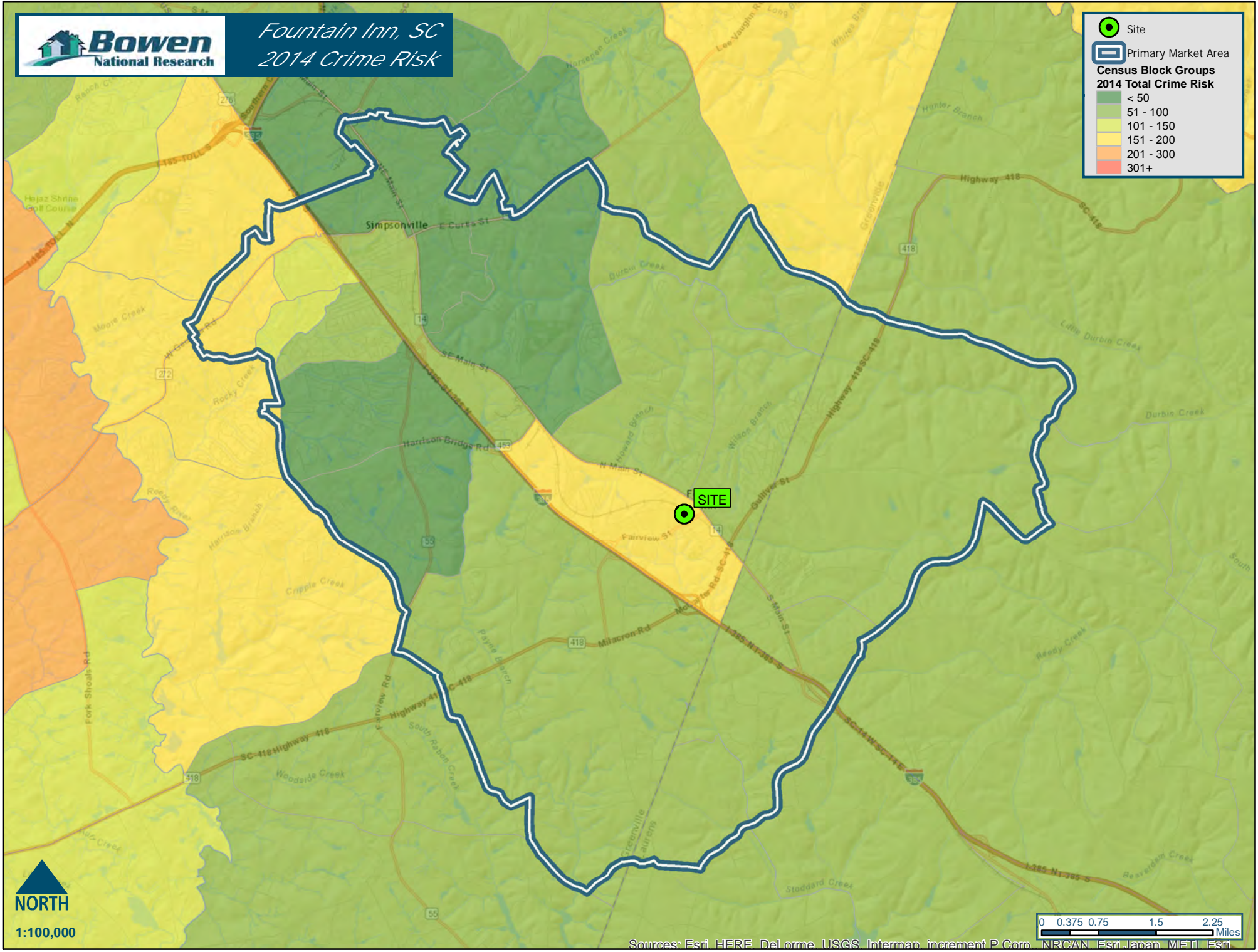
*Fountain Inn, SC
2014 Crime Risk*

● Site

▭ Primary Market Area

**Census Block Groups
2014 Total Crime Risk**

< 50
51 - 100
101 - 150
151 - 200
201 - 300
301+



NORTH
1:100,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

8. ACCESS AND VISIBILITY

The site is located at the southwest corner of the intersection of Fairview and Railroad streets, both light to moderately traveled two-lane roadways. Ingress and egress along Fairview Street, which grants access to the subject site, is considered easy, with clear lines of sight provided in both directions of travel. The subject is within 1.0 mile of State Routes 14 and 418, as well as Interstate 385. Overall, access to the site is considered to be good. Visibility of the site is obstructed by the surrounding wooded land, as the residential structures are approximately 400 feet from Fairview Street. It is recommended for permanent signage that is clearly visible to passerby traffic to be located near the site's entrance. Additionally, promotional signage is recommended near the intersection of Fairview Street and North Main Street/State Route 14 to increase its awareness during the initial lease-up process.

9. VISIBLE OR ENVIRONMENTAL ISSUES

As noted earlier in this report, the subject project is bordered to the north by railroad tracks. Although this may create various audible disturbances, it is not believed that the presence of the railroad tracks will have a significant adverse impact on the subject's marketability. There are various established, occupied residential dwellings within the immediate neighborhood, providing evidence that the railroad tracks have not been a deterrent for residential development.

10. OVERALL SITE CONCLUSIONS

The site is located within an established area of Fountain Inn. Structures within the immediate site area are considered to be in satisfactory to good condition, many of which are single-family homes. These surrounding land uses are consistent with the residential nature of the proposed development. Although railroad tracks exist within the immediate neighborhood, they are not expected to have a significant impact on the subject's marketability. Access to the subject site is considered good, as it is within 1.0 mile of State Routes 14 and 418, as well as Interstate 385. Visibility of the subject site is obstructed by the surrounding wooded land and permanent signage is recommended near the site's entrance. Additionally, promotional signage is recommended near the intersection of Fairview Street and North Main Street/State Route 14 to increase its awareness during the initial lease-up process. The subject site is also located within close proximity of numerous community services, most of which are within 1.5 miles. Overall, we anticipate the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed project will originate. The Fountain Inn Site PMA was determined through interviews with area leasing and real estate agents and 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 Site PMA includes Fountain Inn, Simpsonville and portions of the surrounding unincorporated areas of Greenville and Laurens counties. The boundaries of the Site PMA consist of the Simpsonville city limits, East Georgia Road, County Road 160, Hunter Road, Jones Mill Road, and County Road 145 to the north; Liberty Church Road, Park Road, State Road S-30-731, Fountain Inn city limits, and Abercrombie Road to the east; Claude Road, County Road 451, Nelson Drive, Martin Road, and Nash Mill Road to the south; and Neely Ferry Road and the Simpsonville city limit to the west. The Site PMA comprises Census Tract numbers:

30.05	30.09	30.10	30.11
30.12	30.13	30.14	30.15
31.01*	31.03	31.04	9201.01
9201.04			

*Site location

Amanda Hodgson, Property Manager at Oak Pointe Apartments (Map ID 7) in Simpsonville, stated that Fountain Inn and Simpsonville share the same market. Ms. Hodgson explained that because there are very few affordable housing options in the area, residents look in Simpsonville, Fountain Inn, and even parts of Laurens County for such housing, thus confirming the Site PMA.

Jeanne Scott, Property Manager at the Arbors at Fairview (Map ID 1) rental community in Simpsonville, explained that the majority of her support originates directly from Simpsonville and Fountain Inn. Ms. Scott explained that Simpsonville and Fountain Inn are the same market and residents from these areas typically want to remain.

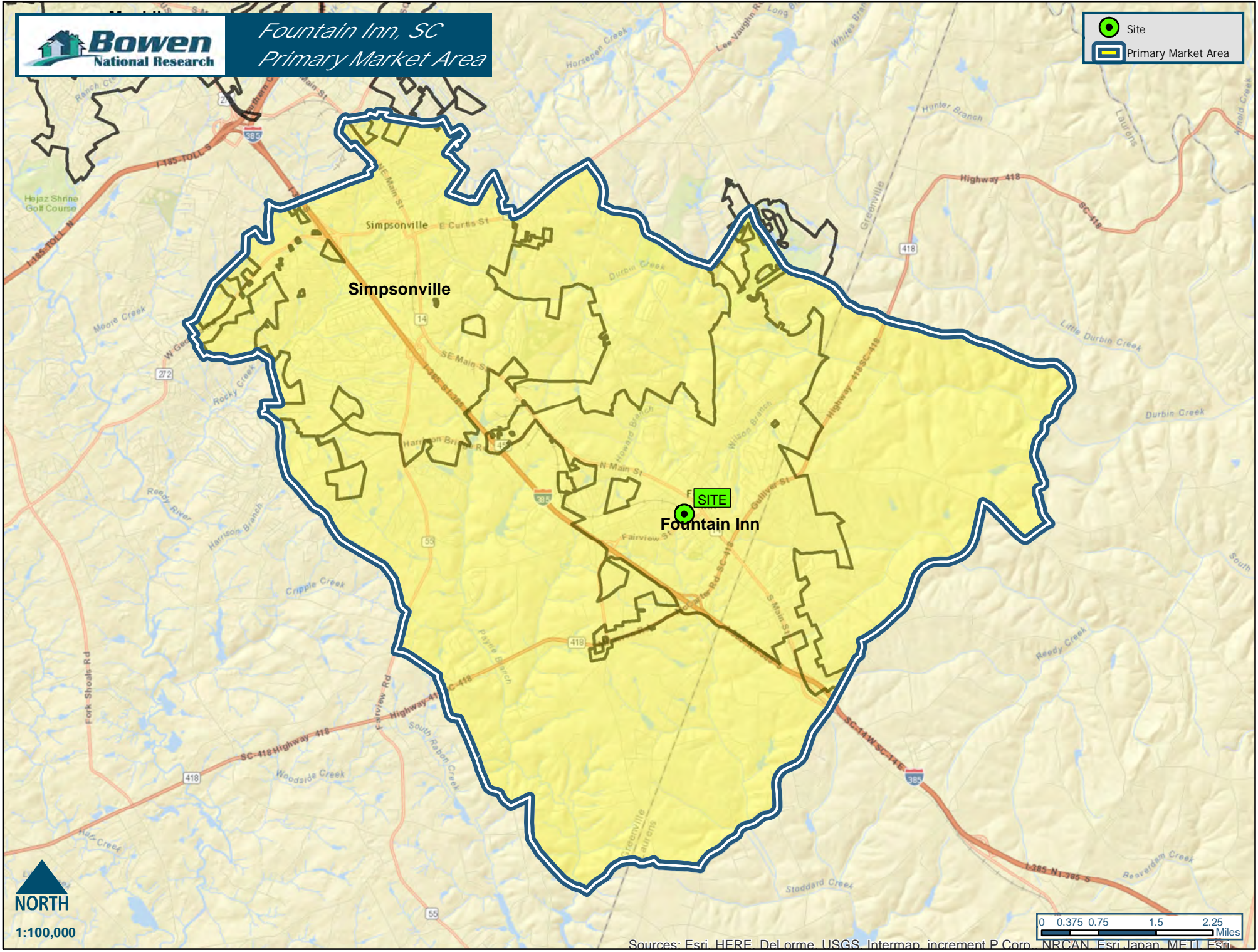
Vernice Dimiati, Property Manager at The Woodlot Apartments (Map ID 9) in Fountain Inn, stated that the majority of her support originates from Simpsonville and Fountain Inn. Ms. Dimiati explained that she does see tenants coming from Greenville, Gray Court, and Laurens, but the numbers coming from these areas are insignificant.

