

Tab 19

Market Study



A MARKET FEASIBILITY STUDY OF
LAUREL STREET VILLAGE II
Northwest of the Intersection of Laurel Street and Eastview Street
Honea Path, Anderson County, South Carolina

Effective Date: March 4, 2016

Report Date: March 10, 2016

Prepared For

Prepared For
Mr. Max Elbe
Peachtree Housing Communities, LLC
80 West Wieuca Road, NE
Suite 204
Atlanta, GA 30342

Prepared By

Novogradac & Company LLP
2325 Lakeview Parkway
Suite 450
Alpharetta, Georgia 30009
678.867.2333

March 10, 2016

Mr. Max Elbe
Peachtree Housing Communities, LLC
80 West Wieuca Road, NE
Suite 204
Atlanta, GA 30342

Re: Market Study for Laurel Street Village II to be located in Honea Path, South Carolina

Dear Mr. Elbe:

At your request, Novogradac & Company LLP performed a study of the multifamily rental housing market in the Honea Path, Anderson County, South Carolina area relative to the above-proposed Low-Income Housing Tax Credit (LIHTC) project known as Laurel Street Village II, the Subject.

The purpose of this market study is to assess the viability of Laurel Street Village II, a proposed multifamily apartment development consisting of 34 units. The property will offer affordable rental units restricted to general households earning 50 and 60 percent or less of the Area Median Gross Income (AMGI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy levels for the market area.
- Investigating the health and conditions of the multifamily housing market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, both affordable and market rate.

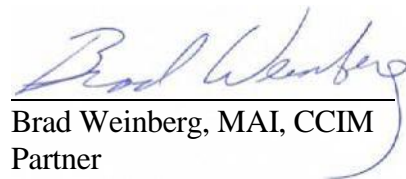
Peachtree Housing Communities, LLC
Laurel Street Village II
March 10, 2016
Cover Letter Page 2

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP

Respectfully submitted,



Brad Weinberg, MAI, CCIM
Partner
Novogradac & Company LLP



Ed Mitchell, MAI
Manager
678-867-2333
Ed.Mitchell@novoco.com



Kristina Garcia
Real Estate Analyst

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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Laurel Street Village II, the Subject, is a proposed 34-unit multifamily LIHTC development that will be restricted to households earning 50 and 60 percent of the AMI or less.

Targeted Tenancy: General households

Proposed Rents, Unit Mix, and Utility Allowance: The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

| Unit Type | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | LIHTC Maximum Allowable Gross Rent* | HUD Fair Market Rents |
|----------------|-----------------|-------------|-----------------------|------------|-------------------------------------|-----------------------|
| <i>50% AMI</i> | | | | | | |
| 1BR | 2 | \$375 | \$118 | \$493 | \$507 | \$529 |
| 2BR | 2 | \$394 | \$154 | \$548 | \$608 | \$645 |
| 3BR | 1 | \$479 | \$190 | \$669 | \$703 | \$883 |
| 4BR | 2 | \$479 | \$226 | \$705 | \$785 | \$913 |
| <i>60% AMI</i> | | | | | | |
| 1BR | 6 | \$375 | \$118 | \$493 | \$609 | \$529 |
| 2BR | 14 | \$394 | \$154 | \$548 | \$730 | \$645 |
| 3BR | 1 | \$479 | \$190 | \$669 | \$843 | \$883 |
| 4BR | 6 | \$479 | \$226 | \$705 | \$942 | \$913 |
| Total | 34 | | | | | |

Notes (1) Source of Utility Allowance provided by the Developer.

*Subject is eligible for the national non-metropolitan rent and income limits

Market Vacancy: The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|--|----------------|--------------|--------------|--------------|
| Allison Square | @ 50%, @ 60% | 40 | 0 | 0.00% |
| Crabapple Chase | @ 50%, @ 60% | 42 | 1 | 2.40% |
| Hampton Crest | @ 50%, @ 60% | 64 | 0 | 0.00% |
| Laurel Street Village | @ 50%, @ 60% | 42 | 0 | 0.00% |
| Rocky Creek Village (fka Anderson Place) | @ 50%, @ 60% | 35 | 0 | 0.00% |
| Ashton Park Apartments | Market | 216 | 13 | 6.00% |
| Bailey Court | Market | 100 | 0 | 0.00% |
| Park Place | Market | 165 | 7 | 4.20% |
| Tanglewood Apartments | Market | 168 | 3 | 1.80% |
| Walden Oaks | Market | <u>240</u> | <u>14</u> | <u>5.80%</u> |
| Total | | 1,112 | 38 | 3.40% |

OVERALL VACANCY - COMPARABLE LIHTC VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|--|----------------|-------------|--------------|--------------|
| Allison Square | @ 50%, @ 60% | 40 | 0 | 0.00% |
| Crabapple Chase | @ 50%, @ 60% | 42 | 1 | 2.40% |
| Hampton Crest | @ 50%, @ 60% | 64 | 0 | 0.00% |
| Laurel Street Village | @ 50%, @ 60% | 42 | 0 | 0.00% |
| Rocky Creek Village (fka Anderson Place) | @ 50%, @ 60% | 35 | 0 | <u>0.00%</u> |
| Total | | 223 | 1 | 0.45% |

OVERALL VACANCY - MARKET RATE VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|------------------------|----------------|-------------|--------------|--------------|
| Ashton Park Apartments | Market | 216 | 13 | 6.00% |
| Bailey Court | Market | 100 | 0 | 0.00% |
| Park Place | Market | 165 | 7 | 4.20% |
| Tanglewood Apartments | Market | 168 | 3 | 1.80% |
| Walden Oaks | Market | <u>240</u> | <u>14</u> | <u>5.80%</u> |
| Total | | 889 | 37 | 4.16% |

The comparables reported vacancy rates ranging from zero to 6.0 percent, with an overall weighted average of 3.4 percent. With the exception of two market rate properties, Ashton Park and Walden Oaks, all of the comparables reported vacancy rates of 5.0 percent or lower.

The LIHTC comparables are outperforming the market rate properties as the majority of LIHTC properties are maintaining zero percent vacancy with an overall average of less than one percent. Further, several of the LIHTC properties are maintaining waiting lists. Laurel Street Village Phase I is currently fully occupied and stabilized within three months of its recent completion in December 2015. Only one LIHTC comparable, Rocky Creek Village, has a high Housing Choice

Voucher (HCV) rate at 85 percent. The property manager indicated that given the strong demand for LIHTC housing in the market, the property would be able to fill the units with non-voucher tenants. The voucher tenancy rate at the property is high as management receives tenant referrals directly from the housing authority.

The market rate comparables have vacancy ranging from zero to 6.0 percent with an average of 4.2 percent. All of the market rate properties are maintaining stabilized occupancy rates without the use of concessions. Therefore, we believe that the multifamily conventional market is healthy. Further, given the lack of multifamily supply in the PMA, the Subject will face limited competition.

Based upon the performance of the surveyed LIHTC and market rate properties, we believe the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization, per state guideline standards.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

| Bedrooms/AMI Level | Total Demand | Supply | Net Demand | Units Proposed | Capture Rate |
|--------------------------|--------------|-----------|------------|----------------|--------------|
| 1BR at 50% AMI | 96 | 0 | 96 | 2 | 2.1% |
| 1BR at 60% AMI | 113 | 0 | 113 | 6 | 5.3% |
| 1BR All LIHTC | 113 | 0 | 113 | 8 | 7.1% |
| 2BR at 50% AMI | 92 | 6 | 86 | 2 | 2.3% |
| 2BR at 60% AMI | 108 | 17 | 91 | 14 | 15.4% |
| 2BR All LIHTC | 108 | 23 | 85 | 16 | 18.8% |
| 3BR at 50% AMI | 53 | 5 | 48 | 1 | 2.1% |
| 3BR at 60% AMI | 62 | 14 | 48 | 1 | 2.1% |
| 3BR All LIHTC | 62 | 19 | 43 | 2 | 4.6% |
| 4BR at 50% AMI | 27 | 0 | 27 | 2 | 7.5% |
| 4BR at 60% AMI | 31 | 0 | 31 | 6 | 19.1% |
| 4BR All LIHTC | 31 | 0 | 31 | 8 | 25.5% |
| Overall All LIHTC | 315 | 42 | 273 | 34 | 12.5% |

As the analysis illustrates, the Subject’s overall capture rates range from 2.7 percent for units at 50 percent AMI to 9.5 percent for units at 60 percent AMI, with an overall capture rate of 12.5 percent. The Subject’s capture rates are within the acceptable demand thresholds and we believe that there is sufficient demand for the Subject’s units in the PMA.

Projected Absorption Period:

Crabapple Chase is a family LIHTC property located in Anderson, outside of the PMA, and is included as a comparable in this report. The property opened in September 2015 and all units were leased within 1.5 months, equating to an absorption

rate of approximately 27 units per month. Phase I of the Subject began leasing in mid-December 2015 and the last lease was signed the first week in March 2016. Therefore, the Subject's Phase I reached 100 percent occupancy within three months, which equates to an absorption rate of 14 units per month. Given Phase I's 100 percent occupancy rate and waiting list, we anticipate that the Subject will experience a similar absorption rate, equating to an absorption period of less than three months.

Market Conclusions:

The vacancy rates among the multifamily comparables range from zero to 6.0 percent, with an overall vacancy rate of 3.4 percent. The weighted average vacancy rate among the LIHTC comparables is less than one percent, and the weighted average vacancy rate among the market rate comparables is less than five percent. Overall, the market is performing well. None of the comparables are offering rental concessions and all of the surveyed LIHTC properties maintain waiting lists. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable and achievable. The Subject's proposed rents will have advantages of 35 to 47 percent over the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 12.5 percent, which is within acceptable demand threshold. Given the Subject's rural location, we believe this capture rate is reasonable. The Subject site is located within walking distance of community services and facilities that families would utilize on a frequent basis.

The LIHTC projects in the PMA all have low vacancy rates and maintain waiting lists, indicating a strong market for affordable LIHTC units. The majority of market rate properties surveyed also exhibit low vacancy rates. The developer's proposed LIHTC rents will have a 35 to 47 percent rent advantage over the achievable market rents. The proposed rents will also compete well with the LIHTC rents at the existing family LIHTC comparables we surveyed. Given these factors, we would anticipate the Subject can achieve a stabilized occupancy rate of 93 percent or higher within approximately four months of opening.

Long Term Impact on Existing LIHTC Properties in PMA:

LIHTC vacancy in the market is low at less than one percent and all of the LIHTC comparables have waiting lists. There is a lack of LIHTC housing in the PMA and the availability of nonsubsidized LIHTC housing targeting moderate income households is very limited. Further, Phase I of the Subject stabilized within three months and two new LIHTC properties entered the market in Anderson and are maintaining low vacancy rates without concessions. Therefore, we do not believe that the addition of the Subject will have a long-term impact on the existing affordable units in the market.