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



*Fountain Inn, SC
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
1:100,000

0 0.375 0.75 1.5 2.25 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

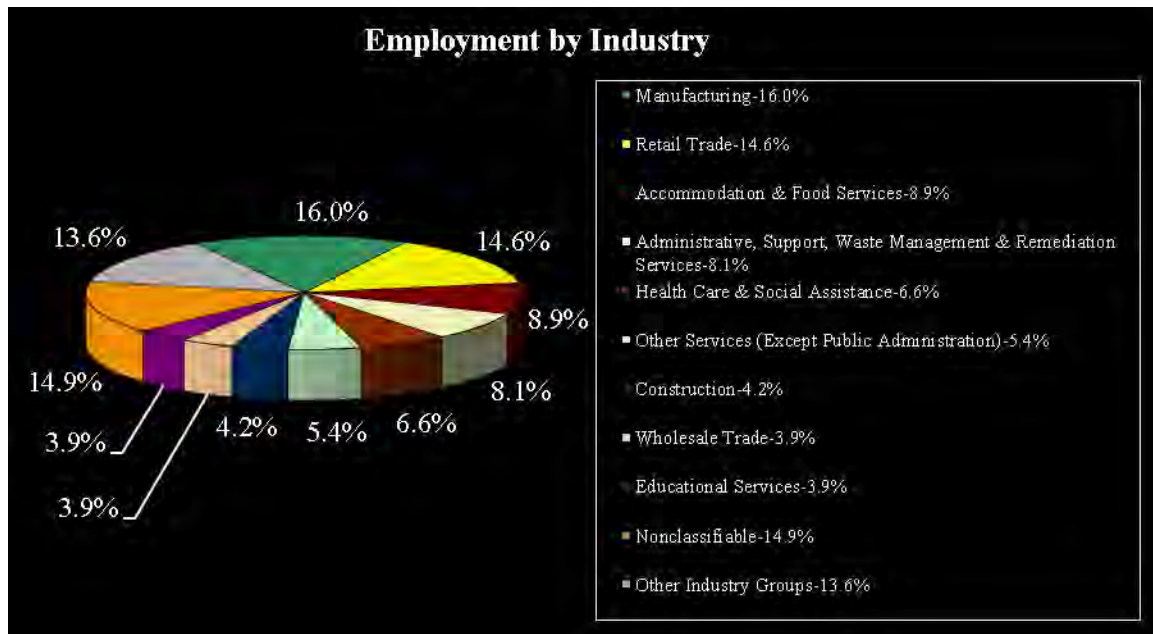
The labor force within the Fountain Inn Site PMA is based primarily in two sectors. Manufacturing (which comprises 16.0%) and Retail Trade comprise nearly 31% of the Site PMA labor force. Non-classifiable jobs comprised over 15% of the labor force. Employment in the Fountain Inn Site PMA, as of 2014, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	15	0.8%	21	0.1%	1.4
Mining	0	0.0%	0	0.0%	0.0
Utilities	2	0.1%	14	0.1%	7.0
Construction	161	8.9%	608	4.2%	3.8
Manufacturing	96	5.3%	2,342	16.0%	24.4
Wholesale Trade	97	5.4%	574	3.9%	5.9
Retail Trade	238	13.1%	2,131	14.6%	9.0
Transportation & Warehousing	52	2.9%	428	2.9%	8.2
Information	21	1.2%	53	0.4%	2.5
Finance & Insurance	79	4.4%	276	1.9%	3.5
Real Estate & Rental & Leasing	87	4.8%	264	1.8%	3.0
Professional, Scientific & Technical Services	171	9.4%	470	3.2%	2.7
Management of Companies & Enterprises	9	0.5%	20	0.1%	2.2
Administrative, Support, Waste Management & Remediation Services	253	14.0%	1,187	8.1%	4.7
Educational Services	39	2.2%	569	3.9%	14.6
Health Care & Social Assistance	107	5.9%	962	6.6%	9.0
Arts, Entertainment & Recreation	23	1.3%	67	0.5%	2.9
Accommodation & Food Services	113	6.2%	1,297	8.9%	11.5
Other Services (Except Public Administration)	233	12.9%	787	5.4%	3.4
Public Administration	13	0.7%	378	2.6%	29.1
Nonclassifiable	1	0.1%	2,178	14.9%	2178.0
Total	1,810	100.0%	14,626	100.0%	8.1

*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.



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Greenville-Mauldin-Easley Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Greenville-Mauldin-Easley MSA	South Carolina
Management Occupations	\$98,860	\$94,400
Business and Financial Occupations	\$61,600	\$59,050
Computer and Mathematical Occupations	\$62,510	\$64,430
Architecture and Engineering Occupations	\$77,210	\$73,510
Community and Social Service Occupations	\$37,710	\$38,260
Art, Design, Entertainment and Sports Medicine Occupations	\$45,680	\$41,730
Healthcare Practitioners and Technical Occupations	\$66,660	\$66,190
Healthcare Support Occupations	\$26,560	\$25,350
Protective Service Occupations	\$30,570	\$33,200
Food Preparation and Serving Related Occupations	\$19,140	\$19,650
Building and Grounds Cleaning and Maintenance Occupations	\$20,960	\$22,470
Personal Care and Service Occupations	\$22,180	\$22,220
Sales and Related Occupations	\$35,940	\$30,800
Office and Administrative Support Occupations	\$31,570	\$31,460
Construction and Extraction Occupations	\$36,090	\$37,050
Installation, Maintenance and Repair Occupations	\$41,470	\$40,660
Production Occupations	\$33,510	\$34,720
Transportation and Moving Occupations	\$28,110	\$30,290

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

Most annual blue-collar salaries range from \$19,140 to \$45,680 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,368. It is important to note that most occupational types within the MSA have similar typical wages with the State of South Carolina's typical wages. The area employment base has a sufficient number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Greenville County area comprise a total of 43,943 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Greenville Health Systems	Healthcare	10,925
School District of Greenville County	Education	9,580
Bon Secours St Francis Health System	Healthcare	5,047
Michelin North America Inc	Manufacturer	4,000
GE Power & Water	Manufacturer	3,400
South Carolina State Government	Government	3,036
Fluor Corporation	Engineering	2,260
Bi-Lo Supermarkets	Retail	2,089
U.S. Government	Government	1,835
Greenville County Government	Government	1,771
Total		43,943

Source: Manufacturers News, Inc., Greenville Area Development Corporation, individual employers and Reference USA February 2015

According to a representative with the Greenville Area Development Corporation, the Fountain Inn and Greenville County economies are growing. The following are summaries of key economic factors impacting the local employment base:

Fountain Inn:

- In May 2014, Bon Secours St. Francis Health System announced construction of a new facility on McCarter Road in Fountain Inn.
- Stueken LLC underwent a \$3.2 million expansion at its Fountain Inn location in late summer 2014, creating 27 jobs.
- In January 2015, economic development officials stated that they have one major hotel chain committed to constructing a hotel along State Route 418, and that a second hotel chain is considering the area.

- TDI-Southchase is currently constructing a 250,000 square-foot distribution facility located at the Southchase Business Park in Fountain Inn. The company plans to sell or lease the \$12 million facility once it's completed.

Greenville County:

The table below summarizes various company relocations, openings and expansions anticipated to take place over the next few years, most of which are located within the city of Greenville. Greenville is approximately 18.0 miles (approximately 25 minutes) northwest of Fountain Inn, and it is likely that many residents within Fountain Inn commute to Greenville for their place of employment.

Company	Total Investment	Number of Jobs
KI Logistics	\$2.7 million	20
Greenville Technical College	\$25 million	N/A
Providence Home Care of South Carolina	\$2.9 million	167
Mannan Pharmaceuticals	N/A	34
O'Donnell Industries	\$8 million	39
General Electric	\$400 million	80
RPA Development LLC	\$2.8 million	43
Precorp Incorporated	\$14.8 million	29
Meyer Tool, Incorporated	\$5 million	50
Esurance	\$2.1 million	450
ChartSpan Medical Technologies, LLC	N/A	30
Solar Atmospheres	\$15 million	11
White Horse Industrial Center	\$20 million	500-1,000

WARN (layoff notices):

According to the South Carolina Works website, there have been three WARN notices of large-scale layoffs/closures reported for Greenville County since 2014. Below is a table summarizing these notices:

Company	Location	Jobs	Effective Date
Gannett	Greenville	117	5/5/2014
Caterpillar, Inc.	Fountain Inn	355	12/31/2014
Milliken & Company	Judson	199	4/13/2015

These three WARN notices combine for a total of 671 jobs lost within the county, most of which were lost in Fountain Inn. A high amount of jobs lost contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

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.

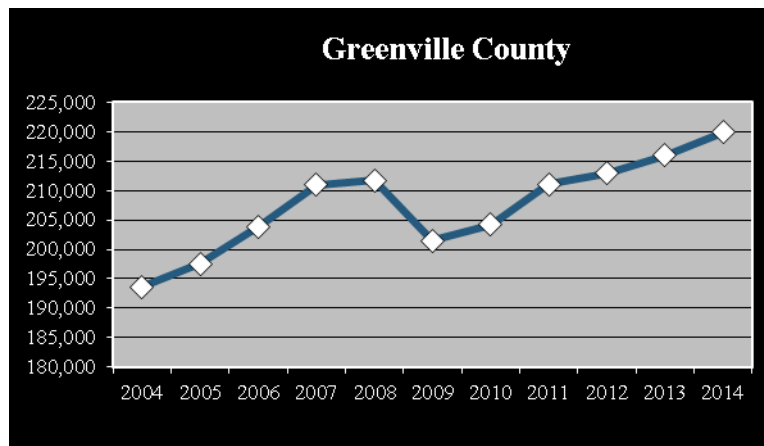
Excluding 2014, the employment base has increased by 7.2% over the past five years in Greenville County, more than the South Carolina state increase of 5.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Greenville County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	193,648	-	1,894,141	-	139,967,126	-
2005	197,585	2.0%	1,929,233	1.9%	142,299,506	1.7%
2006	203,849	3.2%	1,973,337	2.3%	145,000,043	1.9%
2007	210,958	3.5%	2,005,686	1.6%	146,388,369	1.0%
2008	211,741	0.4%	1,996,409	-0.5%	146,047,748	-0.2%
2009	201,461	-4.9%	1,910,670	-4.3%	140,696,560	-3.7%
2010	204,228	1.4%	1,915,045	0.2%	140,457,589	-0.2%
2011	211,073	3.4%	1,942,109	1.4%	141,727,933	0.9%
2012	212,890	0.9%	1,978,328	1.9%	143,566,680	1.3%
2013	216,021	1.5%	2,013,452	1.8%	144,950,662	1.0%
2014*	219,962	1.8%	2,056,136	2.1%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through December



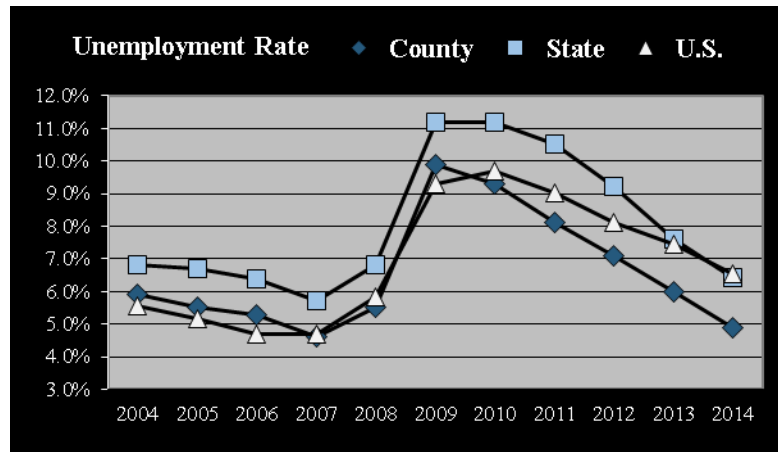
Despite a decline in the county's employment base between 2008 and 2009 during the national recession, it has generally trended upward within the past 10 years. The employment base is currently above prerecession levels and increased by 18,501 employees, or 9.2%, since 2009. These trends indicate that the local economy is well beyond the stages of recovery.

Unemployment rates for Greenville County, South Carolina and the United States are illustrated as follows:

Year	Total Unemployment					
	Greenville County		South Carolina		United States	
	Number	Percent	Number	Percent	Number	Percent
2004	12,087	5.9%	139,169	6.8%	8,261,839	5.6%
2005	11,592	5.5%	139,366	6.7%	7,756,938	5.2%
2006	11,443	5.3%	135,760	6.4%	7,118,073	4.7%
2007	10,248	4.6%	120,205	5.7%	7,187,820	4.7%
2008	12,347	5.5%	145,823	6.8%	9,048,051	5.8%
2009	22,214	9.9%	242,075	11.2%	14,430,156	9.3%
2010	20,840	9.3%	240,623	11.2%	15,068,747	9.7%
2011	18,676	8.1%	228,937	10.5%	14,029,523	9.0%
2012	16,181	7.1%	199,830	9.2%	12,688,021	8.1%
2013	13,824	6.0%	166,641	7.6%	11,629,596	7.4%
2014*	11,314	4.9%	141,451	6.4%	10,261,373	6.5%

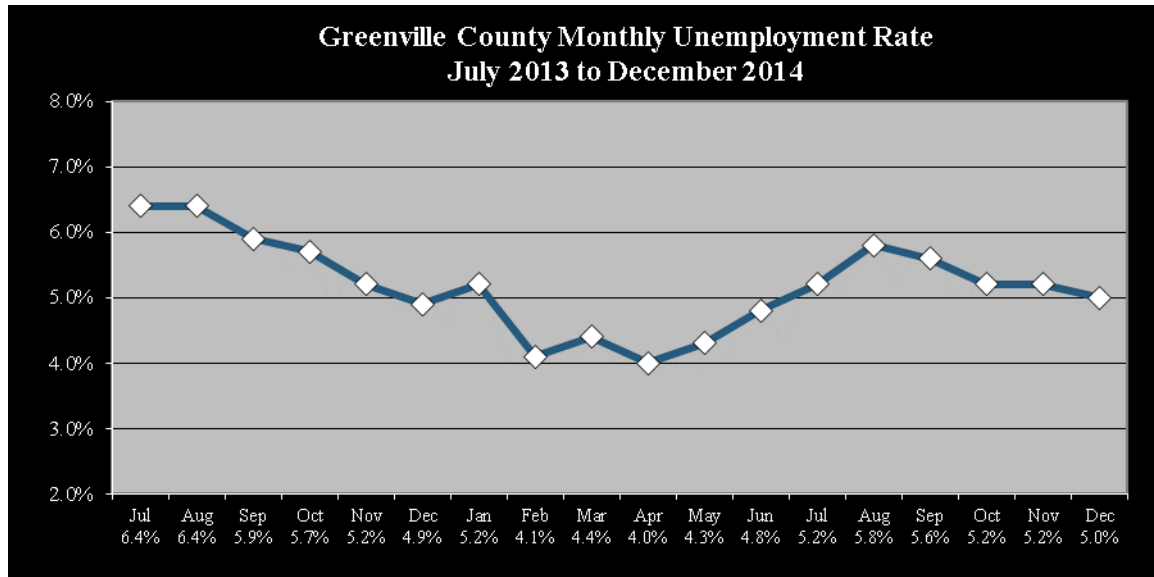
Source: Department of Labor; Bureau of Labor Statistics

*Through December



The unemployment rate in Greenville County has ranged between 4.6% and 9.9%, below the state average since 2004. The unemployment rate in the county increased by over five percentage points between 2007 and 2009, indicating that the county's economy faced challenges similar to those experienced by much of the country during the national recession. Since 2009, the county's unemployment rate has consistently decreased and is at its lowest at 4.9% since 2007 of 4.6%.