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

| | | | |
|-------------------|--|--|--|
| Development Name: | Laurel Street Village II | Total # Units: | 34 |
| Location: | Laurel Street, Honea Path, Anderson County, SC | # LIHTC Units: | 34 |
| PMA Boundary: | East: Abbeville Hwy; West: US 25; North: Belton Hwy/SC 247; South: SC 184/SC 185 | | |
| Development Type: | <input checked="" type="checkbox"/> Family | <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: <u>15</u> miles |

RENTAL HOUSING STOCK (found on page 2)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 10 | 1,112 | 38 | 96.6% |
| Market-Rate Housing | 5 | 889 | 37 | 95.8% |
| Assisted/Subsidized Housing not to include LIHTC | N/A | N/A | N/A | N/A |
| LIHTC (All that are stabilized)* | 5 | 223 | 1 | 99.6% |
| Stabilized Comps** | 10 | 1,112 | 38 | 96.6% |
| Non-stabilized Comps | N/A | N/A | N/A | N/A |

* 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 |
| 8 | 1 | 1 | 750 | \$ 375 | \$ 575 | \$ 0.77 | 35% | \$ 1,006 | \$ 1.18 |
| 16 | 2 | 2 | 950 | \$ 394 | \$ 700 | \$ 0.74 | 44% | \$ 1,065 | \$ 0.90 |
| 2 | 3 | 2 | 1,100 | \$ 479 | \$ 700 | \$ 0.73 | 40% | \$ 1,239 | \$ 0.85 |
| 8 | 4 | 2.5 | 1,250 | \$ 479 | \$ 900 | \$ 0.72 | 47% | \$ 1,200 | \$ 0.73 |
| Gross Potential Rent Monthly* | | | | \$ 14,094 | \$ 24,600 | | 42.71% | | |

*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 pages 36, 37)

| | 2000 | 2015 | 2018 |
|-------------------------------------|------|-------|-------|
| Renter Households | | 3,396 | 25.6% |
| Income-Qualified Renter HHs (LIHTC) | | 1,126 | 33.2% |
| Income-Qualified Renter HHs (MR) | | | % |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 38-49)

| Type of Demand | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---|-----|-----|-------------|-----------|-----------|---------|
| Renter Household Growth | 10 | 11 | | | | 11 |
| Existing Households (Overburd + Substand) | 259 | 304 | | | | 304 |
| Homeowner conversion (Seniors) | | | | | | |
| Other: | | | | | | |
| Less Comparable/Competitive Supply | 11 | 31 | | | | 42 |
| Net Income-qualified Renter HHs | 257 | 284 | | | | 273 |

CAPTURE RATES (found on page 48)

| Targeted Population | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---------------------|------|------|-------------|-----------|-----------|---------|
| Capture Rate | 2.7% | 9.5% | N/A | N/A | N/A | 12.4% |

ABSORPTION RATE (found on page 50)

| |
|-----------------------------------|
| Absorption Period <u>3</u> months |
|-----------------------------------|

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | Adjusted Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------------|--------------|---------------------------|----------------------------|----------------------|----------------------------|---------------------------------|
| 2 | 1 BR | \$375 | \$750 | \$575 | \$1,150 | |
| 6 | 1 BR | \$375 | \$2,250 | \$575 | \$3,450 | |
| 2 | 2 BR | \$394 | \$788 | \$700 | \$1,400 | |
| 14 | 2 BR | \$394 | \$5,516 | \$700 | \$9,800 | |
| 1 | 3 BR | \$479 | \$479 | \$800 | \$800 | |
| 1 | 3 BR | \$479 | \$479 | \$800 | \$800 | |
| 2 | 4 BR | \$479 | \$958 | \$900 | \$1,800 | |
| 6 | 4 BR | \$479 | \$2,874 | \$900 | \$5,400 | |
| Totals | 34 | | \$14,094 | | \$24,600 | 42.71% |

Source: SCSHFDA, Novogradac & Company LLP, March 2016.

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

| | |
|--|---|
| Development Location: | The Subject site is located south of Laurel Street Village Phase I on Laurel Street in Honea Path, Anderson County, South Carolina. |
| Construction Type: | The Subject will be the new construction of two two-story, walk-up buildings with brick veneer and cement fiber siding. |
| Occupancy Type: | General households |
| Target Income Group: | The Subject will target households with incomes of 50 and 60 percent AMI or less. |
| Special Population Target: | None |
| Number of Units by Unit Type: | The Subject will include eight one, 16 two, two three, eight four-bedroom units. |
| Number of Buildings And Stories: | The Subject will be constructed in four, two-story residential buildings and one, one-story community building. |
| Unit Size: | The Subject’s unit sizes are 750, 950, 1,100, and 1,250 square feet for its one, two, three, and four-bedroom units, respectively. |
| Structure Type/Design: | The Subject will offer two-story, walk-up buildings. |
| Proposed Rents and Utility Allowance: | The following table details the Subject’s proposed rents and utility allowances. |

PROPOSED RENTS

| Unit Type | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | LIHTC Maximum Allowable Gross Rent* | HUD Fair Market Rents |
|----------------|-----------------|-------------|-----------------------|------------|-------------------------------------|-----------------------|
| <i>50% AMI</i> | | | | | | |
| 1BR | 2 | \$375 | \$118 | \$493 | \$507 | \$529 |
| 2BR | 2 | \$394 | \$154 | \$548 | \$608 | \$645 |
| 3BR | 1 | \$479 | \$190 | \$669 | \$703 | \$883 |
| 4BR | 2 | \$479 | \$226 | \$705 | \$785 | \$913 |
| <i>60% AMI</i> | | | | | | |
| 1BR | 6 | \$375 | \$118 | \$493 | \$609 | \$529 |
| 2BR | 14 | \$394 | \$154 | \$548 | \$730 | \$645 |
| 3BR | 1 | \$479 | \$190 | \$669 | \$843 | \$883 |
| 4BR | 6 | \$479 | \$226 | \$705 | \$942 | \$913 |
| Total | 34 | | | | | |

Notes (1) Source of Utility Allowance provided by the Developer.

*Subject is eligible for the national non-metropolitan rent and income limits

Utility Structure/Allowance: The landlord will pay for trash expenses. The tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage in addition to water and sewer expenses. The developer-provided estimated tenant-paid utility allowances for the Subject are \$118, \$154, \$190, \$226 for one, two, three, and four-bedroom units, respectively.


Existing or Proposed Project Based Rental Assistance: The Subject is planned new construction and will not receive project-based rental assistance.

Community Amenities: See Subject Profile

Unit Amenities: See Subject Profile

Current Occupancy/Rent Levels: The Subject will be proposed new construction.

Scope of Renovation: The Subject will be proposed new construction.

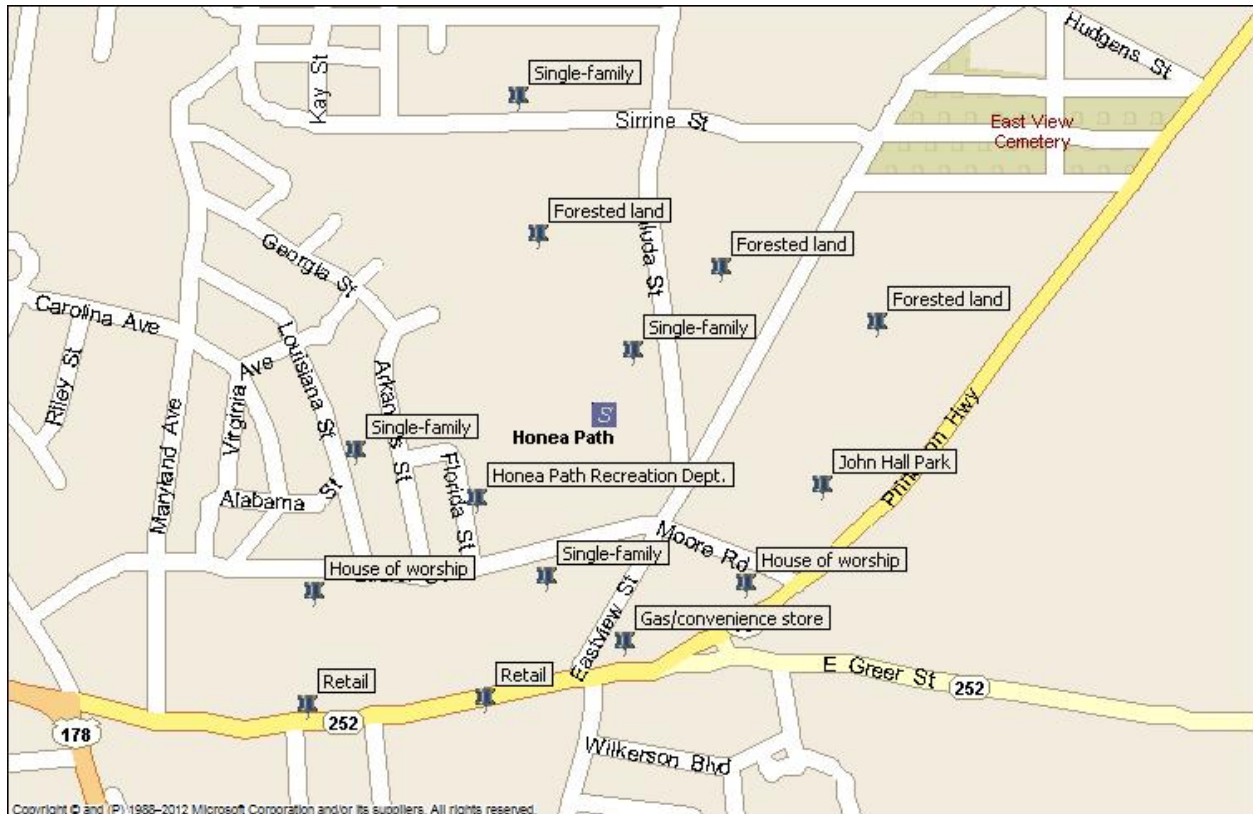
| Laurel Street Village II | | | | | | | | | | | |
|-------------------------------|---|------------------------|-------|--|-------|----------------------|-------------|---------------------|--------|--------------|-----------|
| Location | Laurel Street Honea Path, SC 29654 Anderson County County | | |  | | | | | | | |
| Distance | n/a | | | | | | | | | | |
| Units | 34 | | | | | | | | | | |
| Vacant Units | N/A | | | | | | | | | | |
| Vacancy Rate | N/A | | | | | | | | | | |
| Type | Lowrise (2 stories) | | | | | | | | | | |
| Year Built / Renovated | 2018 / n/a | | | | | | | | | | |
| Utilities | | | | | | | | | | | |
| A/C | not included -- central | | | Other Electric | | | | not included | | | |
| Cooking | not included -- electric | | | Water | | | | not included | | | |
| Water Heat | not included -- electric | | | Sewer | | | | not included | | | |
| Heat | not included -- electric | | | Trash Collection | | | | included | | | |
| Unit Mix (face rent) | | | | | | | | | | | |
| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max rent? |
| 1 | 1 | Lowrise (2 stories) | 2 | 750 | \$375 | \$0 | @50% | n/a | N/A | N/A | no |
| 1 | 1 | Lowrise (2 stories) | 6 | 750 | \$375 | \$0 | @60% | n/a | N/A | N/A | no |
| 2 | 2 | Lowrise (2 stories) | 2 | 950 | \$394 | \$0 | @50% | n/a | N/A | N/A | no |
| 2 | 2 | Lowrise (2 stories) | 14 | 950 | \$394 | \$0 | @60% | n/a | N/A | N/A | no |
| 3 | 2 | Lowrise (2 stories) | 1 | 1,100 | \$479 | \$0 | @50% | n/a | N/A | N/A | no |
| 3 | 2 | Lowrise (2 stories) | 1 | 1,100 | \$479 | \$0 | @60% | n/a | N/A | N/A | no |
| 4 | 2.5 | Lowrise (2 stories) | 2 | 1,250 | \$479 | \$0 | @50% | n/a | N/A | N/A | no |
| 4 | 2.5 | Lowrise (2 stories) | 6 | 1,250 | \$479 | \$0 | @60% | n/a | N/A | N/A | no |
| Amenities | | | | | | | | | | | |
| In-Unit | Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Oven Refrigerator Washer/Dryer hookup | | | Security | | | | Limited Access | | | |
| Property | Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground | | | Premium | | | | none | | | |
| Services | none | | | Other | | | | Craft room, library | | | |

B. SITE DESCRIPTION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

Date of Site Visit: March 5, 2016

Surrounding Land Uses: The following map and pictures illustrate the surrounding land uses.



Physical Features of Site: The Subject site currently undeveloped, cleared land.

Location/Surrounding Uses: The Subject site is located in a mixed-use neighborhood consisting of single family residential, park/recreational facilities, houses of worship, and retail/commercial developments. Laurel Street Village Phase I is located immediately north of the Subject site and is in excellent condition as it is new construction that was completed in 2015. The property is currently 100 percent occupied. The area east of the Subject is characterized by single family residential development in generally good condition. The Honea Path Recreation Department Baseball Diamond is adjacent to the east. To the south, across Laurel Street, are single-family homes in generally fair to average condition. Retail such as a grocery store, pharmacy, and restaurants are located approximately 0.2 miles south along State Route 252, the major retail corridor for the city. Retail in the area ranges from

fair condition for older, historic uses to excellent for newer construction commercial uses such as the ACE Hardware and Bi-Lo grocery. Newer retail uses are fully occupied while older and smaller retail along Highway 252 is approximately 80 to 90 percent occupied. Overall, the Subject site is considered a desirable building site for family rental housing.