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



Despite fluctuations, the unemployment rate within Greenville County has generally trended downward during the past 18 months.

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 Greenville County.

In-Place Employment Greenville County			
Year	Employment	Change	Percent Change
2004	222,359	-	-
2005	226,532	4,173	1.9%
2006	231,817	5,285	2.3%
2007	237,996	6,179	2.7%
2008	241,370	3,374	1.4%
2009	223,852	-17,518	-7.3%
2010	225,168	1,316	0.6%
2011	230,107	4,939	2.2%
2012	233,974	3,867	1.7%
2013	237,429	3,455	1.5%
2014*	246,796	9,367	3.9%

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

Data for 2013, the most recent year that year-end figures are available, indicates in-place employment in Greenville County to be 109.9% of the total Greenville County employment. This means that Greenville County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there. This will have a positive impact on the subject's marketability, as it is likely that the site's residents will have minimal commute times to their place of employment.

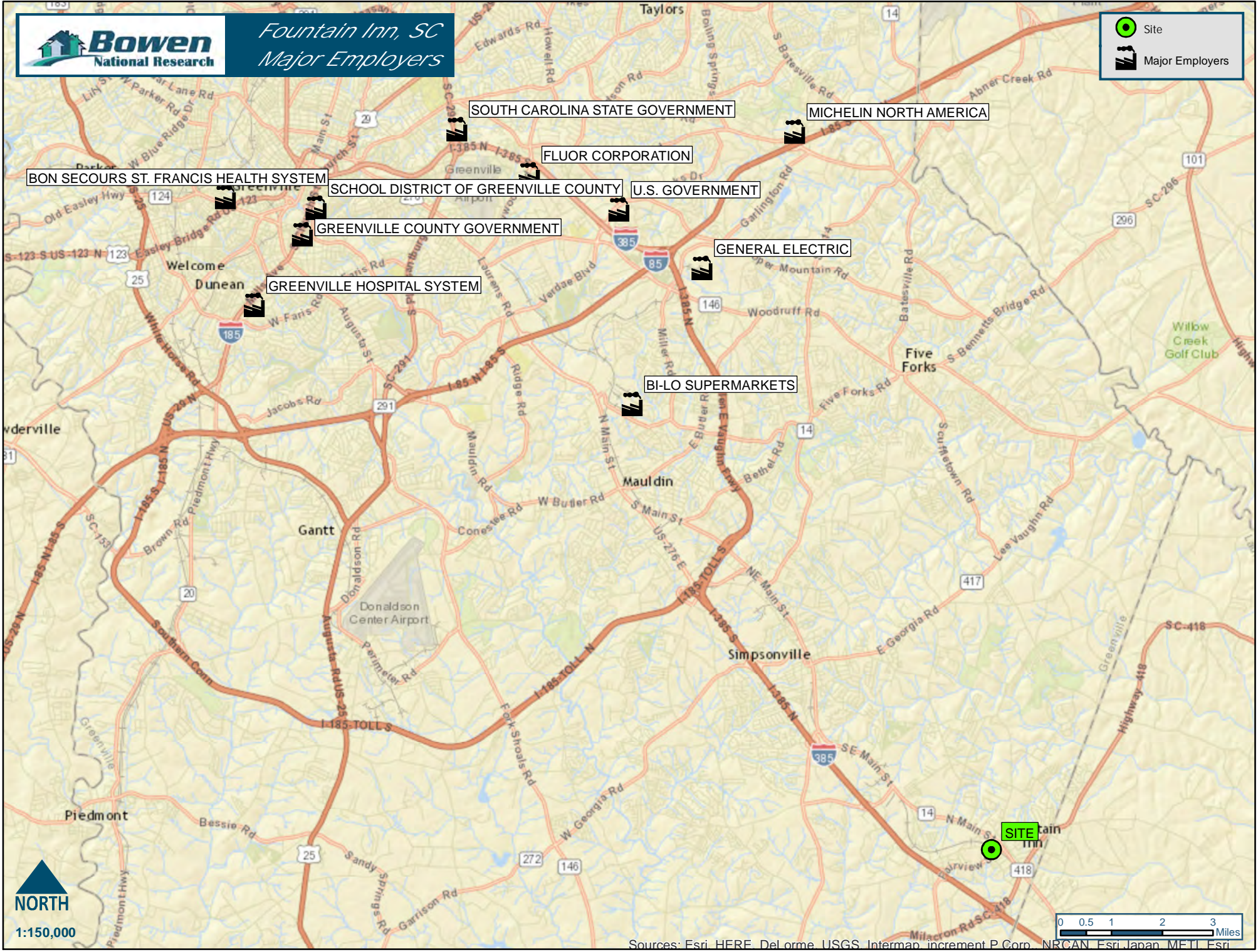
5. EMPLOYMENT CENTERS MAP

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



Fountain Inn, SC Major Employers

- Site
- Major Employers



BON SECOURS ST. FRANCIS HEALTH SYSTEM

SCHOOL DISTRICT OF GREENVILLE COUNTY

GREENVILLE HOSPITAL SYSTEM

GREENVILLE COUNTY GOVERNMENT

SOUTH CAROLINA STATE GOVERNMENT

FLUOR CORPORATION

U.S. GOVERNMENT

GENERAL ELECTRIC

BI-LO SUPERMARKETS

MICHELIN NORTH AMERICA

NORTH
1:150,000



6. COMMUTING PATTERNS

Based on the American Community Survey (2006-2010), 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	13,228	86.1%
Carpooled	1,357	8.8%
Public Transit	0	0.0%
Walked	177	1.1%
Other Means	141	0.9%
Worked at Home	465	3.0%
Total	15,368	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

Over 86% of all workers drove alone and 8.8% carpooled.

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	4,074	26.5%
15 to 29 Minutes	6,877	44.7%
30 to 44 Minutes	2,801	18.2%
45 to 59 Minutes	699	4.5%
60 or More Minutes	451	2.9%
Worked at Home	465	3.0%
Total	15,368	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

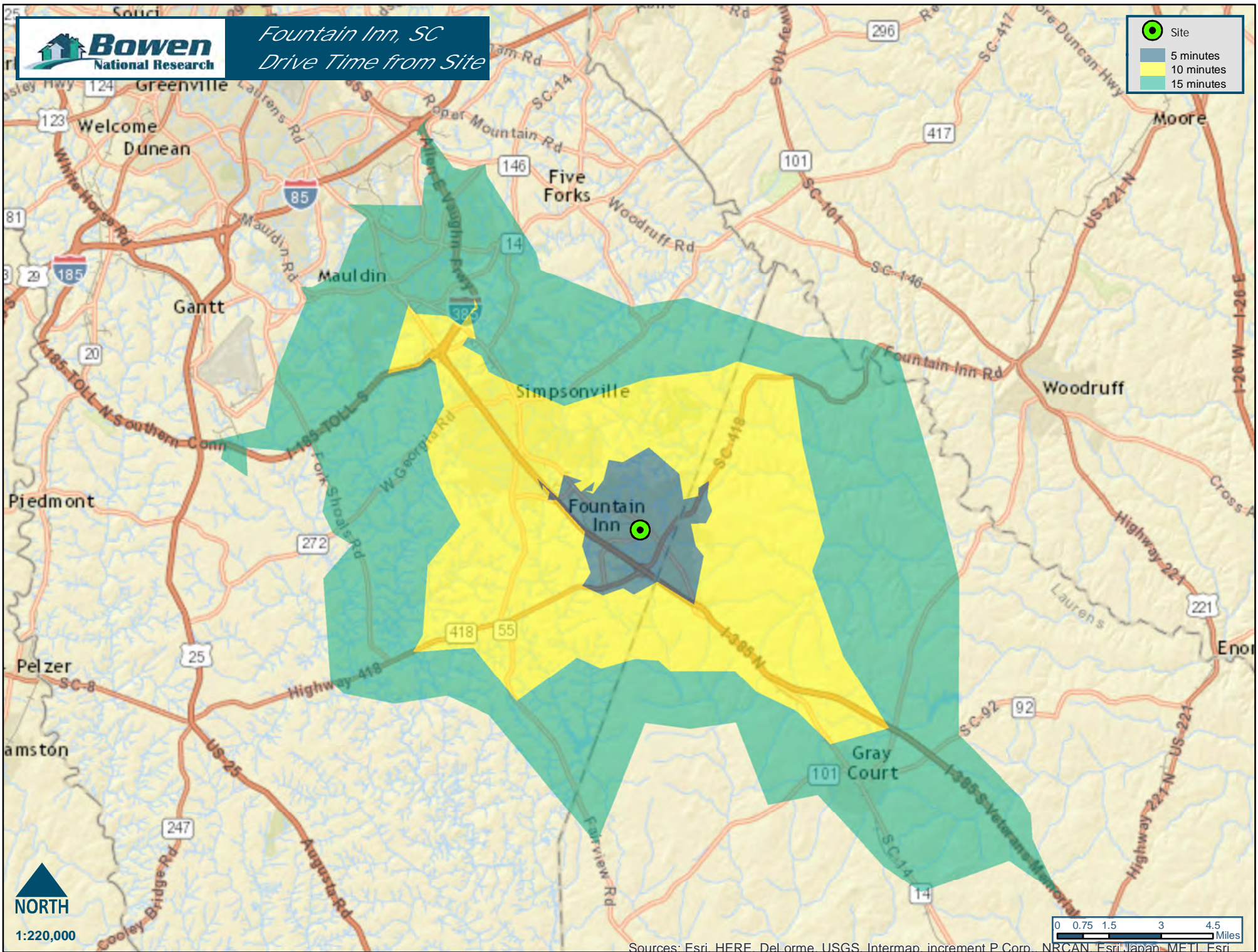
The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



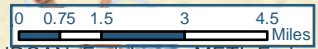
*Fountain Inn, SC
Drive Time from Site*

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:220,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

7. ECONOMIC FORECAST AND HOUSING IMPACT

According to a representative with the Greenville Area Development Corporation and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Greenville County economy is continuously growing. Notably, over \$510 million will be invested within the county with the next few years, creating approximately 1,500 jobs. Additionally, aside from a downturn between 2008 and 2009, the employment base within the county has consistently increased over the preceding six-year period. In fact, the employment base has increased by 18,501 employees, or 9.2%, since 2009 and is currently above prerecession levels. Further, the unemployment rate has consistently decreased since 2009 and is at its lowest level (4.9%) since 2007 (4.6%), below both state (6.4%) and national (6.5%) averages.