Pictures of Site and Surrounding Uses



Subject site



Subject site



View of entrance to Phase I



View of Laurel Street from Phase I



View west along Laurel Street



View east along Laurel Street



View of single-family home across from Subject site



View of undeveloped lot across from Subject site



Single-family homes in good condition adjacent to east



Single-family home across Laurel Street to south



Honea Path Recreation Department Baseball Diamond adjacent to west



Single-family home to northeast in excellent condition



Older retail along Highway 252



Retail to the south



Grocery store to south



Retail to south



House of worship to west



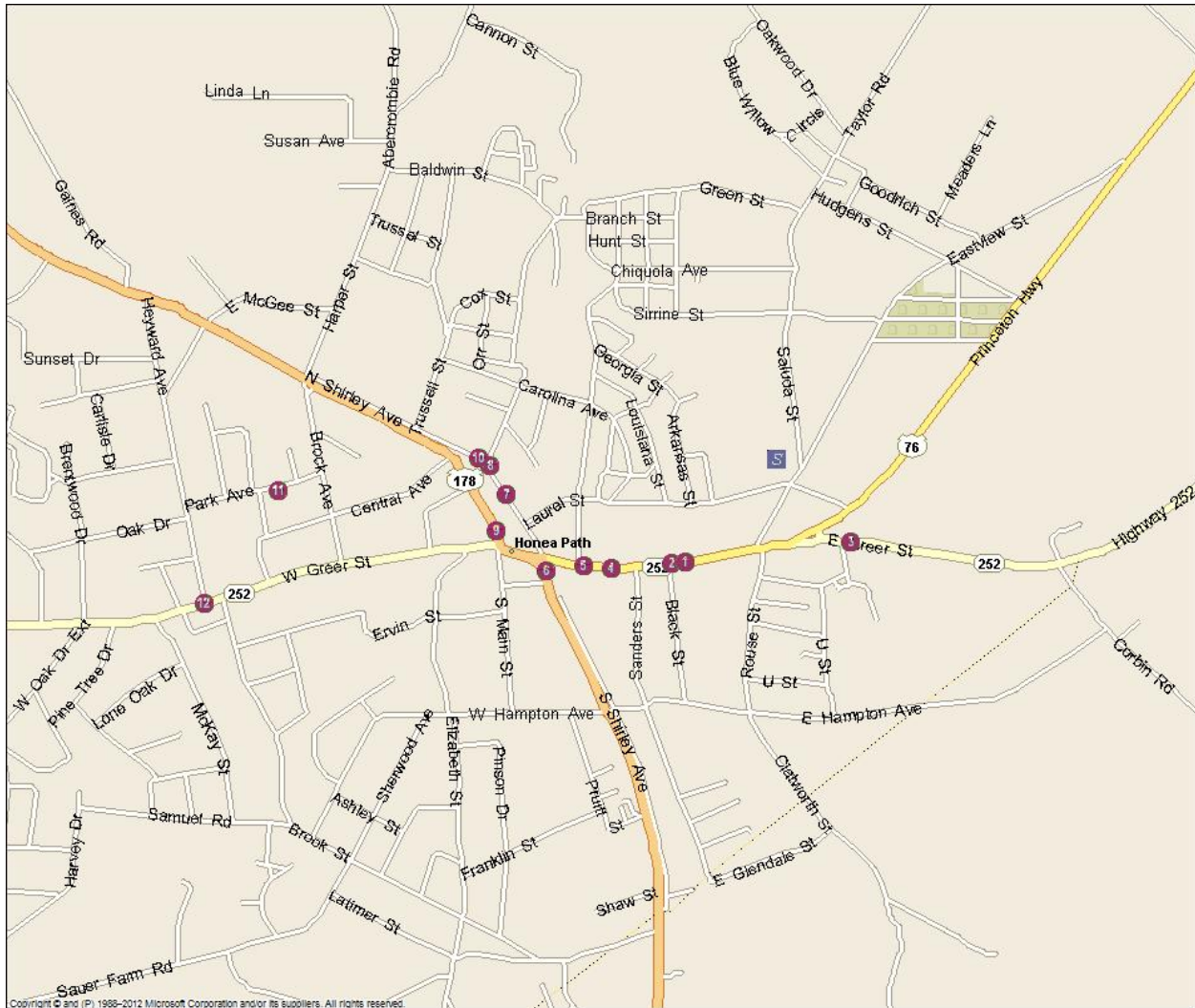
Mobile home park

Visibility/Views:

Views from the Subject site include Phase I to the north, single-family homes in good condition to the east, the Honea Path Recreation Department Baseball Diamond to the west, and single-family homes in generally fair to average condition to the south. Views from the site are considered good. The Subject will have good visibility from Laurel Street on the south and both Saluda Street and Eastview Street on the east. All three adjacent streets have generally light traffic flow. Overall, visibility from the site is also considered good.

Detrimental Influences: There are no detrimental influences in the Subject’s immediate neighborhood.

Proximity to Local Services: The following table and maps detail the Subject’s distance from key locational amenities.



LOCATIONAL AMENITIES

| Map Number | Service | Name | Distance (miles) |
|------------|-------------------|-------------------------------|------------------|
| 1 | Pharmacy | Fred's Pharmacy | 0.3 |
| 2 | Grocery | Bi-Lo | 0.4 |
| 3 | Elementary School | Honea Path Elementary School | 0.4 |
| 4 | Shopping Center | Honea Path Plaza | 0.4 |
| 5 | Gas Station | Spinx Oil Co. | 0.5 |
| 6 | Bank | Commercial Bank | 0.6 |
| 7 | Fire | Honea Path Fire Department | 0.6 |
| 8 | Library | Jennie Erwin Library | 0.7 |
| 9 | Police | Honea Path Police Department | 0.7 |
| 10 | Post Office | U.S. Post Office | 0.7 |
| 11 | Middle School | Honea Path Middle School | 1.3 |
| 12 | Convenience | Stop-A-Mint | 1.3 |
| 13 | High School | Belton-Honea Path High School | 5.4 |
| 14 | Hospital | Medina Memorial Hospital | 17.7 |

Availability of Public Transportation:

There is no public transportation service in the Town of Honea Path, SC.

Road/Infrastructure Proposed Improvements:

We witnessed no current road improvements within the Subject's immediate neighborhood.

Crime Rates:

Based upon site inspection, there appeared to be no crime issues in the Subject's neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject's PMA compared to the MSA.

2015 CRIME RISK INDICES

| | PMA | Greenville-Anderson-Mauldin, SC MSA |
|------------------------|-----|-------------------------------------|
| Total Crime* | 94 | 133 |
| Personal Crime* | 114 | 148 |
| Murder | 85 | 125 |
| Rape | 78 | 124 |
| Robbery | 34 | 81 |
| Assault | 158 | 183 |
| Property Crime* | 91 | 131 |
| Burglary | 116 | 135 |
| Larceny | 86 | 132 |
| Motor Vehicle Theft | 64 | 106 |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

*Unweighted aggregations

The total crime risk index in the PMA is lower than the SMA and nation. Personal crime in the PMA is higher than the nation while property crime is lower. Overall crime in the PMA is lower than that of the SMA. Security features are limited among the LIHTC comparables in the market, which are maintaining very low vacancy rates. Therefore, we do not believe that security features are necessary in the market.

Access and Traffic Flow:

The Subject site will have access along Laurel Street, just west of the intersection with Eastview Street. Laurel Street is a lightly trafficked roadway containing mostly single family residential development. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have overall good access to area retail within walking distance and is located adjacent to the town's recreational facility, which is considered an ancillary amenity that the Subject will provide as a property that will target both general households and families. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The proposed Subject will be a new construction development to be constructed in Honea Path, South Carolina. The PMA is defined as Honea Path and surrounding rural communities of Belton, Donalds, Ware Shoals, Due West, and Hodges. Management at Phase I of the Subject indicated that tenants come from within the PMA as well as from larger cities such as Anderson, Greenville, and Greenwood.

The PMA includes all or part of the following census tracts:

| Census Tract | |
|--------------|---------|
| 0032.02 | 9202.01 |
| 9202.02 | 0114.02 |
| 0115.00 | 9501.00 |
| 9701.02 | 0113.00 |
| 0116.00 | 9502.00 |
| 0119.02 | 0118.00 |
| 0117.00 | 9503.00 |

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Honea Path community in an effort to better identify the Subject’s PMA. It is important to note; however, that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

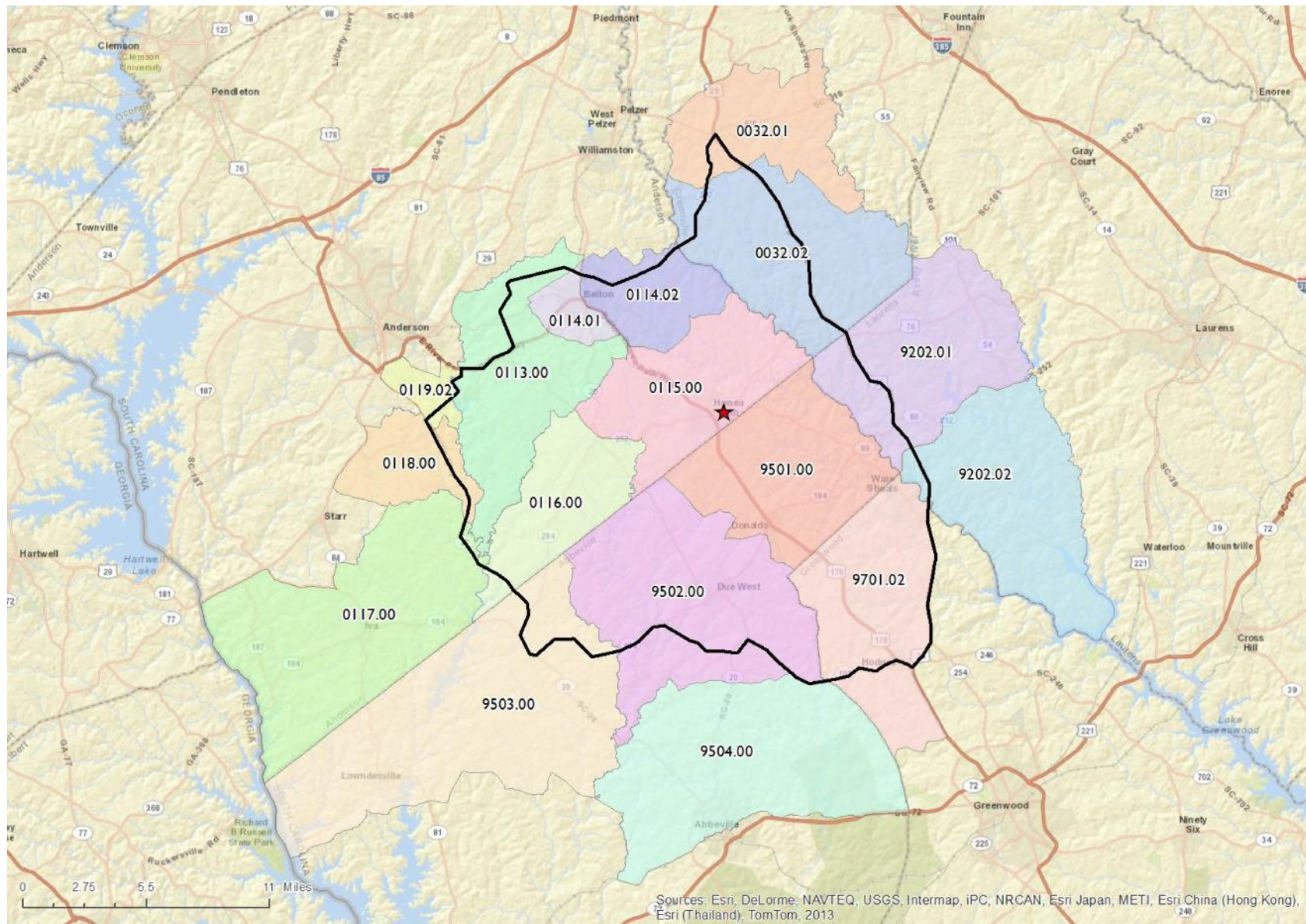
As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, SMA, and nation.

| 2010 Population by Race | | | | | | |
|-----------------------------|------------|------------|---------------|------------|-------------------|------------|
| | PMA | | SMA | | USA | |
| Total | 33,265 | Percentage | 824,111 | Percentage | 308,745,538 | Percentage |
| White | 27,974 | 84% | 635,497 | 77% | 223,553,265 | 72% |
| Black | 4,602 | 14% | 136,304 | 17% | 38,929,319 | 13% |
| American Indian | 59 | 0% | 2,262 | 0% | 2,932,248 | 1% |
| Asian | 79 | 0% | 12,350 | 1% | 14,674,252 | 5% |
| Pacific | 2 | 0% | 348 | 0% | 540,013 | 0% |
| Other | 127 | 0% | 23,389 | 3% | 19,107,368 | 6% |
| Two or more races | 422 | 1% | 13,962 | 2% | 9,009,073 | 3% |
| Total Hispanic | 437 | | 48,414 | | 50,477,594 | |
| Hispanic: White | 260 | 59% | 21,080 | 44% | 26,735,713 | 53% |
| Hispanic: Black | 20 | 5% | 1,325 | 3% | 1,243,471 | 2% |
| Hispanic: American Indian | 6 | 1% | 580 | 1% | 685,150 | 1% |
| Hispanic: Asian | 1 | 0% | 119 | 0% | 209,128 | 0% |
| Hispanic: Pacific | 0 | 0% | 63 | 0% | 58,437 | 0% |
| Hispanic: Other | 104 | 24% | 22,321 | 46% | 18,503,103 | 37% |
| Hispanic: Two or more Races | 45 | 10% | 2,926 | 6% | 3,042,592 | 6% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

Per SCSHFDA Guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.

The following map outlines the PMA and identifies the census tracts included within these boundaries.



Honea Path, SC



D. MARKET AREA ECONOMY

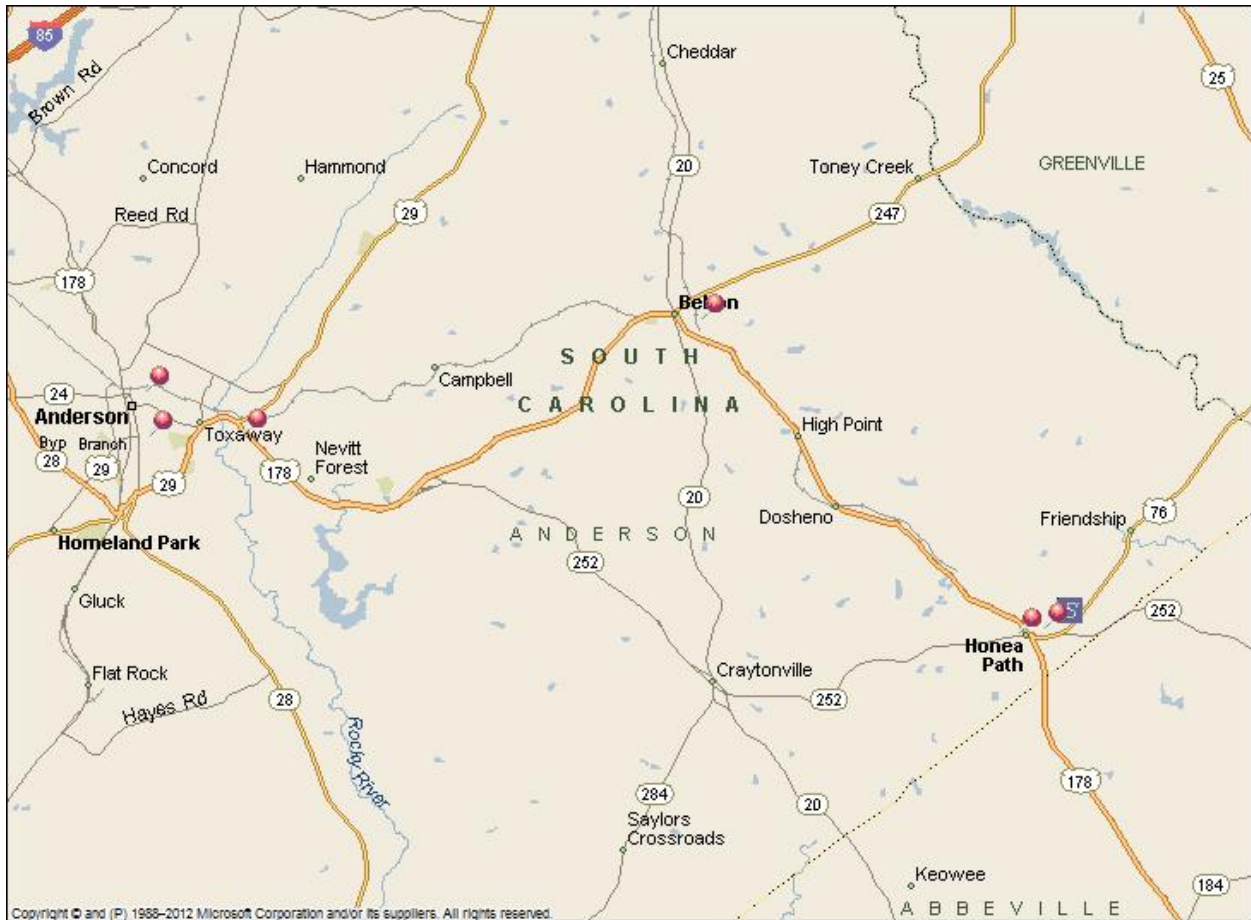
MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

The Subject is located in Honea Path, Anderson County, SC, in the Greenville-Anderson-Mauldin, SC MSA. The Greenville-Anderson-Mauldin, SC MSA consists of Greenville, Pickens, Anderson, and Laurens Counties. As of the 2010 US Census, the city of Honea Path’s population was 3,597 persons, and has a total area of 3.6 square miles, all of which are land.

Map of Employment Centers

The following map illustrates the Subject’s location compared to major employment centers in the surrounding areas.



Employment by Industry

The following table exhibits employment by industry for the PMA.

2015 EMPLOYMENT BY INDUSTRY

| Industry | PMA | | USA | |
|--------------------------------|-----------------|------------------|--------------------|------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed |
| Manufacturing | 3,414 | 26.6% | 15,651,841 | 10.6% |
| Health Care/Social Assistance | 1,765 | 13.7% | 20,205,674 | 13.7% |
| Retail Trade | 1,493 | 11.6% | 17,089,319 | 11.6% |
| Educational Services | 1,220 | 9.5% | 13,529,510 | 9.2% |
| Construction | 986 | 7.7% | 9,392,204 | 6.4% |
| Other Services (excl Publ Adm) | 638 | 5.0% | 7,548,482 | 5.1% |
| Public Administration | 585 | 4.5% | 7,099,307 | 4.8% |
| Transportation/Warehousing | 531 | 4.1% | 6,200,837 | 4.2% |
| Accommodation/Food Services | 356 | 2.8% | 10,915,815 | 7.4% |
| Admin/Support/Waste Mgmt Svcs | 342 | 2.7% | 6,242,568 | 4.2% |
| Wholesale Trade | 338 | 2.6% | 3,742,526 | 2.5% |
| Finance/Insurance | 332 | 2.6% | 7,026,905 | 4.8% |
| Information | 206 | 1.6% | 2,965,498 | 2.0% |
| Prof/Scientific/Tech Services | 206 | 1.6% | 9,981,082 | 6.8% |
| Arts/Entertainment/Recreation | 129 | 1.0% | 3,193,724 | 2.2% |
| Utilities | 117 | 0.9% | 1,190,608 | 0.8% |
| Real Estate/Rental/Leasing | 100 | 0.8% | 2,759,067 | 1.9% |
| Agric/Forestry/Fishing/Hunting | 87 | 0.7% | 1,941,156 | 1.3% |
| Mining | 13 | 0.1% | 997,794 | 0.7% |
| Mgmt of Companies/Enterprises | 0 | 0.0% | 115,436 | 0.1% |
| Total Employment | 12,858 | 100.0% | 147,789,353 | 100.0% |

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2016

The largest industry in the PMA is the manufacturing industry, followed by the health care/social assistance and retail trade sectors. The manufacturing and construction industries are overrepresented in the PMA when compared with the nation. Conversely, the professional services, finance/insurance, and accommodation/food services industries are underrepresented in the PMA when compared with the nation. Notably, the manufacturing and retail trade sectors, two of the top three employment sectors in the PMA, are volatile industries and are susceptible to employment loss and closures during times of economic downturn.

The following table illustrates the changes in employment by industry from 2000 to 2015, in the Subject’s PMA.

2000-2015 CHANGE IN EMPLOYMENT - PMA

| Industry | 2000 | | 2015 | | 2000-2015 | |
|--------------------------------|-----------------|------------------|-----------------|------------------|---------------------------------|-----------------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed | Annualized Change in Employment | Annual Change in Percentage |
| Agric/Forestry/Fishing/Hunting | 94 | 0.6% | 87 | 0.7% | 0 | -0.5% |
| Mining | 14 | 0.1% | 13 | 0.1% | 0 | -0.5% |
| Construction | 1,023 | 6.8% | 986 | 7.7% | -2 | -0.2% |
| Manufacturing | 5,117 | 34.0% | 3,414 | 26.6% | -114 | -2.2% |
| Wholesale Trade | 458 | 3.0% | 338 | 2.6% | -8 | -1.7% |
| Retail Trade | 1,654 | 11.0% | 1,493 | 11.6% | -11 | -0.6% |
| Transportation/Warehousing | 624 | 4.2% | 531 | 4.1% | -6 | -1.0% |
| Utilities | 143 | 1.0% | 117 | 0.9% | -2 | -1.2% |
| Information | 219 | 1.5% | 206 | 1.6% | -1 | -0.4% |
| Finance/Insurance | 340 | 2.3% | 332 | 2.6% | -1 | -0.2% |
| Real Estate/Rental/Leasing | 103 | 0.7% | 100 | 0.8% | 0 | -0.2% |
| Prof/Scientific/Tech Services | 185 | 1.2% | 206 | 1.6% | 1 | 0.8% |
| Mgmt of Companies/Enterprises | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Admin/Support/Waste Mgmt Svcs | 297 | 2.0% | 342 | 2.7% | 3 | 1.0% |
| Educational Services | 1,298 | 8.6% | 1,220 | 9.5% | -5 | -0.4% |
| Health Care/Social Assistance | 1,577 | 10.5% | 1,765 | 13.7% | 13 | 0.8% |
| Arts/Entertainment/Recreation | 124 | 0.8% | 129 | 1.0% | 0 | 0.3% |
| Accommodation/Food Services | 420 | 2.8% | 356 | 2.8% | -4 | -1.0% |
| Other Services (excl Publ Adm) | 778 | 5.2% | 638 | 5.0% | -9 | -1.2% |
| Public Administration | 568 | 3.8% | 585 | 4.5% | 1 | 0.2% |
| Total Employment | 15,036 | 100.0% | 12,858 | 100.0% | -145 | -1.0% |

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2016

* Change in percentage is calculated as a rate of change by industry.

*Industry data current as of 2010. Other projections current as of 2015.

As illustrated, the manufacturing sector has historically had a dominant presence in the local economy, but has declined 2.2 percent annually since 2000. The sectors that experienced increases in employment include professional/scientific/tech services, administrative/support/ waste management services, healthcare/social assistance, and public administration. Five industries experienced annual employment declines of one percent or higher since 2000. These industries include manufacturing, wholesale trade, transportation/warehousing, utilities, other services, and accommodation/food services.

Major Employers

The following table illustrates the largest employers in the county.

MAJOR EMPLOYERS

Anderson County, SC

| Employer | Industry | Number Employed |
|--------------------------------|-----------------|------------------------|
| Electrolux Home Products | Manufacturing | 1,900 |
| Robert Bosch Corporation | Manufacturing | 1,200 |
| Michelin North America, Inc | Manufacturing | 990 |
| Glen Raven Custom Fabrics, LLC | Manufacturing | 600 |
| JPS Composite Materials Corp | Manufacturing | 500 |
| The Timken Company | Manufacturing | 500 |

Source: Upstate SC Alliance, March 2016.

The largest employers in the county are dominated by manufacturing operations including Electrolux Home Products. As previously discussed, manufacturing is the largest industry in the PMA, comprising 27 percent of employment. Other major employers include Anderson Area Medical Center, the county government, Bi-Lo groceries, Wal-Mart, Walgreens, Anderson County School District, and Anderson University. Therefore, the county’s manufacturing sector is balanced out by employers in retail, healthcare, education, and public administration.