It should be pointed out, however, despite the continued economic growth the county is projected to experience within the next few years, Caterpillar, Inc. announced in December 2014 that it will be closing its facility within Fountain Inn, impacting 355 jobs. A high amount of jobs lost contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. This is further evidenced by the 100.0% occupancy rate and wait lists maintained at the majority of the affordable projects surveyed within the market. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2017 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2017 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2014 (estimated) and 2017 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Population	26,513	33,425	35,225	36,723
Population Change	-	6,912	1,800	1,498
Percent Change	-	26.1%	5.4%	4.3%

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

The Fountain Inn Site PMA population base increased by 6,912 between 2000 and 2010. This represents a 26.1% increase over the 2000 population, or an annual rate of 2.3%. Between 2010 and 2014, the population increased by 1,800, or 5.4%. It is projected that the population will increase by 1,498, or 4.3%, between 2014 and 2017.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.8% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	252	0.8%
Population not in Group Quarters	33,173	99.2%
Total Population	33,425	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)		2014 (Estimated)		2017 (Projected)		Change 2014-2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,680	29.0%	9,706	27.6%	9,977	27.2%	271	2.8%
20 to 24	1,753	5.2%	2,191	6.2%	2,157	5.9%	-34	-1.5%
25 to 34	4,600	13.8%	4,679	13.3%	5,009	13.6%	330	7.1%
35 to 44	5,160	15.4%	5,036	14.3%	5,089	13.9%	53	1.1%
45 to 54	4,934	14.8%	5,145	14.6%	5,111	13.9%	-34	-0.7%
55 to 64	3,600	10.8%	4,118	11.7%	4,478	12.2%	360	8.7%
65 to 74	2,139	6.4%	2,688	7.6%	3,050	8.3%	362	13.5%
75 & Over	1,559	4.7%	1,662	4.7%	1,851	5.0%	189	11.4%
Total	33,425	100.0%	35,225	100.0%	36,723	100.0%	1,498	4.3%

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

As the preceding table illustrates, nearly 54% of the population is expected to be between 25 and 64 years old in 2014. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all person 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

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. 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%	34.5%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	30.4%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.8%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.6%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.2%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	2.8%

Source: U.S. Census Bureau, 2010 Census



Based on the data in the preceding table, the site is not located within a Census Tract that is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Fountain Inn Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Households	9,934	12,652	13,364	13,936
Household Change	-	2,718	712	572
Percent Change	-	27.4%	5.6%	4.3%
Household Size	2.67	2.64	2.62	2.62

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

Within the Fountain Inn Site PMA, households increased by 2,718 (27.4%) between 2000 and 2010. Between 2010 and 2014, households increased by 712 or 5.6%. By 2017, there will be 13,936 households, an increase of 572 households, or 4.3% from 2014. This is an increase of approximately 191 households annually over the next three years and indicates the need for housing will likely continue to increase within the market.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	8,941	70.7%	9,173	68.6%	9,598	68.9%
Renter-Occupied	3,711	29.3%	4,191	31.4%	4,337	31.1%
Total	12,652	100.0%	13,364	100.0%	13,936	100.0%

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

As the preceding table illustrates, renter households within the Site PMA are projected to increase by 146, or 3.5%, between 2014 and 2017. This indicates that the need for rental housing will continue to increase in the market.

c. Households by Income

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

Household Income	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	705	5.6%	839	6.3%	907	6.5%
\$10,000 to \$19,999	1,045	8.3%	1,346	10.1%	1,436	10.3%
\$20,000 to \$29,999	1,652	13.1%	2,010	15.0%	2,136	15.3%
\$30,000 to \$39,999	1,593	12.6%	1,791	13.4%	1,887	13.5%
\$40,000 to \$49,999	1,087	8.6%	1,234	9.2%	1,283	9.2%
\$50,000 to \$59,999	972	7.7%	968	7.2%	1,002	7.2%
\$60,000 to \$74,999	1,492	11.8%	1,512	11.3%	1,558	11.2%
\$75,000 to \$99,999	1,693	13.4%	1,611	12.1%	1,663	11.9%
\$100,000 to \$124,999	1,178	9.3%	1,084	8.1%	1,093	7.8%
\$125,000 to \$149,999	542	4.3%	419	3.1%	422	3.0%
\$150,000 to \$199,999	478	3.8%	401	3.0%	402	2.9%
\$200,000 & Over	217	1.7%	148	1.1%	148	1.1%
Total	12,652	100.0%	13,364	100.0%	13,936	100.0%
Median Income	\$52,516		\$45,635		\$44,695	

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

In 2010, the median household income was \$52,516. This declined by 13.1% to \$45,635 in 2014. By 2017, it is projected that the median household income will be \$44,695, a decline of 2.1% from 2014.

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, 2014 and 2017 for the Fountain Inn Site PMA:

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	286	37	33	12	15	382
\$10,000 to \$19,999	210	140	56	65	34	505
\$20,000 to \$29,999	201	221	165	38	64	688
\$30,000 to \$39,999	90	263	118	63	90	624
\$40,000 to \$49,999	76	34	54	135	15	314
\$50,000 to \$59,999	98	25	14	7	50	194
\$60,000 to \$74,999	116	109	97	38	28	388
\$75,000 to \$99,999	47	24	84	70	56	281
\$100,000 to \$124,999	54	72	25	6	8	167
\$125,000 to \$149,999	18	16	13	3	5	55
\$150,000 to \$199,999	23	30	8	4	6	72
\$200,000 & Over	19	4	5	4	6	39
Total	1,238	977	672	446	378	3,711

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2014 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	352	36	47	10	16	461
\$10,000 to \$19,999	281	200	78	75	49	683
\$20,000 to \$29,999	258	264	193	60	89	865
\$30,000 to \$39,999	84	267	132	76	98	657
\$40,000 to \$49,999	99	53	73	145	16	386
\$50,000 to \$59,999	80	28	23	9	55	196
\$60,000 to \$74,999	108	120	91	50	34	402
\$75,000 to \$99,999	49	16	87	64	54	269
\$100,000 to \$124,999	56	77	17	4	9	163
\$125,000 to \$149,999	15	12	9	1	6	42
\$150,000 to \$199,999	11	17	10	4	3	46
\$200,000 & Over	8	4	3	1	3	20
Total	1,402	1,093	764	501	432	4,191

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2017 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	364	37	54	12	18	484
\$10,000 to \$19,999	298	211	78	80	52	720
\$20,000 to \$29,999	272	272	199	63	91	895
\$30,000 to \$39,999	87	268	137	77	98	667
\$40,000 to \$49,999	97	59	77	146	17	396
\$50,000 to \$59,999	81	33	22	8	60	204
\$60,000 to \$74,999	106	119	93	52	39	409
\$75,000 to \$99,999	53	14	91	66	55	278
\$100,000 to \$124,999	57	75	20	6	6	165
\$125,000 to \$149,999	16	13	9	1	7	45
\$150,000 to \$199,999	16	21	8	3	5	53
\$200,000 & Over	8	5	3	2	3	21
Total	1,454	1,128	790	516	450	4,337

Source: Ribbon Demographics; ESRI; Urban Decision Group

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

Demographic Summary

Overall, population and household trends within the Site PMA have been increasing since 2000 and are projected to continue to experience growth through 2017, increasing by 1,498 (4.3%) and 572 (4.3%), respectively, from 2014. Additionally, renter households in the market are projected to increase by 146 (3.5%) during the same time period. Note that most renter household growth is projected to occur among those with incomes of \$30,000 or below. These trends indicate that the need for affordable rental housing within the market will likely increase through 2017. The preceding trends will have a positive impact on the subject's marketability.

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 within the Greenville-Mauldin-Easley, South Carolina MSA, which has a four-person median household income of \$58,000 for 2015. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI for the MSA. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$20,300	\$24,360
Two-Person	\$23,200	\$27,840
Three-Person	\$26,100	\$31,320
Four-Person	\$29,000	\$34,800
Five-Person	\$31,350	\$37,620

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$37,620.

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 proposed LIHTC units will have a lowest gross rent of \$629 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,548. 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 \$21,566.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 50% and 60% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$21,566	\$31,350
Tax Credit (Limited To 60% Of AMHI)	\$24,137	\$37,620
Overall Project	\$21,566	\$37,620

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 2014 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2017) 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 four-bedroom units, analysts must refine the analysis by factoring in the number of large households (generally four-person +). A demand analysis that does not consider this may overestimate demand.

- 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) 2006-2010 5-year estimates, approximately 36.4% to 40.7% (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 2010 ACS 5-Year Estimates Table B25016, 5.5% 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 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 in 2014 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2014 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 affordable housing projects that were funded and/or built during the projection period (2014 to current). We did not identify any projects that were placed in service prior to 2014 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$21,566-\$31,350)	60% AMHI (\$24,137-\$37,620)	Overall (\$21,566-\$37,620)
Demand From New Renter Households (Age- And Income-Appropriate)	845 - 818 = 27	1,033 - 1,008 = 25	1,263 - 1,231 = 32
+			
Demand From Existing Households (Rent Overburdened)	818 X 40.7% = 333	1,008 X 36.4% = 367	1,231 X 37.1% = 457
+			
Demand From Existing Households (Renters In Substandard Housing)	818 X 5.5% = 45	1,008 X 5.5% = 55	1,231 X 5.5% = 68
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	405	447	557
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0
=			
Net Demand	405	447	557
Proposed Units	10	38	48
Proposed Units/ Net Demand	10 / 405	38 / 447	48 / 557
Capture Rate	= 2.5%	8.5%	8.6%

The capture rates for units targeting households at 50% and 60% of AMHI range from 2.5% to 8.5% and are considered low and achievable. The overall capture rate for the subject project is also considered low and achievable at 8.6%. These capture rates demonstrate that there is a significant base of income-qualified renter households that will be able to support the subject project, especially considering the lack of available non-subsidized LIHTC units within the market.

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	30.0%
Two-Bedroom	45.0%
Three-Bedroom	25.0%
Total	100.0%

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

Units Targeting 50% Of AMHI (405 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (30%)	122	0	122	-	-
Two-Bedroom (45%)	182	0	182	6	3.3%
Three-Bedroom (25%)	101	0	101	4	4.0%

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

Units Targeting 60% Of AMHI (447 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (30%)	134	0	134	-	-
Two-Bedroom (45%)	201	0	201	24	11.9%
Three-Bedroom (25%)	112	0	112	14	12.5%

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 3.3% to 12.5%. These capture rates are considered low and achievable, especially when considering the existing non-subsidized Tax Credit units in the Fountain Inn Site PMA are 100.0% occupied and maintain wait lists.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2017 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2017. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 48 LIHTC units at the subject site will experience an average initial absorption rate of approximately nine units per month and reach a stabilized occupancy of 93.0% within approximately five months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified two family (general-occupancy) non-subsidized Low-Income Housing Tax Credit (LIHTC) properties within the Fountain Inn Site PMA. These two properties target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties.

Due to the limited amount of non-subsidized Tax Credit product within the Fountain Inn Site PMA, we identified and surveyed one additional Tax Credit property outside of the Site PMA, but within the nearby region in Clinton, South Carolina, approximately 27.0 miles southeast of Fountain Inn. Due to the distance between Clinton and Fountain Inn, there will be no competitive overlap between the subject project and this LIHTC property. This property does, however, provide a base of comparison for which to evaluate the subject project.

These three LIHTC properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Autumn Glen Villas	2017	48	-	-	-	Families; 50% & 60% AMHI
11	Fountain Hills I	2006	48	100.0%	1.6 Miles	6 Months	Families; 50% & 60% AMHI
12	Fountain Hills II	2010	32	100.0%	1.9 Miles	100 H.H.	Families; 50% & 60% AMHI
902	Clinton Green	2010	40	100.0%	27.4 Miles	15 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. - Households

Map ID 902 is located outside of Site PMA

The three LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain wait lists. This illustrates that pent-up demand exists for additional affordable housing within both the market and region. The subject project will be able to accommodate a portion of this unmet demand within the Site PMA.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Autumn Glen Villas	-	\$629/50% (6) \$704/60% (24)	\$722/50% (4) \$797/60% (14)	-
11	Fountain Hills I	-	\$620/50% (7/0) \$738/60% (17/0)	\$721/50% (7/0) \$858/60% (17/0)	None
12	Fountain Hills II	\$486/50% (2/0) \$586/60% (2/0)	\$687/50% (6/0) \$738/60% (6/0)	\$795/50% (8/0) \$879/60% (8/0)	None
902	Clinton Green	-	\$540/50% (24/0) \$648/60% (6/0)	\$635/50% (6/0) \$737/60% (4/0)	None

Map ID 902 is located outside of Site PMA

The proposed subject gross rents set aside at 50% AMHI, ranging from \$629 to \$722, will be within the range of rents offered at the comparable LIHTC communities targeting similar income levels within the market and region. Considering that all LIHTC projects within the market and region are 100.0% occupied and the fact that the proposed subject rents at 50% AMHI are competitively priced, illustrate that they are appropriate for the market. The proposed subject gross rents set aside at 60% AMHI, ranging from \$704 to \$797 on the other hand, will be the lowest LIHTC rents targeting similar income levels within the Site PMA. This will provide the subject with a market advantage.

The following table identifies the properties that accept Housing Choice Vouchers in the market 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
11	Fountain Hills I	48*	N/A	-
12	Fountain Hills II	32	3	9.4%
Total		32	3	9.4%

*Units not included in total
N/A – Number not available

As the preceding table illustrates, the one project that Voucher holder information was obtained, Fountain Hills II (Map ID 12), has a total of three residents utilizing Vouchers. This comprises only 9.4% of the 32 units offered at this property. Therefore, over 90% of the units at Fountain Hills II are occupied by tenants who are currently not receiving rental assistance. As such, it can be concluded that the gross rents at this property are achievable as evidenced by its 100.0% occupancy and wait list.