Expansions/Contractions

We have researched employment expansions and contractions in the greater market during the past several years. The following are layoffs and contractions in the larger Anderson County market:

- Coyne Textile Services (CTS) in Greenville closed as of October 2015, affecting 66 jobs.
- Consumers Choice closed its operations in Columbia, Greenville, and North Charleston in November 2015, affecting 82 jobs total.
- Piedmont Health Group closed its operations in Greenwood in July 2015, affecting 129 jobs.
- Frederick J. Hanna & Associates, PC closed its office in Greenville in February 2016. The number of jobs affected has yet to be announced.
- CHEP Recycled closed its facility in Simpsonville in January 2016 and the number of jobs affected has yet to be announced.
- Michelin suspended operations indefinitely at its Starr plant at the end of 2015, affecting 100 jobs.

These layoffs are mitigated by various expansion announcements. Techtronic Industries (TTI) announced in May 2015 that it will expand its Anderson operations with the addition of 216 jobs and an \$85 million investment. Mainstay Fuel Technologies completed its expansion in August 2015. The expansion will enable the company to increase its production capacity and add a new assembly line.

Employment and Unemployment Trends

The Subject is located in the Greenville-Anderson-Mauldin, SC MSA. As such, the following table details employment and unemployment trends for the Greenville-Anderson-Mauldin, SC MSA from 2001 to 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| Year | Greenville-Anderson-Mauldin, SC MSA | | | | USA | | | |
|----------|-------------------------------------|----------|-------------------|--------|------------------|----------|-------------------|--------|
| | Total Employment | % Change | Unemployment Rate | Change | Total Employment | % Change | Unemployment Rate | Change |
| 2001 | 359,552 | - | 4.6% | - | 136,933,000 | - | 4.7% | - |
| 2002 | 349,536 | -2.8% | 5.5% | 0.9% | 136,485,000 | -0.3% | 5.8% | 1.1% |
| 2003 | 348,327 | -0.3% | 6.4% | 0.9% | 137,736,000 | 0.9% | 6.0% | 0.2% |
| 2004 | 355,309 | 2.0% | 6.4% | 0.0% | 139,252,000 | 1.1% | 5.5% | -0.5% |
| 2005 | 360,541 | 1.5% | 6.2% | -0.3% | 141,730,000 | 1.8% | 5.1% | -0.4% |
| 2006 | 368,184 | 2.1% | 5.9% | -0.2% | 144,427,000 | 1.9% | 4.6% | -0.5% |
| 2007 | 376,704 | 2.3% | 5.2% | -0.8% | 146,047,000 | 1.1% | 4.6% | 0.0% |
| 2008 | 376,183 | -0.1% | 6.0% | 0.8% | 145,362,000 | -0.5% | 5.8% | 1.2% |
| 2009 | 355,611 | -5.5% | 10.5% | 4.5% | 139,877,000 | -3.8% | 9.3% | 3.5% |
| 2010 | 349,386 | -1.8% | 10.4% | -0.1% | 139,064,000 | -0.6% | 9.6% | 0.3% |
| 2011 | 357,293 | 2.3% | 9.4% | -1.0% | 139,869,000 | 0.6% | 8.9% | -0.7% |
| 2012 | 363,536 | 1.7% | 8.1% | -1.3% | 142,469,000 | 1.9% | 8.1% | -0.8% |
| 2013 | 372,436 | 2.4% | 6.6% | -1.5% | 143,929,000 | 1.0% | 7.4% | -0.7% |
| 2014 | 379,491 | 1.9% | 5.7% | -0.9% | 146,305,000 | 1.7% | 6.2% | -1.2% |
| 2015 | 390,530 | 2.9% | 5.5% | -0.2% | 148,852,250 | 1.7% | 5.3% | -0.9% |
| Dec-2014 | 380,632 | - | 5.6% | - | 147,190,000 | - | 5.4% | - |
| Dec-2015 | 396,053 | 4.1% | 4.6% | -1.0% | 149,929,000 | 1.9% | 5.0% | -0.4% |

Source: U.S. Bureau of Labor Statistics March 2016

*2015 data is through Dec

Total employment in the MSA increased from 2004 to 2007 followed by a period of contraction from 2008 to 2010, which is consistent with national trends. Over this same period, the unemployment rate increased from an average rate in the five to six percent range to approximately 10 percent. The local economy began to rebound in 2011 with employment growth in the two percent range while the unemployment gradually began to decline. As of December 2015 year over year data, the MSA’s total employment growth rate at 4.1 percent is double that of the nation over the same period while the MSA’s unemployment rate declined to a pre-recession low of 4.6 percent, falling below that of the nation.

Housing and Economy

The overall vacancy rate among the LIHTC properties is less than one percent and all of these properties currently maintain waiting lists. There are no proposed affordable or market rate multifamily rental properties proposed or under construction in the county. Based on the performance of the existing affordable properties as well as the lack of new supply, it appears that the Subject will fill a housing void in the local area.

The effect of the recession on the local housing market appears to have subsided as the foreclosure rate in Honea Path has declined since 2014 to a rate of one in every 1,556 housing units, according to RealtyTrac’s January 2016 estimates. Anderson County experienced a higher foreclosure rate of one in every 959 housing units. Honea Path’s rate is lower than that of the county, the nation (one in every 1,387 housing units), and state (one in every 1,188 housing units).

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. As illustrated, the average travel time is 26 minutes. Approximately 54 percent of households have commute times of less than 25 minutes. This indicates that there is a mix of households that work in the PMA and those that work outside the PMA. A considerable portion, 17%, have commute times of 30 to 34 minutes, which indicates that these households are commuting to areas such as Anderson for employment.

COMMUTING PATTERNS

| 2000 Commuting Time to Work | Number of Commuters | Percentage |
|------------------------------------|----------------------------|-------------------|
| Travel Time < 5 min | 461 | 3.18% |
| Travel Time 5-9 min | 1,585 | 10.93% |
| Travel Time 10-14 min | 1,764 | 12.17% |
| Travel Time 15-19 min | 1,910 | 13.18% |
| Travel Time 20-24 min | 2,044 | 14.10% |
| Travel Time 25-29 min | 918 | 6.33% |
| Travel Time 30-34 min | 2,487 | 17.16% |
| Travel Time 35-39 min | 675 | 4.66% |
| Travel Time 40-44 min | 610 | 4.21% |
| Travel Time 45-59 min | 1,217 | 8.39% |
| Travel Time 60-89 min | 483 | 3.33% |
| Travel Time 90+ min | 343 | 2.37% |
| Average Travel Time | 26.4 | - |

Source: US Census 2000, Novogradac & Company, LLP, March 2016

Conclusions

Overall, the local economy is outperforming the nation in terms of total employment growth and unemployment rate declines over the past year. Total employment in the MSA increased from 2004 to 2007 followed by a period of contraction from 2008 to 2010, which is consistent with national trends. Over this same period, the unemployment rate increased from an average rate in the five to six percent range to approximately 10 percent. The local economy began to rebound in 2011 with employment growth in the two percent range while the unemployment gradually began to decline. As of December 2015 year over year data, the MSA’s total employment growth rate at 4.1 percent is double that of the nation over the same period while the MSA’s unemployment rate declined to a pre-recession low of 4.6 percent, falling below that of the nation.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Greenville-Anderson-Mauldin, SC MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Population Growth Rate.

TOTAL POPULATION

| Year | PMA | | Greenville-Anderson-Mauldin, SC MSA | | USA | |
|---------------------------------|--------|---------------|-------------------------------------|---------------|-------------|------|
| | Number | Annual Change | Number | Annual Change | Number | - |
| 2000 | 32,612 | - | 725,678 | - | 281,421,906 | - |
| 2010 | 33,263 | 0.2% | 824,112 | 1.4% | 308,745,538 | 1.0% |
| 2015 | 33,503 | 0.1% | 860,304 | 0.8% | 318,536,439 | 0.6% |
| Projected Mkt Entry May 2018 | 33,724 | 0.2% | 883,537 | 1.0% | 325,385,249 | 0.8% |
| 2020 | 33,893 | 0.2% | 901,303 | 1.0% | 330,622,575 | 0.8% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

POPULATION BY AGE IN 2015

| Age Cohort | PMA | | Greenville-Anderson-Mauldin, SC MSA | | USA | |
|--------------|---------------|---------------|-------------------------------------|---------------|--------------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| 0-4 | 1,919 | 5.7% | 53,092 | 6.2% | 19,799,863 | 6.2% |
| 5-9 | 1,974 | 5.9% | 55,062 | 6.4% | 20,344,510 | 6.4% |
| 10-14 | 2,035 | 6.1% | 53,919 | 6.3% | 20,559,391 | 6.5% |
| 15-19 | 2,197 | 6.6% | 58,077 | 6.8% | 20,881,858 | 6.6% |
| 20-24 | 2,182 | 6.5% | 63,258 | 7.4% | 22,924,004 | 7.2% |
| 25-29 | 1,809 | 5.4% | 54,328 | 6.3% | 21,816,790 | 6.8% |
| 30-34 | 1,802 | 5.4% | 54,226 | 6.3% | 21,473,655 | 6.7% |
| 35-39 | 1,971 | 5.9% | 52,510 | 6.1% | 19,766,064 | 6.2% |
| 40-44 | 2,093 | 6.2% | 56,234 | 6.5% | 20,273,142 | 6.4% |
| 45-49 | 2,099 | 6.3% | 56,153 | 6.5% | 20,491,186 | 6.4% |
| 50-54 | 2,406 | 7.2% | 60,781 | 7.1% | 22,396,944 | 7.0% |
| 55-59 | 2,551 | 7.6% | 58,997 | 6.9% | 21,895,695 | 6.9% |
| 60-64 | 2,351 | 7.0% | 51,525 | 6.0% | 18,945,154 | 5.9% |
| 65-69 | 2,112 | 6.3% | 46,172 | 5.4% | 15,996,061 | 5.0% |
| 70-74 | 1,526 | 4.6% | 33,365 | 3.9% | 11,328,997 | 3.6% |
| 75-79 | 1,068 | 3.2% | 22,279 | 2.6% | 7,884,187 | 2.5% |
| 80-84 | 719 | 2.1% | 15,212 | 1.8% | 5,668,292 | 1.8% |
| 85+ | 690 | 2.1% | 15,115 | 1.8% | 6,090,646 | 1.9% |
| Total | 33,504 | 100.0% | 860,305 | 100.0% | 318,536,439 | 100.0% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

The population in the PMA increased at an annual rate of 0.2 percent from 2000 to 2015, a slower rate than the MSA and nation. This trend is expected as the PMA encompasses rural markets. The population in the PMA is expected to continue to increase through the projected market entry date

and 2018 at 0.2 percent per annum. The population in the PMA in 2015 was concentrated most heavily in the 50 to 64 age groups, with these ages representing 28 percent of the total population in the PMA. Through market entry and 2018, the 50 to 64 age groups will still have the highest representation in the PMA.

Household Trends

Total Number of Households, Average Household Size, and Group Quarters

TOTAL NUMBER OF HOUSEHOLDS

| Year | PMA | | Greenville-Anderson-Mauldin, SC MSA | | USA | |
|---------------------------------|---------------|----------------------|-------------------------------------|----------------------|---------------|----------------------|
| | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> |
| 2000 | 12,946 | - | 282,802 | - | 105,480,101 | - |
| 2010 | 13,122 | 0.1% | 321,113 | 1.4% | 116,716,292 | 1.1% |
| 2015 | 13,252 | 0.2% | 335,629 | 0.9% | 120,746,349 | 0.7% |
| Projected Mkt Entry May 2018 | 13,346 | 0.3% | 344,792 | 1.0% | 123,427,370 | 0.8% |
| 2020 | 13,418 | 0.3% | 351,799 | 1.0% | 125,477,562 | 0.8% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

AVERAGE HOUSEHOLD SIZE

| Year | PMA | | Greenville-Anderson-Mauldin, SC MSA | | USA | |
|---------------------------------|---------------|----------------------|-------------------------------------|----------------------|---------------|----------------------|
| | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> |
| 2000 | 2.46 | - | 2.48 | - | 2.59 | - |
| 2010 | 2.47 | 0.0% | 2.49 | 0.0% | 2.58 | -0.1% |
| 2015 | 2.46 | 0.0% | 2.49 | 0.0% | 2.57 | 0.0% |
| Projected Mkt Entry May 2018 | 2.46 | 0.0% | 2.49 | 0.0% | 2.57 | 0.0% |
| 2020 | 2.46 | 0.0% | 2.49 | 0.0% | 2.57 | 0.0% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

POPULATION IN GROUP QUARTERS

| Year | PMA | Greenville-Anderson-Mauldin, SC MSA |
|------|-----|-------------------------------------|
| 2000 | 754 | - |
| 2010 | 840 | 1.1% |
| 2014 | 840 | 0.0% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

Similar to population trends, the total number of households in the PMA is projected to increase at a rate of 0.2 percent annually through market entry in 2018, lagging growth rates in the MSA and nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of group quarters in the PMA and MSA grew between 2000 and 2015; however, no growth is expected in these categories from 2015 through 2020.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2020.

TENURE PATTERNS PMA

| Year | Owner-Occupied | Percentage | Renter-Occupied | Percentage |
|---------------------|----------------|----------------|-----------------|-----------------|
| | Units | Owner-Occupied | Units | Renter-Occupied |
| 2000 | 10,495 | 81.1% | 2,451 | 18.9% |
| 2010 | 10,060 | 76.7% | 3,062 | 23.3% |
| 2015 | 9,856 | 74.4% | 3,396 | 25.6% |
| Projected Mkt Entry | | | | |
| May 2018 | 9,916 | 74.30% | 3,431 | 25.70% |
| 2020 | 9,961 | 74.2% | 3,457 | 25.76% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

The PMA is dominated by owner-occupied housing units. In 2015, there were approximately 3,396 renter-occupied households in the PMA, equaling 25.6 percent of households in the PMA. Through market entry and 2020, the number and percent of renter households are expected to increase slightly.

Household Income Distribution

The following table depicts household incomes in the PMA from 2010 to 2020.

HOUSEHOLD INCOME DISTRIBUTION - PMA

| Income Cohort | 2010 | | 2015 | | Projected Mkt Entry May 2018 | | 2020 | |
|-------------------|---------------|---------------|---------------|---------------|------------------------------|---------------|---------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 1,358 | 10.3% | 1,785 | 13.5% | 1,908 | 14.3% | 2,003 | 14.9% |
| \$10,000-19,999 | 2,080 | 15.9% | 2,749 | 20.7% | 2,859 | 21.4% | 2,943 | 21.9% |
| \$20,000-29,999 | 1,977 | 15.1% | 2,057 | 15.5% | 2,079 | 15.6% | 2,096 | 15.6% |
| \$30,000-39,999 | 1,250 | 9.5% | 1,195 | 9.0% | 1,206 | 9.0% | 1,214 | 9.0% |
| \$40,000-49,999 | 1,247 | 9.5% | 1,238 | 9.3% | 1,272 | 9.5% | 1,297 | 9.7% |
| \$50,000-59,999 | 1,203 | 9.2% | 1,115 | 8.4% | 1,096 | 8.2% | 1,081 | 8.1% |
| \$60,000-74,999 | 1,357 | 10.3% | 1,198 | 9.0% | 1,146 | 8.6% | 1,107 | 8.2% |
| \$75,000-99,999 | 1,426 | 10.9% | 1,143 | 8.6% | 1,080 | 8.1% | 1,032 | 7.7% |
| \$100,000-124,999 | 664 | 5.1% | 434 | 3.3% | 394 | 3.0% | 363 | 2.7% |
| \$125,000-149,999 | 210 | 1.6% | 129 | 1.0% | 120 | 0.9% | 113 | 0.8% |
| \$150,000-199,999 | 252 | 1.9% | 155 | 1.2% | 139 | 1.0% | 126 | 0.9% |
| \$200,000+ | 98 | 0.7% | 54 | 0.4% | 48 | 0.4% | 44 | 0.3% |
| Total | 13,122 | 100.0% | 13,252 | 100.0% | 13,346 | 100.0% | 13,418 | 100.0% |

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2016

The Subject will target households earning between \$16,903 and \$37,680. As the table above depicts, approximately 25 percent of households in the PMA are earning between \$20,000 and \$39,999 in 2015.

Renter Household Income Distribution

The following table depicts renter household incomes in the PMA from 2010 to 2020.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

| Income Cohort | 2010 | | 2015 | | Projected Mkt Entry May 2018 | | 2020 | |
|-------------------|--------------|---------------|--------------|---------------|------------------------------|---------------|--------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 513 | 16.8% | 698 | 20.6% | 737 | 21.5% | 767 | 22.2% |
| \$10,000-19,999 | 728 | 23.8% | 1,008 | 29.7% | 1,037 | 30.2% | 1,060 | 30.7% |
| \$20,000-29,999 | 554 | 18.1% | 602 | 17.7% | 599 | 17.5% | 597 | 17.3% |
| \$30,000-39,999 | 297 | 9.7% | 276 | 8.1% | 267 | 7.8% | 260 | 7.5% |
| \$40,000-49,999 | 156 | 5.1% | 142 | 4.2% | 147 | 4.3% | 151 | 4.4% |
| \$50,000-59,999 | 293 | 9.6% | 268 | 7.9% | 260 | 7.6% | 254 | 7.4% |
| \$60,000-74,999 | 226 | 7.4% | 163 | 4.8% | 155 | 4.5% | 148 | 4.3% |
| \$75,000-99,999 | 114 | 3.7% | 95 | 2.8% | 91 | 2.7% | 88 | 2.6% |
| \$100,000-124,999 | 91 | 3.0% | 83 | 2.4% | 77 | 2.2% | 73 | 2.1% |
| \$125,000-149,999 | 31 | 1.0% | 19 | 0.6% | 21 | 0.6% | 24 | 0.7% |
| \$150,000-199,999 | 46 | 1.5% | 25 | 0.7% | 26 | 0.7% | 26 | 0.7% |
| \$200,000+ | 14 | 0.4% | 15 | 0.5% | 12 | 0.3% | 9 | 0.3% |
| Total | 3,062 | 100.0% | 3,396 | 100.0% | 3,431 | 100.0% | 3,457 | 100.0% |

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2016

Renter households with incomes between \$10,000 and \$29,999 represented 56 percent of the renter households in the PMA in 2015. Households within these income cohorts are expected to create demand for the Subject’s proposed units.

Renter Households by Number of Persons in the Household

The following table illustrates household size for renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

| | 2000 | | 2010 | | 2015 | | Projected Mkt Entry May 2018 | | 2020 | |
|--------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|------------------------------|---------------|--------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| With 1 Person | 851 | 34.7% | 1,032 | 33.7% | 1,155 | 34.0% | 1,172 | 34.2% | 1,185 | 34.3% |
| With 2 Persons | 598 | 24.4% | 807 | 26.3% | 889 | 26.2% | 896 | 26.1% | 901 | 26.1% |
| With 3 Persons | 538 | 21.9% | 506 | 16.5% | 567 | 16.7% | 572 | 16.7% | 576 | 16.7% |
| With 4 Persons | 299 | 12.2% | 400 | 13.0% | 438 | 12.9% | 441 | 12.8% | 442 | 12.8% |
| With 5+ Persons | 165 | 6.7% | 317 | 10.3% | 346 | 10.2% | 350 | 10.2% | 353 | 10.2% |
| Total Renter Households | 2,451 | 100.0% | 3,062 | 100.0% | 3,396 | 100.0% | 3,431 | 100.0% | 3,457 | 100.0% |

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2016

The Subject will offer a wide range of unit sizes from one- to four-bedroom units. Therefore, the Subject will capture a large swath of these renters.

Conclusion

The total population in the PMA increased at an annual rate of 0.2 percent from 2010 to 2015. Any population growth in a rural area such as the PMA is considered a positive indicator. The population in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.2 percent annually. The Subject will target households earning between \$16,903 and \$37,680. Renter households with incomes between \$10,000 and \$29,999 represented 56 percent of the renter households in the PMA in 2015. Households within these cohorts are projected to generate demand for the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by SCSHFDA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For senior properties we have assumed a maximum of one person per bedroom with a maximum household size of two persons.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Business Information Solutions to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website.

2. Affordability

As discussed above, the maximum income is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 percent for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis.

3. Minimum and Maximum Income Levels

The following table illustrates the minimum and maximum income levels for the Subject’s units.

| Income Cohorts | | |
|-----------------------|-----------------------|-----------------------|
| Unit Type | Minimum Income | Maximum Income |
| 50% | \$16,903 | \$31,400 |
| 60% | \$16,903 | \$37,680 |
| Overall | \$16,903 | \$37,680 |

4. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2015 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2018. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. This does not apply as the Subject is targeted to families. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2015 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to SCSHFDA, the Subject’s first phase is the only LIHTC property in the PMA that was placed in service. There are no other properties that recently opened, are proposed, or are under construction in the PMA. We have removed Laurel Street Village Phase I’s units from the demand analysis.

4 and 5. Method - Capture Rates

The above calculations and derived capture rates are illustrated in the following table.

| Renter Household Income Distribution 2015-2020 | | | | | | | | |
|--|-------|--------|------------------------------|--------|-------|--------|----------------|--|
| Laurel Street Village Phase II | | | | | | | | |
| PMA | | | | | | | | |
| | 2015 | | Projected Mkt Entry May 2018 | | 2020 | | Percent Growth | |
| | # | % | # | % | # | % | | |
| \$0-9,999 | 698 | 20.6% | 737 | 21.5% | 767 | 22.2% | 9.0% | |
| \$10,000-19,999 | 1,008 | 29.7% | 1,037 | 30.2% | 1,060 | 30.7% | 4.8% | |
| \$20,000-29,999 | 602 | 17.7% | 599 | 17.5% | 597 | 17.3% | -0.9% | |
| \$30,000-39,999 | 276 | 8.1% | 267 | 7.8% | 260 | 7.5% | -6.1% | |
| \$40,000-49,999 | 142 | 4.2% | 147 | 4.3% | 151 | 4.4% | 5.9% | |
| \$50,000-59,999 | 268 | 7.9% | 260 | 7.6% | 254 | 7.4% | -5.4% | |
| \$60,000-74,999 | 163 | 4.8% | 155 | 4.5% | 148 | 4.3% | -10.4% | |
| \$75,000-99,999 | 95 | 2.8% | 91 | 2.7% | 88 | 2.6% | -7.2% | |
| \$100,000-124,999 | 83 | 2.4% | 77 | 2.2% | 73 | 2.1% | -13.6% | |
| \$125,000-149,999 | 19 | 0.6% | 21 | 0.6% | 24 | 0.7% | 20.3% | |
| \$150,000-199,999 | 25 | 0.7% | 26 | 0.7% | 26 | 0.7% | 1.5% | |
| \$200,000+ | 15 | 0.5% | 12 | 0.3% | 9 | 0.3% | -72.4% | |
| Total | 3,396 | 100.0% | 3,431 | 100.0% | 3,457 | 100.0% | 0 | |

| Households by Tenure Projected Mkt Entry May 2018 | | |
|---|--------|------------|
| | Number | Percentage |
| Renter | 3,431 | 25.7% |
| Owner | 9,916 | 74.3% |
| Total | 13,346 | 100.0% |

| Renter Household Size for Projected Mkt Entry May 2018 | | |
|--|--------|------------|
| Size | Number | Percentage |
| 1 | 1,172 | 34.17% |
| 2 | 896 | 26.11% |
| 3 | 572 | 16.67% |
| 4 | 441 | 12.84% |
| 5+ | 350 | 10.20% |
| Total | 3,431 | 100% |