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

11 Fountain Hills I

1.6 miles to site



Address	201 Chapman Rd. Fountain Inn, SC 29644		
Phone	(864) 409-0969	Contact	Dionne
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2006	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	6 months		
Quality Rating	A-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	17	0	1100	\$0.53	\$585	60%
2	2	G	7	0	1100	\$0.42	\$467	50%
3	2	G	17	0	1260	\$0.53	\$671	60%
3	2	G	7	0	1260	\$0.42	\$534	50%

12 Fountain Hills II

1.9 miles to site



Address	205 Chapman Rd. Fountain Inn, SC 29644		
Phone	(864) 408-9820	Contact	Kim
Total Units	32	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2010	Floors	1,2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	100 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (3 units)		



Features and Utilities

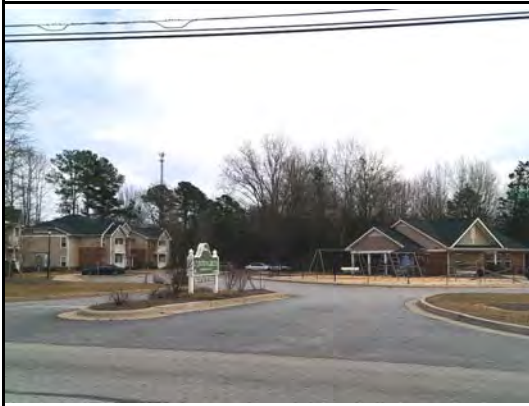
Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	879	\$0.53	\$469	60%
1	1	G	2	0	879	\$0.42	\$369	50%
2	2	G	6	0	1157	\$0.51	\$585	60%
2	2	G	6	0	1157	\$0.46	\$534	50%
3	2	G	8	0	1315	\$0.53	\$692	60%
3	2	G	8	0	1315	\$0.46	\$608	50%

902 Clinton Green

27.4 miles to site



Address	100 Houser Cir. Clinton, SC 29325		
Phone	(864) 547-1662	Contact	Ranzella
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2010	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	15 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV (0 currently); Square footage estimated		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	6	0	887	\$0.56	\$495	60%
2	1	G	24	0	887	\$0.44	\$387	50%
3	2	G	4	0	1094	\$0.50	\$550	60%
3	2	G	6	0	1094	\$0.41	\$448	50%

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 table:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Autumn Glen Villas	-	1,100	1,250
11	Fountain Hills I	-	1,100	1,260
12	Fountain Hills II	879	1,157	1,315
902	Clinton Green	-	887	1,094

Map ID 902 is located outside of Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Autumn Glen Villas	-	2.0	2.0
11	Fountain Hills I	-	2.0	2.0
12	Fountain Hills II	1.0	2.0	2.0
902	Clinton Green	-	1.0	2.0

Map ID 902 is located outside of Site PMA

The proposed development will offer unit sizes, in terms of square footage and number of bathrooms offered, generally similar to the unit sizes offered at the comparable LIHTC developments in the market and region. Given that all comparable LIHTC projects are 100.0% occupied and the subject’s unit sizes are comparable to the affordable unit sizes offered in the market and region, they are considered appropriate for the market.

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

COMPARABLE PROPERTIES AMENITIES - FOUNTAIN INN, SOUTH CAROLINA

MAP ID	APPLIANCES						UNIT AMENITIES												
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X		X	X	X	X		C	X	X	X				B		S	
11	X	X		X	X	X	X		C	X		X				B		S	
12	X	X		X	X	X	X		C			X				B		S	
902	X	X		X	X		X		C	X	X	X				B		S	Storage

MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
SITE		X			X	X		X			X	X		X	X			X	
11		X	X	X				X						X					
12		X	X	X				X						X					
902		X	X		X			X						X					

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional
Window Treatments
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

Sports Courts
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

As the preceding table illustrates, the proposed unit amenities are comprehensive and will be superior to those offered at the comparable Tax Credit rental alternatives in the market and region. The proposed development will be the only LIHTC project to offer in-unit washer/dryer appliances relative to the comparable affordable developments. In fact, the subject project will be the only LIHTC development to offer a patio/balcony in the market. The inclusion of these unit amenities will provide the subject with a significant market advantage. The subject project will offer a comprehensive property amenities package that will also be superior to the comparable LIHTC properties. The subject project will be the only LIHTC development to offer a fitness center and library in the market and region. This will also provide the proposed development with a competitive advantage.

Based on our analysis of the proposed rents, unit sizes (square footage and number of bathrooms offered), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive. The fact that the subject project will offer some of the lowest rents and a superior amenities package within the Site PMA, will provide the subject with a competitive advantage. This has been considered in our absorption estimates.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

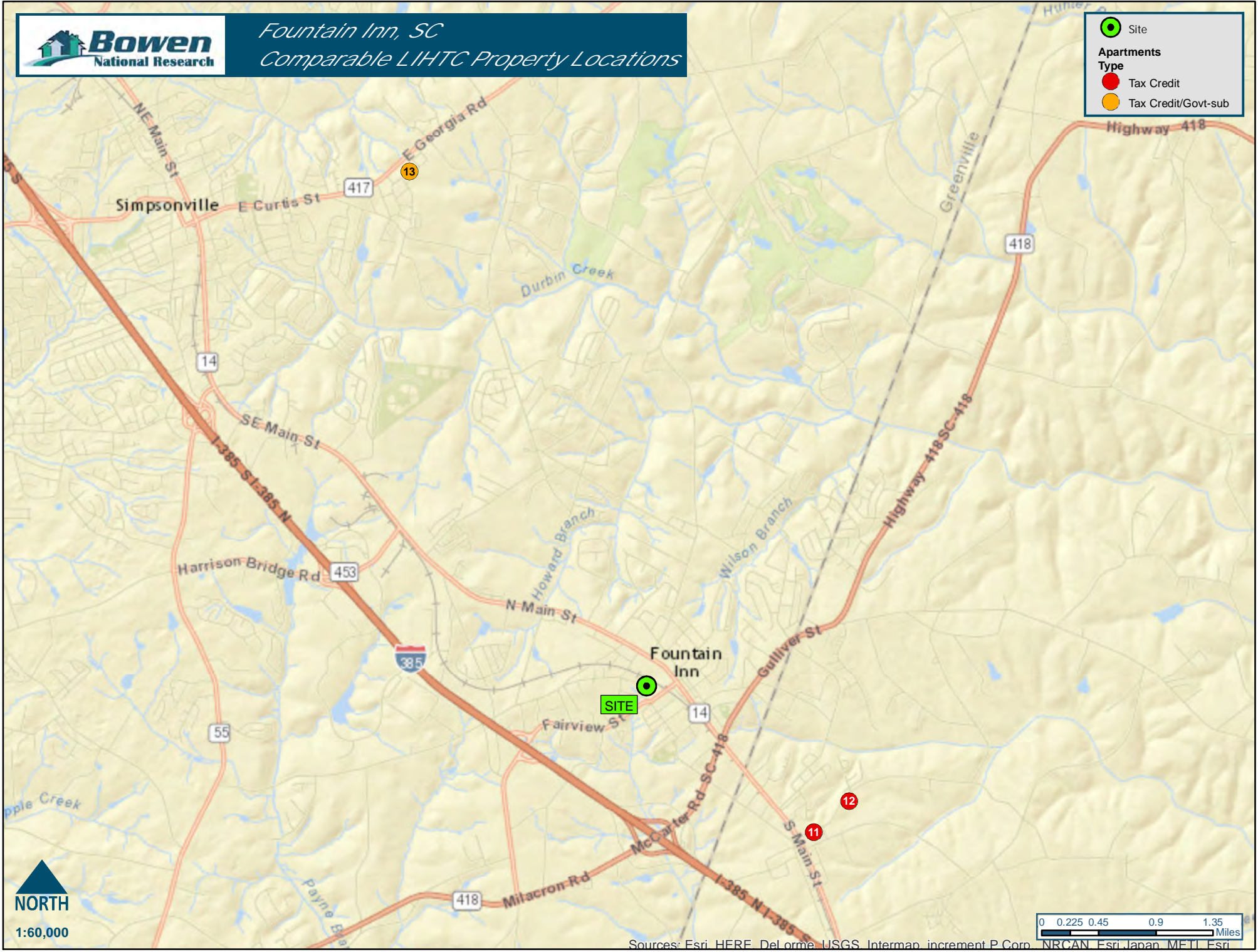
A map illustrating the location of the comparable properties we surveyed is on the following page.



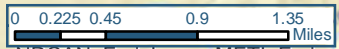
Fountain Inn, SC
Comparable LIHTC Property Locations

Legend

- Site (Green circle)
- Apartment Type
 - Tax Credit (Red circle)
 - Tax Credit/Govt-sub (Yellow circle)



NORTH
1:60,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Fountain Inn Site PMA in 2010 and 2014 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2014 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	12,652	92.3%	13,364	92.8%
Owner-Occupied	8,941	70.7%	9,173	68.6%
Renter-Occupied	3,711	29.3%	4,191	31.4%
Vacant	1,060	7.7%	1,044	7.2%
Total	13,712	100.0%	14,408	100.0%

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

Based on a 2014 update of the 2010 Census, of the 14,408 total housing units in the market, 7.2% were vacant. In 2014, it was estimated that homeowners occupied 68.6% of all occupied housing units, while the remaining 31.4% were occupied by renters. The share of renters is considered typical for a rural market and the 4,191 renter households in 2014 represent a significant base of potential support for the proposed development.

Conventional Apartments

We identified and personally surveyed 13 conventional housing projects containing a total of 1,505 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 99.5%, an extremely strong rate for rental housing. Among these projects, ten are non-subsidized (market-rate and Tax Credit) projects containing 1,359 units. These non-subsidized units are 99.4% occupied. The remaining three projects contain 146 government-subsidized units, which are 100.0% occupied.

The following table summarizes project types identified in the Site PMA:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	8	1,279	8	99.4%
Tax Credit	2	80	0	100.0%
Tax Credit/Government-Subsidized	1	48	0	100.0%
Government-Subsidized	2	98	0	100.0%
Total	13	1,505	8	99.5%

As the preceding table illustrates, all projects surveyed broken out by project type are maintaining very high occupancy rates, none lower than 99.4% (a result of only eight vacancies). In fact, all affordable housing communities surveyed are 100.0% occupied, most of which maintain wait lists. This

illustrates that pent-up demand exists for additional affordable housing within the Fountain Inn Site PMA. The proposed subject development will be able to accommodate a portion of this unmet demand.

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
Studio	1.0	25	2.0%	0	0.0%	\$900
One-Bedroom	1.0	392	30.6%	3	0.8%	\$885
Two-Bedroom	1.0	34	2.7%	0	0.0%	\$817
Two-Bedroom	2.0	691	54.0%	4	0.6%	\$1,031
Three-Bedroom	2.0	137	10.7%	1	0.7%	\$1,203
Total Market-rate		1,279	100.0%	8	0.6%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	4	5.0%	0	0.0%	\$486
Two-Bedroom	2.0	36	45.0%	0	0.0%	\$738
Three-Bedroom	2.0	40	50.0%	0	0.0%	\$858
Total Tax Credit		80	100.0%	0	0.0%	-

As the preceding table illustrates, the median gross Tax Credit rents are significantly lower than their corresponding median gross market-rate rents. As such, Tax Credit properties within the market likely represent substantial values to low-income renters. This is further evidenced by the 100.0% occupancy rate and wait lists maintained at both non-subsidized Tax Credit properties within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1980	0	0	0.0%
1980 to 1989	3	536	0.4%
1990 to 1999	2	150	0.0%
2000 to 2005	1	168	2.4%
2006	1	48	0.0%
2007	1	183	0.5%
2008	1	242	0.4%
2009	0	0	0.0%
2010	1	32	0.0%
2011 to 2014	0	0	0.0%
2015*	0	0	0.0%
Total	10	1,359	0.6%

*As of March

As the preceding table illustrates, the market has a good mix of rental product broken out by year built. Notably, all projects broken out by age are maintaining low vacancy rates, none higher than 2.4%. As such, it can be concluded that age has not had an impact on the Fountain Inn rental housing market.

The Fountain Inn apartment market offers a wide range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
Two-Bedroom	\$629-50%	\$1,028	\$620 - \$1,313	754 (99.1%)
	\$704-60%			748 (98.3%)
Three-Bedroom	\$722-50%	\$1,203	\$721 - \$1,562	170 (96.0%)
	\$797-60%			162 (91.5%)

Nearly all of the rents at the surveyed rental communities in the market are above the proposed rents at the subject site. As such, the subject project will likely represent excellent values to low-income renters within the Site PMA. Nonetheless, the appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

We rated each property surveyed on a scale of "A" through "F". All surveyed non-subsidized properties 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
A	3	526	1.0%
B	4	545	0.4%
C	1	208	0.5%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	32	0.0%
A-	1	48	0.0%

All surveyed non-subsidized projects broken out by quality are maintaining very low vacancy rates, none higher than 1.0%. As such, quality has not had an impact on the marketability of the existing rental product within the Site PMA.



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 Fountain Inn Site PMA is on the following page.