50% AMI Demand

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% | | | |
|---|--|-----------------------|----------------------------------|-----------------------|---------------------------|
| Minimum Income Limit | | \$16,903 | | | |
| Maximum Income Limit | | \$31,400 6 | | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry May 2018 | | Renter Households within Bracket | | |
| | Households | Percent within Cohort | Income Brackets | Percent within Cohort | Households within Bracket |
| \$0-9,999 | 7.43 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 10.45 | 30.2% | 3,096 | 31.0% | 3 |
| \$20,000-29,999 | 6.04 | 17.5% | 9,999 | 100.0% | 6 |
| \$30,000-39,999 | 2.69 | 7.8% | 1,400 | 14.0% | 0 |
| \$40,000-49,999 | 1.48 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 2.62 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 1.56 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 0.92 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 0.78 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 0.22 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.12 | 0.3% | | 0.0% | 0 |
| | 35 | 100.0% | | | 10 |
| Percent of renter households within limits versus total number of renter households | | | | | 27.93% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% | | | |
|---|---|-----------------------|---------------------------|-----------------------|---------------------------|
| Minimum Income Limit | | \$16,903 | | | |
| Maximum Income Limit | | \$31,400 6 | | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry May 2018 | | Households within Bracket | | |
| | Households | Percent within Cohort | Income Brackets | Percent within Cohort | Households within Bracket |
| \$0-9,999 | 737 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 1,037 | 30.2% | \$3,096 | 31.0% | 321 |
| \$20,000-29,999 | 599 | 17.5% | \$9,999 | 100.0% | 599 |
| \$30,000-39,999 | 267 | 7.8% | \$1,400 | 14.0% | 37 |
| \$40,000-49,999 | 147 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 260 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 155 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 91 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 77 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 21 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 12 | 0.3% | | 0.0% | 0 |
| | 3,431 | 100.0% | | | 958 |
| Percent of renter households within limits versus total number of renter households | | | | | 27.93% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------|
| No |
| Family |
| Rural |
| 35% |
| \$34,833 |
| \$40,312 |
| \$5,479 |
| 13.6% |
| 0.1% |
| 0.1% |
| Two year adjustment |
| 1.0000 |
| \$31,400 |
| \$31,400 |
| 6 |
| 50% |
| \$493 |
| \$493.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 90% | 10% | 0% | 0% | 0% | 100% |
| 2 | 0% | 20% | 80% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 70% | 30% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 40% | 60% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

| | |
|--|-------|
| Income Target Population | 50% |
| New Renter Households PMA | 35 |
| Percent Income Qualified | 27.9% |
| New Renter Income Qualified Households | 10 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

| | |
|---|-------|
| Income Target Population | 50% |
| Total Existing Demand | 3,431 |
| Income Qualified | 27.9% |
| Income Qualified Renter Households | 958 |
| Percent Rent Overburdened Prj Mrkt Entry May 2018 | 26.4% |
| Rent Overburdened Households | 253 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | |
|--|------|
| Income Qualified Renter Households | 958 |
| Percent Living in Substandard Housing | 0.6% |
| Households Living in Substandard Housing | 6 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | |
|---|------|
| Income Target Population | 50% |
| Total Senior Homeowners | 0 |
| Rural Versus Urban | 5.0% |
| Senior Demand Converting from Homeownership | 0 |

Total Demand

| | |
|---|-----|
| Total Demand from Existing Households | 259 |
| Adjusted Demand from Existing Households | 259 |
| Total New Demand | 10 |
| Total Demand (New Plus Existing Households) | 268 |

| | |
|---|------|
| Demand from Seniors Who Convert from Homeownership | 0 |
| Percent of Total Demand From Homeownership Conversion | 0.0% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 34.2% | 92 |
| Two Persons | 26.1% | 70 |
| Three Persons | 16.7% | 45 |
| Four Persons | 12.8% | 34 |
| Five Persons | 10.2% | 27 |
| Total | 100.0% | 268 |

| <u>To place Person Demand into Bedroom Type Units</u> | | |
|--|------------|-------------|
| Of one-person households in 1BR units | 90% | 82 |
| Of two-person households in 1BR units | 20% | 14 |
| Of three-person households in 1BR units | 0% | 0 |
| Of four-person households in 1BR units | 0% | 0 |
| <u>Of five-person households in 1BR units</u> | <u>0%</u> | <u>0</u> |
| Of one-person households in 2BR units | 10% | 9 |
| Of two-person households in 2BR units | 80% | 56 |
| Of three-person households in 2BR units | 60% | 27 |
| Of four-person households in 2BR units | 0% | 0 |
| <u>Of five-person households in 2BR units</u> | <u>0%</u> | <u>0</u> |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 18 |
| Of four-person households in 3BR units | 70% | 24 |
| <u>Of five-person households in 3BR units</u> | <u>40%</u> | <u>11</u> |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 30% | 10 |
| <u>Of five-person households in 4BR units</u> | <u>60%</u> | <u>16</u> |
| Total Demand | | 268 |
| <u>Total Demand by Bedroom</u> | | <u>50%</u> |
| 1 BR | | 96 |
| 2 BR | | 92 |
| 3 BR | | 53 |
| <u>4 BR</u> | | <u>27</u> |
| Total Demand | | 268 |
| <u>Additions To Supply 2015 to Prj Mrkt Entry May 2018</u> | | <u>50%</u> |
| 1 BR | | 0 |
| 2 BR | | 6 |
| 3 BR | | 5 |
| <u>4 BR</u> | | <u>0</u> |
| Total | | 11 |
| <u>Net Demand</u> | | <u>50%</u> |
| 1 BR | | 96 |
| 2 BR | | 86 |
| 3 BR | | 48 |
| <u>4 BR</u> | | <u>27</u> |
| Total | | 257 |
| <u>Developer's Unit Mix</u> | | <u>50%</u> |
| 1 BR | | 2 |
| 2 BR | | 2 |
| 3 BR | | 1 |
| <u>4 BR</u> | | <u>2</u> |
| Total | | 7 |
| <u>Capture Rate Analysis</u> | | <u>50%</u> |
| 1 BR | | 2.1% |
| 2 BR | | 2.3% |
| 3 BR | | 2.1% |
| <u>4 BR</u> | | <u>7.5%</u> |
| Total | | 2.7% |

60% AMI Demand

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% | | | |
|---|--|-----------------------|----------------------------------|-----------------------|---------------------------|
| Minimum Income Limit | | \$16,903 | | | |
| Maximum Income Limit | | \$37,680 | | 6 | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry May 2018 | | Renter Households within Bracket | | |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | Households within Bracket |
| \$0-9,999 | 7.43 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 10.45 | 30.2% | 3,096 | 31.0% | 3 |
| \$20,000-29,999 | 6.04 | 17.5% | 9,999 | 100.0% | 6 |
| \$30,000-39,999 | 2.69 | 7.8% | 7,680 | 76.8% | 2 |
| \$40,000-49,999 | 1.48 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 2.62 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 1.56 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 0.92 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 0.78 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 0.22 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.12 | 0.3% | | 0.0% | 0 |
| | 35 | 100.0% | | | 11 |
| Percent of renter households within limits versus total number of renter households | | | | | 32.81% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% | | | |
|---|---|-----------------------|---------------------------|-----------------------|---------------------------|
| Minimum Income Limit | | \$16,903 | | | |
| Maximum Income Limit | | \$37,680 | | 6 | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry May 2018 | | Households within Bracket | | |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | Households within Bracket |
| \$0-9,999 | 737 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 1,037 | 30.2% | \$3,096 | 31.0% | 321 |
| \$20,000-29,999 | 599 | 17.5% | \$9,999 | 100.0% | 599 |
| \$30,000-39,999 | 267 | 7.8% | \$7,680 | 76.8% | 205 |
| \$40,000-49,999 | 147 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 260 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 155 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 91 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 77 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 21 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 12 | 0.3% | | 0.0% | 0 |
| | 3,431 | 100.0% | | | 1,126 |
| Percent of renter households within limits versus total number of renter households | | | | | 32.81% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------|
| No |
| Family |
| Rural |
| 35% |
| \$34,833 |
| \$40,312 |
| \$5,479 |
| 13.6% |
| 0.1% |
| 0.1% |
| Two year adjustment |
| 1.0000 |
| \$37,680 |
| \$37,680 |
| 6 |
| 60% |
| \$493 |
| \$493.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 90% | 10% | 0% | 0% | 0% | 100% |
| 2 | 0% | 20% | 80% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 70% | 30% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 40% | 60% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

| | |
|--|-------|
| Income Target Population | 60% |
| New Renter Households PMA | 35 |
| Percent Income Qualified | 32.8% |
| New Renter Income Qualified Households | 11 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

| | |
|---|-------|
| Income Target Population | 60% |
| Total Existing Demand | 3,431 |
| Income Qualified | 32.8% |
| Income Qualified Renter Households | 1,126 |
| Percent Rent Overburdened Prj Mrkt Entry May 2018 | 26.4% |
| Rent Overburdened Households | 297 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | |
|--|-------|
| Income Qualified Renter Households | 1,126 |
| Percent Living in Substandard Housing | 0.6% |
| Households Living in Substandard Housing | 7 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | |
|---|------|
| Income Target Population | 60% |
| Total Senior Homeowners | 0 |
| Rural Versus Urban | 5.0% |
| Senior Demand Converting from Homeownership | 0 |

Total Demand

| | |
|---|-----|
| Total Demand from Existing Households | 304 |
| Adjusted Demand from Existing Households | 304 |
| Total New Demand | 11 |
| Total Demand (New Plus Existing Households) | 315 |

| | |
|---|------|
| Demand from Seniors Who Convert from Homeownership | 0 |
| Percent of Total Demand From Homeownership Conversion | 0.0% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 34.2% | 108 |
| Two Persons | 26.1% | 82 |
| Three Persons | 16.7% | 53 |
| Four Persons | 12.8% | 40 |
| Five Persons | 10.2% | 32 |
| Total | 100.0% | 315 |

| <u>To place Person Demand into Bedroom Type Units</u> | | |
|--|------------|--------------|
| Of one-person households in 1BR units | 90% | 97 |
| Of two-person households in 1BR units | 20% | 16 |
| Of three-person households in 1BR units | 0% | 0 |
| Of four-person households in 1BR units | 0% | 0 |
| <u>Of five-person households in 1BR units</u> | <u>0%</u> | <u>0</u> |
| Of one-person households in 2BR units | 10% | 11 |
| Of two-person households in 2BR units | 80% | 66 |
| Of three-person households in 2BR units | 60% | 32 |
| Of four-person households in 2BR units | 0% | 0 |
| <u>Of five-person households in 2BR units</u> | <u>0%</u> | <u>0</u> |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 21 |
| Of four-person households in 3BR units | 70% | 28 |
| <u>Of five-person households in 3BR units</u> | <u>40%</u> | <u>13</u> |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 30% | 12 |
| <u>Of five-person households in 4BR units</u> | <u>60%</u> | <u>19</u> |
| Total Demand | | 315 |
| <u>Total Demand by Bedroom</u> | <u>60%</u> | |
| 1 BR | | 113 |
| 2 BR | | 108 |
| 3 BR | | 62 |
| <u>4 BR</u> | | <u>31</u> |
| Total Demand | | 315 |
| <u>Additions To Supply 2015 to Prj Mrkt Entry May 2018</u> | <u>60%</u> | |
| 1 BR | | 0 |
| 2 BR | | 17 |
| 3 BR | | 14 |
| <u>4 BR</u> | | <u>0</u> |
| Total | | 31 |
| <u>Net Demand</u> | <u>60%</u> | |
| 1 BR | | 113 |
| 2 BR | | 91 |
| 3 BR | | 48 |
| <u>4 BR</u> | | <u>31</u> |
| Total | | 284 |
| <u>Developer's Unit Mix</u> | <u>60%</u> | |
| 1 BR | | 6 |
| 2 BR | | 14 |
| 3 BR | | 1 |
| <u>4 BR</u> | | <u>6</u> |
| Total | | 27 |
| <u>Capture Rate Analysis</u> | <u>60%</u> | |
| 1 BR | | 5.3% |
| 2 BR | | 15.4% |
| 3 BR | | 2.1% |
| <u>4 BR</u> | | <u>19.1%</u> |
| Total | | 9.5% |

Overall Demand

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | | Overall | | |
|---|--|--------|-----------------|-----------------------|----------------------------------|
| Minimum Income Limit | | | \$16,903 | | |
| Maximum Income Limit | | | \$37,680 6 | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry May 2018 | | Income Brackets | Percent within Cohort | Renter Households within Bracket |
| | | | | | |
| \$0-9,999 | 7.43 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 10.45 | 30.2% | 3,096 | 31.0% | 3 |
| \$20,000-29,999 | 6.04 | 17.5% | 9,999 | 100.0% | 6 |
| \$30,000-39,999 | 2.69 | 7.8% | 7,680 | 76.8% | 2 |
| \$40,000-49,999 | 1.48 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 2.62 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 1.56 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 0.92 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 0.78 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 0.22 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.12 | 0.3% | | 0.0% | 0 |
| | 35 | 100.0% | | | 11 |
| Percent of renter households within limits versus total number of renter households | | | | | 32.81% |