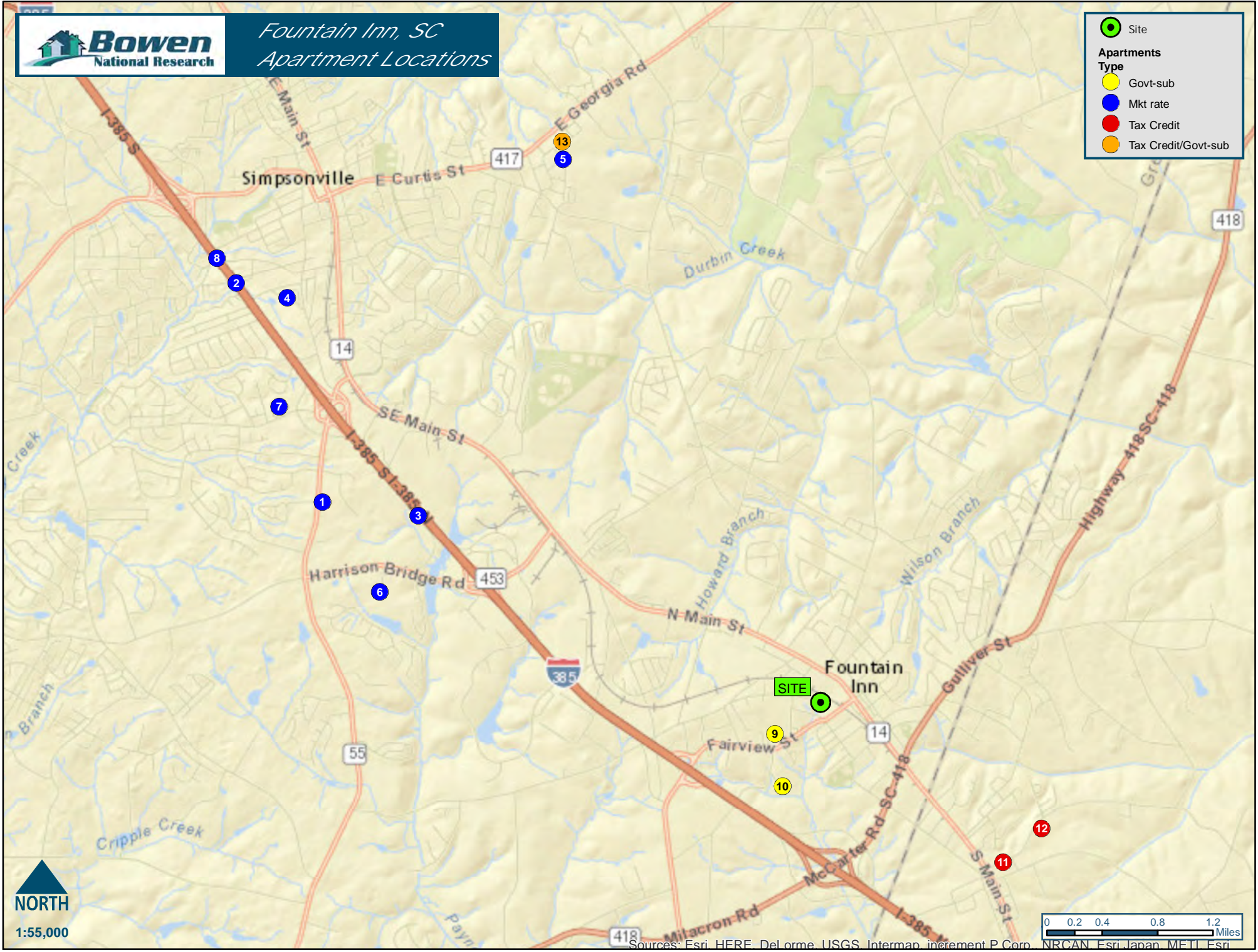


Fountain Inn, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:55,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there is one multifamily development within the pipeline in the Fountain Inn Site PMA. Ballantyne Commons is currently under construction at 762 Fairview Road in Simpsonville. This market-rate project will include 184 garden-style units once complete. Considering that this project will target a different income demographic than the proposed subject development, it will not have any tangible impact on its marketability.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

A component of South Carolina Housing's Exhibit S-2 is the calculation of the occupancy rate among all stabilized comparables, including both Tax Credit and market-rate projects, within the Site PMA. Comparables are identified as those projects that are considered economically comparable in that they target a similar tenant profile with respect to age and income cohorts. Market-rate projects with gross rents that deviate by no more than 10% to the gross rents proposed at the site are considered economically comparable. Market-rate projects with gross rents that deviate by greater than 10% when compared to the gross rents proposed at the site are not considered economically comparable as these projects will generally target a different tenant profile. For this reason, there may be conceptually comparable market-rate projects that were utilized in determining Market Rent Advantages (see section eight *Market Rent Advantage* of this section) that are excluded as comparable projects as they may not be economically comparable. Conceptual comparability is also considered in this analysis. For example, if the subject development is of multi-story garden walk-up design, we may eliminate those market-rate projects that are of townhouse-style design even if they may be economically comparable. A project's age, overall quality and amenities offered are also considered when evaluating conceptual comparability. Note that the determination of both economic and conceptual comparability is the opinion of the market analyst.

As discussed earlier in this analysis, we identified a total of two comparable LIHTC projects within the Site PMA that have received Tax Credit funding. In addition, we identified a total of eight projects offering market-rate units, none of which are considered both economically and conceptually comparable. The two stabilized comparable Tax Credit projects identified in the Site PMA are detailed on the following page.

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built	Project Type	Total Units	Occupancy Rate
Site	Autumn Glen Villas	2017	TC	48	-
11	Fountain Hills I	2006	TC	48	100.0%
12	Fountain Hills II	2010	TC	32	100.0%
Total				80	100.0%

TC – Tax Credit

The overall occupancy rate of the two stabilized comparable Tax Credit projects identified in the Site PMA is 100.0%

8. MARKET RENT ADVANTAGE

We identified five market-rate properties within the Fountain Inn Site PMA that we consider most comparable to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. 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, mid-rise, 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 and dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the subject 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 the prior experience of Bowen National Research in markets nationwide.

The proposed 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)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Autumn Glen Villas	2017	48	-	-	-	30 (-)	18 (-)
1	Arbors at Fairview	2002	168	97.6%	-	18 (94.4%)	126 (97.6%)	24 (100.0%)
3	Enclave at Grandview	1989 / 2008	240	100.0%	-	72 (100.0%)	144 (100.0%)	24 (100.0%)
4	Garden District	2008	242	99.6%	25 (100.0%)	102 (99.0%)	100 (100.0%)	15 (100.0%)
6	Jasmine Cove	2007	183	99.5%	-	28 (100.0%)	101 (100.0%)	54 (98.1%)
7	Oak Pointe Apts.	1997	116	100.0%	-	20 (100.0%)	76 (100.0%)	20 (100.0%)

The five selected market-rate projects have a combined total of 949 units with an overall occupancy rate of 99.4%, a very strong rate for rental housing. These high occupancy rates indicate that these projects have been well received within the market and will serve as accurate benchmarks with which to compare to the proposed 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.

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Autumn Glen Villas		Arbors at Fairview		Enclave at Grandview		Garden District		Jasmine Cove		Oak Pointe Apts.	
202 Fairview Street		1000 Arbor Keats Dr.		3714 Grandview Dr.		100 Garden District Dr.		1600 Jasmine Cove Cir.		112 Davenport Rd.	
Fountain Inn, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$790		\$795		\$1,030		\$912		\$864	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$790	0.73	\$795	0.75	\$1,030	1.04	\$912	0.87	\$864	0.90
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2,3		WU/3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2017	\$15	1989/2008	\$18	2008	\$9	2007	\$10	1997	\$20
8	Condition /Street Appeal	E		G	\$15	E		G	\$15	E	
9	Neighborhood	F	(\$79)	G	(\$80)	G	(\$103)	G	(\$91)	G	(\$86)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1100	\$3	1055	\$10	990	\$23	1052	\$10	964	\$29
14	Balcony/ Patio	Y		N	\$5	Y		Y		Y	
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/Y		N/Y	\$5	Y/Y		N/Y	\$5	Y/Y	
18	Washer/Dryer	W/D	\$25	HU/L	\$25	W/D		HU/L	\$25	HU/L	\$25
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		Y		Y		Y	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		Y		Y		Y		Y	
28	Pool/ Recreation Areas	F	(\$10)	P/F/L	(\$13)	P/F/L	(\$13)	P/F/S/TB	(\$16)	P/F/S	(\$13)
29	Computer Center	Y		N	\$3	Y		Y		N	\$3
30	Picnic Area	N		Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Library/Storage	Y/Y	\$8	N/Y	\$3	N/Y	\$3	N/Y	\$3	N/N	\$8
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		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/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	\$55	Y/Y		N/N	\$55	Y/Y		N/N	\$55
39	Trash /Recycling	Y/N	\$14	Y/N		Y/N		Y/N		N/N	\$14
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	3	8	3	3	4	6	4	5	3
41	Sum Adjustments B to D	\$51	(\$94)	\$84	(\$96)	\$35	(\$124)	\$68	(\$115)	\$85	(\$102)
42	Sum Utility Adjustments	\$69				\$55				\$69	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$26	\$214	(\$12)	\$180	(\$34)	\$214	(\$47)	\$183	\$52	\$256
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$816		\$783		\$996		\$865		\$916	
45	Adj Rent/Last rent		103%		98%		97%		95%		106%
46	Estimated Market Rent	\$870	\$0.79	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Autumn Glen Villas		Arbors at Fairview		Enclave at Grandview		Garden District		Jasmine Cove		Oak Pointe Apts.	
202 Fairview Street		1000 Arbor Keats Dr.		3714 Grandview Dr.		100 Garden District Dr.		1600 Jasmine Cove Cir.		112 Davenport Rd.	
Fountain Inn, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,000		\$930		\$1,285		\$1,082		\$1,010	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		98%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,000	0.78	\$930	0.76	\$1,285	0.98	\$1,082	0.89	\$1,010	0.87
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2,3		WU/3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2017	\$15	1989/2008	\$18	2008	\$9	2007	\$10	1997	\$20
8	Condition /Street Appeal	E		G	\$15	E		G	\$15	E	
9	Neighborhood	F	(\$100)	G	(\$93)	G	(\$129)	G	(\$108)	G	(\$101)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1250	(\$6)	1227	\$5	1309	(\$13)	1220	\$6	1164	\$18
14	Balcony/ Patio	Y		N	\$5	Y		Y		Y	
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/Y		N/Y	\$5	Y/Y		N/Y	\$5	Y/Y	
18	Washer/Dryer	W/D	\$25	HU/L	\$25	W/D		HU/L	\$25	HU/L	\$25
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		Y		Y		Y	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		Y		Y		Y		Y	
28	Pool/ Recreation Areas	F	(\$10)	P/F/L	(\$13)	P/F/L	(\$13)	P/F/S/TB	(\$16)	P/F/S	(\$13)
29	Computer Center	Y		N	\$3	Y		Y		N	\$3
30	Picnic Area	N		Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Library/Storage	Y/Y	\$8	N/Y	\$3	N/Y	\$3	N/Y	\$3	N/N	\$8
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		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/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	\$66	Y/Y		N/N	\$66	Y/Y		N/N	\$66
39	Trash /Recycling	Y/N	\$14	Y/N		Y/N		Y/N		N/N	\$14
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	4	8	3	2	5	6	4	5	3
41	Sum Adjustments B to D	\$48	(\$121)	\$79	(\$109)	\$12	(\$163)	\$64	(\$132)	\$74	(\$117)
42	Sum Utility Adjustments	\$80				\$66				\$80	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$7	\$249	(\$30)	\$188	(\$85)	\$241	(\$68)	\$196	\$37	\$271
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,007		\$900		\$1,200		\$1,014		\$1,047	
45	Adj Rent/Last rent		101%		97%		93%		94%		104%
46	Estimated Market Rent	\$1,025	\$0.82	← 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 current achievable market rent for units similar to the subject development are \$870 for a two-bedroom unit and \$1,025 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$550 (50%)	\$870	36.78%
	\$625 (60%)		28.16%
Three-Bedroom	\$625 (50%)	\$1,025	39.02%
	\$700 (60%)		31.71%
Weighted Average			31.31%

The proposed collected Tax Credit rents represent market rent advantages between 28.16% and 39.02%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA.

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. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1989 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties. One property was built in 1989; however, was renovated in 2008. As such, this property was given an effective age of 1999.



8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. All five of the selected properties are located in neighborhoods with different qualities compared to the subject site. As such, we have adjusted the rents at these properties by approximately 10% to account for the neighborhood difference.
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 bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package generally superior to the selected properties. We have made adjustments for features lacking at the selected properties.
- 24.-32. The proposed project offers an inferior project amenities package compared to the selected market-rate properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rates of the existing comparable Tax Credit developments located within the Site PMA following stabilization of the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2017
11	Fountain Hills I	100.0%	95.0%+
12	Fountain Hills II	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are both 100% occupied, both of which maintain wait lists. In fact, Fountain Hills II (Map ID 12) maintains a wait list of approximately 100 households. The proposed development can be filled from this wait list alone. Overall, we believe there is significant demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on such units should the subject project receive Tax Credit allocations and is developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$153,106. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$153,106 home is \$921, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$153,106
Mortgaged Value = 95% of Median Home Price	\$145,451
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$737
Estimated Taxes and Insurance*	\$184
Estimated Monthly Mortgage Payment	\$921

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents for the subject property range from \$550 to \$700 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$221 to \$371 greater than the cost of renting at the subject project's Tax Credit units, depending on unit size and targeted income level. Therefore, it is very unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. As such, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, there are two competitive Tax Credit projects located within the Fountain Inn Site PMA. These projects have an overall occupancy rate of 100.0%, both of which maintain a wait list, indicating that pent-up demand exists for additional affordable rental housing in the market. In fact, Fountain Hills II (Map ID 12) maintains a wait list of up to 100 households. The proposed subject project will include a total of 48 general-occupancy units targeting households up to 50% and 60% of AMHI. As such, the proposed development will be able to accommodate a portion of the unmet demand for additional affordable units in the market.

I. INTERVIEWS

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

- According to Jason Knudesen, Planning and Zoning Manager for the City of Simpsonville, there is a high need for additional affordable housing, both family and age-restricted, within both Simpsonville and Fountain Inn. This is further evidenced by the 100.0% occupancy rate and wait lists maintained at the majority of the affordable rental housing communities surveyed within the market.
- Amanda Hodgson, Property Manager at Oak Pointe Apartments (Map ID 7) in Simpsonville, stated there is very much a need for affordable housing in the Fountain Inn/Simpsonville area. Ms. Hodgson explained that the area would benefit from additional affordable housing and because there are so few options available in the area, all bedroom types are needed.
- Vernice Dimaiti, Property Manager at Woodlot Apartments (Map ID 9) in Fountain Inn, stated that there is a need for more affordable housing in Fountain Inn. As stated by Ms. Hodgson, there is a limited amount of affordable housing options within the area and that additional affordable rental housing units will be met with high demand.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 48 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of price point, design, amenities and overall quality. Given the 28.16% to 39.02% market rent advantage, the proposed project will be considered a substantial value.

Given the high combined 100.0% occupancy rate of all affordable developments in the market, the proposed project will provide a housing type that is in high demand. Note that both non-subsidized LIHTC projects in the Site PMA maintain wait lists of up to 100 households for the next available unit.

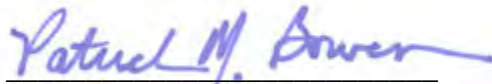
Based on the 8.6% capture rate illustrated in Section G of this report, there are a substantial number of income-qualified renter households present within the Site PMA. Additionally, many of these households have no modern affordable housing alternative at the moment given the high occupancy rates of the existing affordable rental supply. Therefore, the proposed project will fill a void in the Fountain Inn rental housing market.

No recommendations are proposed 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 interest in the project or 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.

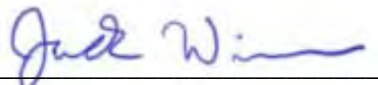
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Date: March 23, 2015



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Date: March 23, 2015



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Date: March 23, 2015

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.

The Staff

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.

Benjamin J. Braley, Vice President and Market Analyst, has conducted market research since 2006 in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

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.

Stephanie Viren is the Field Research Director 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 College.

Christine Atkins, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

Lisa Wood, 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.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties 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. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Garth Semple, 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. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Heather Moore, Marketing Director, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

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.

In-House Researchers – Bowen National Research employs a staff of seven 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 and chambers of commerce, housing authorities and residents.

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
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

FOUNTAIN INN, SOUTH CAROLINA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.



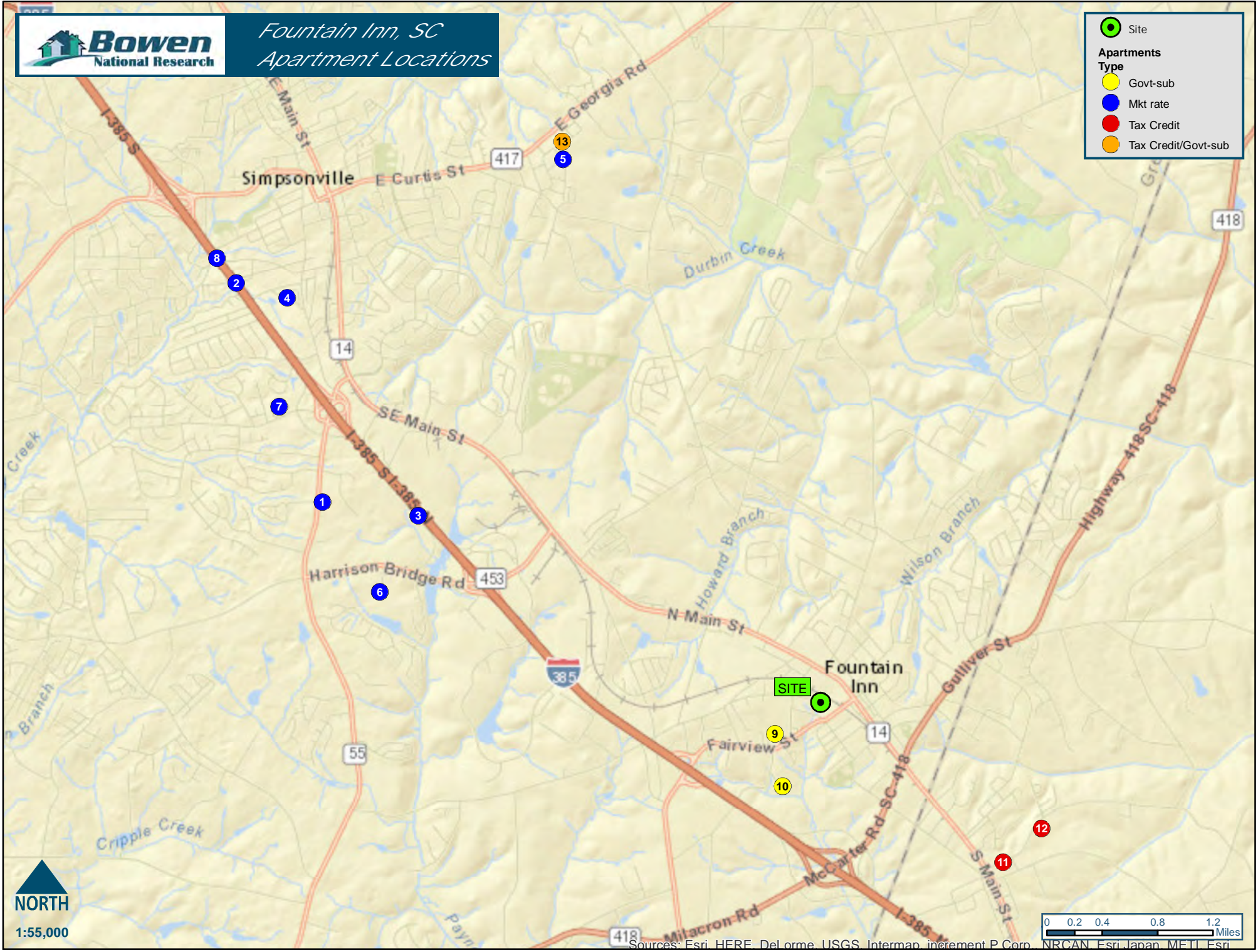
Fountain Inn, SC Apartment Locations

● Site

Apartments

Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:55,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - FOUNTAIN INN, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Arbors at Fairview	MRR	A	2002	168	4	97.6%	4.1
2	Bridgeway Apts.	MRR	B	1988	88	1	98.9%	4.7
3	Enclave at Grandview	MRR	B	1989	240	0	100.0%	3.4
4	Garden District	MRR	A	2008	242	1	99.6%	4.5
5	Hedgerow Apts.	MRR	B	1992	34	0	100.0%	4.4
6	Jasmine Cove	MRR	B	2007	183	1	99.5%	3.3
7	Oak Pointe Apts.	MRR	A	1997	116	0	100.0%	4.3
8	Spring Creek Apts.	MRR	C	1985	208	1	99.5%	6.1
9	Woodlot Apts.	GSS	C	1985	48	0	100.0%	0.6
10	Fountain Arms	GSS	B	1979	50	0	100.0%	0.9
11	Fountain Hills I	TAX	A-	2006	48	0	100.0%	1.6
12	Fountain Hills II	TAX	A	2010	32	0	100.0%	1.9
13	Woodcreek Apts.	TGS	B+	1988	48	0	100.0%	4.4

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	8	1,279	8	99.4%	0
TAX	2	80	0	100.0%	0
TGS	1	48	0	100.0%	0
GSS	2	98	0	100.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: March 2015

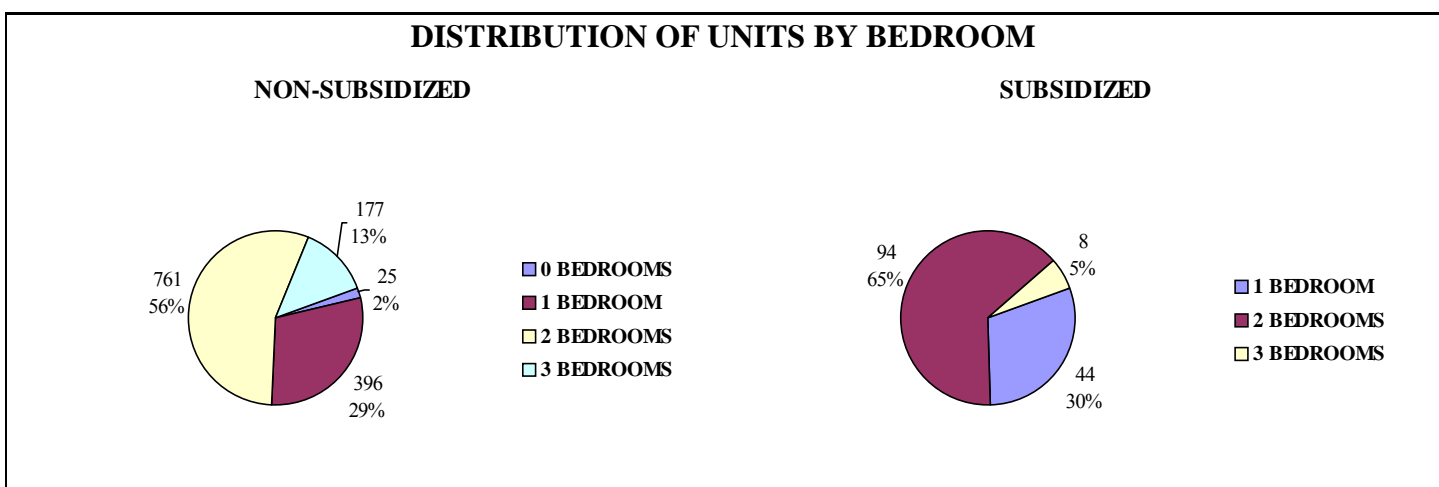
DISTRIBUTION OF UNITS - FOUNTAIN INN, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	25	2.0%	0	0.0%	\$900
1	1	392	30.6%	3	0.8%	\$885
2	1	34	2.7%	0	0.0%	\$817
2	2	691	54.0%	4	0.6%	\$1,031
3	2	137	10.7%	1	0.7%	\$1,203
TOTAL		1,279	100.0%	8	0.6%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	4	5.0%	0	0.0%	\$486
2	2	36	45.0%	0	0.0%	\$738
3	2	40	50.0%	0	0.0%	\$858
TOTAL		80	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	33.3%	0	0.0%	N.A.
2	1	32	66.7%	0	0.0%	N.A.
TOTAL		48	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	28	28.6%	0	0.0%	N.A.
2	1	32	32.7%	0	0.0%	N.A.
2	1.5	30	30.6%	0	0.0%	N.A.
3	1.5	8	8.2%	0	0.0%	N.A.
TOTAL		98	100.0%	0	0.0%	
GRAND TOTAL		1,505	-	8	0.5%	



SURVEY OF PROPERTIES - FOUNTAIN INN, SOUTH CAROLINA




1 Arbors at Fairview			
	Address 1000 Arbor Keats Dr. Simpsonville, SC 29680	Phone (855) 227-9957 (Contact in person)	Total Units 168
	Year Built 2002	Contact Jeanne	Vacancies 4
	Comments Does not accept HCV; Rents change daily; Rent ranges based on floor plan, location & demand; Select 1 & 2-br have fireplace		Occupied 97.6%
			Floors 3
			Quality Rating A
			Waiting List None
2 Bridgeway Apts.			
	Address 617 Richardson St. Simpsonville, SC 29680	Phone (877) 799-5992 (Contact in person)	Total Units 88
	Year Built 1988	Contact Linda	Vacancies 1
	Comments Does not accept HCV		Occupied 98.9%
			Floors 2
			Quality Rating B
			Waiting List 2-br: 5 households
3 Enclave at Grandview			
	Address 3714 Grandview Dr. Simpsonville, SC 29681	Phone (864) 967-2010 (Contact in person)	Total Units 240
	Year Built 1989 Renovated 2008	Contact Mackenzie	Vacancies 0
	Comments Does not accept HCV; Rent range based on fireplace, unit location & upgrades		Occupied 100.0%
			Floors 2,3
			Quality Rating B
			Waiting List None
4 Garden District			
	Address 100 Garden District Dr. Simpsonville, SC 29681	Phone (864) 963-1000 (Contact in person)	Total Units 242
	Year Built 2008	Contact Bonnie	Vacancies 1
	Comments Does not accept HCV; Rent range based on floor plan & balcony; 1-br have patio, select 1 & 2-br have balcony; Select 2-br are loft style; Unit mix & square footage estimated		Occupied 99.6%
			Floors 3
			Quality Rating A
			Waiting List None
5 Hedgerow Apts.			
	Address 12 Camino Ln. Simpsonville, SC 29681	Phone (864) 350-2442 (Contact in person)	Total Units 34
	Year Built 1992	Contact Gary	Vacancies 0
	Comments Accepts HCV (0 currently); Duplexes		Occupied 100.0%
			Floors 1
			Quality Rating B
			Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

SURVEY OF PROPERTIES - FOUNTAIN INN, SOUTH CAROLINA




6 Jasmine Cove			
	Address 1600 Jasmine Cove Cir. Simpsonville, SC 29680	Phone (864) 967-4663 (Contact in person)	Total Units 183
	Year Built 2007	Contact Michelle	Vacancies 1
	Comments Does not accept HCV; One 2-br model unit not included in total; Units have either sunroom or storage		Occupied 99.5%
			Floors 2
			Quality Rating B
			Waiting List 2-br: 4 households
7 Oak Pointe Apts.			
	Address 112 Davenport Rd. Simpsonville, SC 29681	Phone (864) 228-2686 (Contact in person)	Total Units 116
	Year Built 1997	Contact Amanda	Vacancies 0
	Comments Does not accept HCV; Rents change daily; Random units have fireplace; Currently installing microwaves in all units; Two manager units not included in total		Occupied 100.0%
			Floors 3
			Quality Rating A
			Waiting List 16 households
8 Spring Creek Apts.			
	Address 10 Capewood Rd. Simpsonville, SC 29680	Phone (864) 967-3905 (Contact in person)	Total Units 208
	Year Built 1985	Contact Christin	Vacancies 1
	Comments Does not accept HCV; Rents change daily; Rent range based on floor plan, unit location & renovation		Occupied 99.5%
			Floors 2
			Quality Rating C
			Waiting List None
9 Woodlot Apts.			
	Address 500 Fairview Rd. Fountain Inn, SC 29644	Phone 864-862-1282 (Contact in person)	Total Units 48
	Year Built 1985	Contact Vernice	Vacancies 0
	Comments RD 515, no RA; HCV (5 units)		Occupied 100.0%
			Floors 2
			Quality Rating C
			Waiting List 8 households
10 Fountain Arms			
	Address 111 Old Fairview Rd. Fountain Inn, SC 29644	Phone (864) 862-2278 (Contact in person)	Total Units 50
	Year Built 1979	Contact Cathy	Vacancies 0
	Comments RD 515, has RA (38 units); HCV (5 units); Townhomes have washer/dryer hookups; E-call buttons in handicap units only; Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating B
			Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

SURVEY OF PROPERTIES - FOUNTAIN INN, SOUTH CAROLINA

11 Fountain Hills I			
	Address 201 Chapman Rd. Fountain Inn, SC 29644 Year Built 2006 Comments 50% & 60% AMHI; Accepts HCV	Phone (864) 409-0969 (Contact in person) Contact Dionne	Total Units 48 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A- Waiting List 6 months
	12 Fountain Hills II		
	Address 205 Chapman Rd. Fountain Inn, SC 29644 Year Built 2010 Comments 50% & 60% AMHI; HCV (3 units)	Phone (864) 408-9820 (Contact in person) Contact Kim	Total Units 32 Vacancies 0 Occupied 100.0% Floors 1,2,3 Quality Rating A Waiting List 100 households
	13 Woodcreek Apts.		
	Address 1216 E. Georgia Rd. Simpsonville, SC 29681 Year Built 1988 Renovated 2010 Comments 60% AMHI; RD 515, no RA; HCV (8 units); 2-br have storage	Phone (864) 967-3516 (Contact in person) Contact Janie	Total Units 48 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List 30 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

COLLECTED RENTS - FOUNTAIN INN, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$740 to \$930	\$790 to \$1165	\$1000 to \$1350					
2		\$625	\$735						
3		\$695 to \$710	\$795 to \$930	\$930 to \$955					
4	\$795	\$845 to \$885	\$1030 to \$1160	\$1285 to \$1375					
5			\$650						
6		\$832	\$912 to \$1012	\$1082 to \$1122					
7		\$754	\$864	\$1010					
8		\$750 to \$795	\$865 to \$925						
11			\$467 to \$585	\$534 to \$671					
12		\$369 to \$469	\$534 to \$585	\$608 to \$692					

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

PRICE PER SQUARE FOOT - FOUNTAIN INN, SOUTH CAROLINA

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Garden District	1	525	\$900	\$1.71
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Arbors at Fairview	1	748	\$851 to \$1041	\$1.14 to \$1.39
2	Bridgeway Apts.	1	785	\$698	\$0.89
3	Enclave at Grandview	1	780	\$771 to \$786	\$0.99 to \$1.01
4	Garden District	1	729 to 829	\$962 to \$1002	\$1.21 to \$1.32
6	Jasmine Cove	1	860	\$905	\$1.05
7	Oak Pointe Apts.	1	747	\$885	\$1.18
8	Spring Creek Apts.	1	750 to 800	\$861 to \$906	\$1.13 to \$1.15
12	Fountain Hills II	1	879	\$486 to \$586	\$0.55 to \$0.67
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Arbors at Fairview	2	1085	\$937 to \$1312	\$0.86 to \$1.21
2	Bridgeway Apts.	2	1000	\$833	\$0.83
3	Enclave at Grandview	2	1055 to 1060	\$893 to \$1028	\$0.85 to \$0.97
4	Garden District	2	990 to 1242	\$1183 to \$1313	\$1.06 to \$1.19
5	Hedgerow Apts.	1	899	\$817	\$0.91
6	Jasmine Cove	2	1052 to 1231	\$1010 to \$1110	\$0.90 to \$0.96
7	Oak Pointe Apts.	2	964	\$1031	\$1.07
8	Spring Creek Apts.	2	950 to 1000	\$1012 to \$1072	\$1.07 to \$1.07
11	Fountain Hills I	2	1100	\$620 to \$738	\$0.56 to \$0.67
12	Fountain Hills II	2	1157	\$687 to \$738	\$0.59 to \$0.64
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Arbors at Fairview	2	1277	\$1181 to \$1531	\$0.92 to \$1.20
3	Enclave at Grandview	2	1227	\$1047 to \$1072	\$0.85 to \$0.87
4	Garden District	2	1309 to 1354	\$1472 to \$1562	\$1.12 to \$1.15
6	Jasmine Cove	2	1220 to 1320	\$1203 to \$1243	\$0.94 to \$0.99
7	Oak Pointe Apts.	2	1164	\$1211	\$1.04
11	Fountain Hills I	2	1260	\$721 to \$858	\$0.57 to \$0.68
12	Fountain Hills II	2	1315	\$795 to \$879	\$0.60 to \$0.67

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

AVERAGE GROSS RENT PER SQUARE FOOT - FOUNTAIN INN, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.12	\$1.00	\$1.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.61	\$0.63	\$0.64
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.11	\$0.98	\$0.92
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - FOUNTAIN INN, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
12	Fountain Hills II	2	879	1	50%	\$369
13	Woodcreek Apts.	16	680	1	60%	\$390 - \$462
12	Fountain Hills II	2	879	1	60%	\$469
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
13	Woodcreek Apts.	32	870	1	60%	\$425 - \$497
11	Fountain Hills I	7	1100	2	50%	\$467
12	Fountain Hills II	6	1157	2	50%	\$534
12	Fountain Hills II	6	1157	2	60%	\$585
11	Fountain Hills I	17	1100	2	60%	\$585
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
11	Fountain Hills I	7	1260	2	50%	\$534
12	Fountain Hills II	8	1315	2	50%	\$608
11	Fountain Hills I	17	1260	2	60%	\$671
12	Fountain Hills II	8	1315	2	60%	\$692

QUALITY RATING - FOUNTAIN INN, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

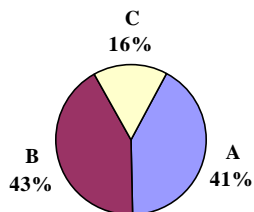
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	3	526	1.0%	\$900	\$962	\$1,183	\$1,211	
B	4	545	0.4%		\$771	\$1,010	\$1,203	
C	1	208	0.5%		\$861	\$1,012		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

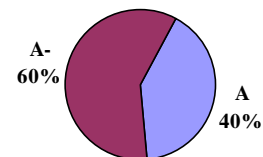
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	32	0.0%		\$486	\$687	\$795	
A-	1	48	0.0%			\$738	\$858	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - FOUNTAIN INN, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	3	536	2	0.4%	536	39.4%
1990 to 1999	2	150	0	0.0%	686	11.0%
2000 to 2005	1	168	4	2.4%	854	12.4%
2006	1	48	0	0.0%	902	3.5%
2007	1	183	1	0.5%	1085	13.5%
2008	1	242	1	0.4%	1327	17.8%
2009	0	0	0	0.0%	1327	0.0%
2010	1	32	0	0.0%	1359	2.4%
2011	0	0	0	0.0%	1359	0.0%
2012	0	0	0	0.0%	1359	0.0%
2013	0	0	0	0.0%	1359	0.0%
2014	0	0	0	0.0%	1359	0.0%
2015**	0	0	0	0.0%	1359	0.0%
TOTAL	10	1359	8	0.6%	1359	100.0 %

YEAR RENOVATED - FOUNTAIN INN, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	1	240	0	0.0%	240	100.0%
2009	0	0	0	0.0%	240	0.0%
2010	0	0	0	0.0%	240	0.0%
2011	0	0	0	0.0%	240	0.0%
2012	0	0	0	0.0%	240	0.0%
2013	0	0	0	0.0%	240	0.0%
2014	0	0	0	0.0%	240	0.0%
2015**	0	0	0	0.0%	240	0.0%
TOTAL	1	240	0	0.0%	240	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of March 2015

APPLIANCES AND UNIT AMENITIES - FOUNTAIN INN, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	10	100.0%	1,359
REFRIGERATOR	10	100.0%	1,359
ICEMAKER	7	70.0%	1,191
DISHWASHER	10	100.0%	1,359
DISPOSAL	10	100.0%	1,359
MICROWAVE	5	50.0%	606
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	10	100.0%	1,359
AC - WINDOW	0	0.0%	
FLOOR COVERING	10	100.0%	1,359
WASHER/DRYER	1	10.0%	242
WASHER/DRYER HOOK-UP	10	100.0%	1,359
PATIO/DECK/BALCONY	7	70.0%	1,039
CEILING FAN	10	100.0%	1,359
FIREPLACE	3	30.0%	524
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	10	100.0%	1,359
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - FOUNTAIN INN, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	7	70.0%	1,245
ON-SITE MANAGEMENT	9	90.0%	1,325
LAUNDRY	8	80.0%	1,083
CLUB HOUSE	9	90.0%	1,325
MEETING ROOM	1	10.0%	242
FITNESS CENTER	5	50.0%	949
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	6	60.0%	827
COMPUTER LAB	5	50.0%	673
SPORTS COURT	3	30.0%	507
STORAGE	0	0.0%	
LAKE	3	30.0%	690
ELEVATOR	0	0.0%	
SECURITY GATE	3	30.0%	593
BUSINESS CENTER	1	10.0%	242
CAR WASH AREA	5	50.0%	915
PICNIC AREA	6	60.0%	1,077
CONCIERGE SERVICE	1	10.0%	88
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - FOUNTAIN INN, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	12	1,265	84.1%
GAS	1	240	15.9%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	13	1,505	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	12	1,265	84.1%
GAS	1	240	15.9%
			100.0%
ELECTRIC			
TENANT	13	1,505	100.0%
			100.0%
WATER			
LANDLORD	5	609	40.5%
TENANT	8	896	59.5%
			100.0%
SEWER			
LANDLORD	5	609	40.5%
TENANT	8	896	59.5%
TRASH PICK-UP			
LANDLORD	9	979	65.0%
TENANT	4	526	35.0%
			100.0%

UTILITY ALLOWANCE - FOUNTAIN INN, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$23	\$16		\$7	\$8	\$11	\$13	\$5	\$32	\$15	\$26	\$14	\$20
1	GARDEN	\$26	\$19		\$8	\$9	\$13	\$13	\$6	\$35	\$16	\$28	\$14	\$20
1	TOWNHOUSE	\$29	\$19		\$8	\$9	\$13	\$13	\$6	\$42	\$16	\$28	\$14	\$20
2	GARDEN	\$29	\$23		\$10	\$13	\$19	\$14	\$8	\$48	\$20	\$35	\$14	\$20
2	TOWNHOUSE	\$29	\$23		\$10	\$13	\$19	\$14	\$8	\$53	\$20	\$35	\$14	\$20
3	GARDEN	\$32	\$28		\$12	\$16	\$24	\$15	\$9	\$60	\$24	\$42	\$14	\$20
3	TOWNHOUSE	\$30	\$28		\$12	\$16	\$24	\$15	\$9	\$65	\$24	\$42	\$14	\$20
4	GARDEN	\$35	\$33		\$14	\$18	\$27	\$16	\$11	\$72	\$28	\$49	\$14	\$20
4	TOWNHOUSE	\$30	\$34		\$14	\$18	\$27	\$16	\$11	\$77	\$28	\$49	\$14	\$20

SC-Upstate Region (1/2015)

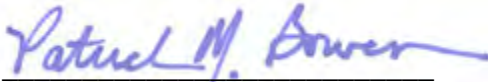
Survey Date: March 2015

ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

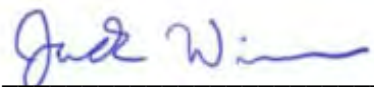
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard 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.

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Certified:



Patrick Bowen
President/Market Analyst
patrickb@bowennational.com
Date: March 23, 2015



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: March 23, 2015

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/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

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)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
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
Location and Market Area		
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)
EMPLOYMENT AND ECONOMY		
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
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
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
ANALYSIS/CONCLUSIONS		
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
46.	Derivation of Achievable Restricted Rent	N/A
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)

OTHER REQUIREMENTS		Section (s)
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