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | | Overall | | |
|---|---|--------|-----------------|-----------------------|---------------------------|
| Minimum Income Limit | | | \$16,903 | | |
| Maximum Income Limit | | | \$37,680 6 | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry May 2018 | | Income Brackets | Percent within Cohort | Households within Bracket |
| | | | | | |
| \$0-9,999 | 737 | 21.5% | | 0.0% | 0 |
| \$10,000-19,999 | 1,037 | 30.2% | \$3,096 | 31.0% | 321 |
| \$20,000-29,999 | 599 | 17.5% | \$9,999 | 100.0% | 599 |
| \$30,000-39,999 | 267 | 7.8% | \$7,680 | 76.8% | 205 |
| \$40,000-49,999 | 147 | 4.3% | | 0.0% | 0 |
| \$50,000-59,999 | 260 | 7.6% | | 0.0% | 0 |
| \$60,000-74,999 | 155 | 4.5% | | 0.0% | 0 |
| \$75,000-99,999 | 91 | 2.7% | | 0.0% | 0 |
| \$100,000-124,999 | 77 | 2.2% | | 0.0% | 0 |
| \$125,000-149,999 | 21 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 26 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 12 | 0.3% | | 0.0% | 0 |
| | 3,431 | 100.0% | | | 1,126 |
| Percent of renter households within limits versus total number of renter households | | | | | 32.81% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| | | |
|----------|---------------------|--------|
| No | | |
| Family | | |
| Rural | | |
| 35% | | |
| \$34,833 | | |
| \$40,312 | | |
| \$5,479 | | |
| 13.6% | | |
| 0.1% | | |
| 0.1% | Two year adjustment | 1.0000 |
| \$37,680 | | |
| \$37,680 | | |
| \$6 | | |
| Overall | | |
| \$493 | | |
| \$493.00 | | |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 90% | 10% | 0% | 0% | 0% | 100% |
| 2 | 0% | 20% | 80% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 70% | 30% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 40% | 60% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

| | |
|--|---------|
| Income Target Population | Overall |
| New Renter Households PMA | 35 |
| Percent Income Qualified | 32.8% |
| New Renter Income Qualified Households | 11 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

| | |
|---|---------|
| Income Target Population | Overall |
| Total Existing Demand | 3,431 |
| Income Qualified | 32.8% |
| Income Qualified Renter Households | 1,126 |
| Percent Rent Overburdened Prj Mrkt Entry May 2018 | 26.4% |
| Rent Overburdened Households | 297 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | |
|--|-------|
| Income Qualified Renter Households | 1,126 |
| Percent Living in Substandard Housing | 0.6% |
| Households Living in Substandard Housing | 7 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | |
|---|---------|
| Income Target Population | Overall |
| Total Senior Homeowners | 0 |
| Rural Versus Urban | 5.0% |
| Senior Demand Converting from Homeownership | 0 |

Total Demand

| | |
|---|-----|
| Total Demand from Existing Households | 304 |
| Adjusted Demand from Existing Households | 304 |
| Total New Demand | 11 |
| Total Demand (New Plus Existing Households) | 315 |

| | |
|---|------|
| Demand from Seniors Who Convert from Homeownership | 0 |
| Percent of Total Demand From Homeownership Conversion | 0.0% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 34.2% | 108 |
| Two Persons | 26.1% | 82 |
| Three Persons | 16.7% | 53 |
| Four Persons | 12.8% | 40 |
| Five Persons | 10.2% | 32 |
| Total | 100.0% | 315 |

| <u>To place Person Demand into Bedroom Type Units</u> | | |
|--|-----|----------------|
| Of one-person households in 1BR units | 90% | 97 |
| Of two-person households in 1BR units | 20% | 16 |
| Of three-person households in 1BR units | 0% | 0 |
| Of four-person households in 1BR units | 0% | 0 |
| Of five-person households in 1BR units | 0% | 0 |
| Of one-person households in 2BR units | 10% | 11 |
| Of two-person households in 2BR units | 80% | 66 |
| Of three-person households in 2BR units | 60% | 32 |
| Of four-person households in 2BR units | 0% | 0 |
| Of five-person households in 2BR units | 0% | 0 |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 21 |
| Of four-person households in 3BR units | 70% | 28 |
| Of five-person households in 3BR units | 40% | 13 |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 30% | 12 |
| Of five-person households in 4BR units | 60% | 19 |
| Total Demand | | 315 |
| <u>Total Demand by Bedroom</u> | | <u>Overall</u> |
| 1 BR | | 113 |
| 2 BR | | 108 |
| 3 BR | | 62 |
| 4 BR | | 31 |
| Total Demand | | 315 |
| <u>Additions To Supply 2015 to Prj Mrkt Entry May 2018</u> | | <u>Overall</u> |
| 1 BR | | 0 |
| 2 BR | | 23 |
| 3 BR | | 19 |
| 4 BR | | 0 |
| Total | | 42 |
| <u>Net Demand</u> | | <u>Overall</u> |
| 1 BR | | 113 |
| 2 BR | | 85 |
| 3 BR | | 43 |
| 4 BR | | 31 |
| Total | | 273 |
| <u>Developer's Unit Mix</u> | | <u>Overall</u> |
| 1 BR | | 8 |
| 2 BR | | 16 |
| 3 BR | | 2 |
| 4 BR | | 8 |
| Total | | 34 |
| <u>Capture Rate Analysis</u> | | <u>Overall</u> |
| 1 BR | | 7.1% |
| 2 BR | | 18.8% |
| 3 BR | | 4.6% |
| 4 BR | | 25.5% |
| Total | | 12.5% |

Conclusions

One factor that affects the indicated capture rates is detailed as follows:

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Market participants indicated that Honea Path is a bedroom community for larger cities that are located outside of the PMA including Anderson and Greenville. We expect that approximately 10 percent of the Subject’s tenants will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

The following tables summarize the demand and net demand and capture rates for the Subject.

Demand and Net Demand - All Units

| | HH at 50% AMI (\$16,903 to \$31,400 income) | HH at 60% AMI (\$16,903 to \$37,680 income) | All Tax Credit Households (\$16,903 to \$37,680 income) |
|--|---|---|--|
| Demand from New Households (age and income appropriate) | 10 | 11 | 11 |
| PLUS | + | + | + |
| Demand from Existing Renter Households - Substandard Housing | 6 | 7 | 7 |
| PLUS | + | + | + |
| Demand from Existing Renter Households - Rent Overburdened Households | 253 | 297 | 297 |
| = | | | |
| Sub Total | 268 | 315 | 315 |
| Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable) | 0 | 0 | 0 |
| Equals Total Demand | 268 | 315 | 315 |
| Less | - | - | - |
| New Supply | 11 | 31 | 42 |
| Equals Net Demand | 257 | 284 | 273 |
| | | | |
| Proposed Subject Units | 7 | 27 | 34 |
| Proposed Subject Units Divided by Net Demand | 2.7% | 9.5% | 12.4% |
| Overall Capture Rate by Income Level | 2.7% | 9.5% | 12.4% |

Over 20 percent of the Subject’s units consist of three-bedroom units or larger. Therefore, we have included a large-household demographic demand evaluation in the following table.

Large-Household (3-Person and larger) Demographic Demand by Targeted Income

| | HH at 50% AMI (\$16,903 to \$31,400 income) | HH at 60% AMI (\$16,903 to \$37,680 income) | All Tax Credit Households (\$16,903 to \$37,680 income) |
|--|--|--|--|
| Demand from New 3-Person+ Large-Households (age and income appropriate) | 3 | 3 | 3 |
| PLUS | + | + | + |
| Demand from Existing 3-Person+ Large-Households Renter Households - Substandard Housing | 2 | 3 | 3 |
| PLUS | + | + | + |
| Demand from Existing 3-Person+ Large-Households Renter Households - Rent Overburdened Households | 97 | 108 | 108 |
| = | | | |
| Total 3-Person+ Large Household Demand | 102 | 114 | 114 |
| Less | - | - | - |
| New Supply (3-bedroom+ Units) | 5 | 14 | 19 |
| Net 3-Person+ Large Household Demand | 97 | 100 | 95 |
| | | | |
| Proposed Subject Units | 3 | 7 | 10 |
| Proposed Subject Units Divided by Net Demand | 3.1% | 7.0% | 10.5% |
| Overall Capture Rate by Income Level | 3.1% | 7.0% | 10.5% |

Note that the above *Demand and Net Demand* estimates include all income-eligible renter households. These estimates are then adjusted to reflect only the size-appropriate households by bedroom type in the following *Capture Rate Analysis*.

CAPTURE RATE ANALYSIS CHART

| Bedrooms/AMI Level | Total Demand | Supply | Net Demand | Units Proposed | Capture Rate |
|---------------------------|---------------------|---------------|-------------------|-----------------------|---------------------|
| 1BR at 50% AMI | 96 | 0 | 96 | 2 | 2% |
| 1BR at 60% AMI | 113 | 0 | 113 | 6 | 5% |
| 1BR All LIHTC | 113 | 0 | 113 | 8 | 7% |
| 2BR at 50% AMI | 92 | 6 | 86 | 2 | 2% |
| 2BR at 60% AMI | 108 | 17 | 91 | 14 | 15% |
| 2BR All LIHTC | 108 | 23 | 85 | 16 | 19% |
| 3BR at 50% AMI | 53 | 5 | 48 | 1 | 2% |
| 3BR at 60% AMI | 62 | 14 | 48 | 1 | 2% |
| 3BR All LIHTC | 62 | 19 | 43 | 2 | 5% |
| 4BR at 50% AMI | 27 | 0 | 27 | 2 | 7% |
| 4BR at 60% AMI | 31 | 0 | 31 | 6 | 19% |
| 4BR All LIHTC | 31 | 0 | 31 | 8 | 25% |
| Overall All LIHTC | 315 | 42 | 273 | 34 | 12% |

As the analysis illustrates, the Subject’s overall capture rates range from 2.7 percent for units at 50 percent AMI to 9.5 percent for units at 60 percent AMI, with an overall capture rate of 12.5 percent. The Subject’s capture rates are within the acceptable demand thresholds and we believe that there is sufficient demand for the Subject’s units in the PMA.

Absorption Rate

Crabapple Chase is a family LIHTC property located in Anderson, outside of the PMA, and is included as a comparable in this report. The property opened in September 2015 and all units were leased within 1.5 months, equating to an absorption rate of approximately 27 units per month. Phase I of the Subject began leasing in mid-December 2015 and the last lease was signed the first week in March 2016. Therefore, the Subject's Phase I reached 100 percent occupancy within three months, which equates to an absorption rate of 14 units per month. Given Phase I's 100 percent occupancy rate and waiting list, we anticipate that the Subject will experience a similar absorption rate, equating to an absorption period of less than three months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We surveyed many properties that we chose not to use in the survey because they were not as comparable to the Subject as others that were selected.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Subsidized properties were excluded due to differing rent structures from the Subject that will operate without a subsidy. The following table illustrates the excluded properties. It should be noted that we contacted all of the excluded properties for vacancy information. Given the small size of the majority of excluded properties, most operate with part-time managers with limited office hours.

The following table illustrates the excluded properties in the PMA.

| Property Name | City | Type | Tenancy | Reason for Exclusion |
|----------------------|-------------|-----------|---------|----------------------|
| Shamrock Apartments | Honea Path | Section 8 | Family | All units subsidized |
| Honea Path Townhomes | Honea Path | USDA | Family | All units subsidized |
| Belton Gardens Apts | Belton | USDA | Family | All units subsidized |
| Town Square | Belton | USDA | Family | All units subsidized |
| Cedar Ridge Manor | Ware Shoals | USDA | Senior | All units subsidized |
| Shoals Pointe Apts | Ware Shoals | USDA | Family | All units subsidized |

LIHTC Competition

With the exception of the Subject’s Phase I, there are no LIHTC properties in the PMA that do not operate as USDA Rural Development properties. Therefore, we have included five LIHTC properties outside of the PMA in Anderson.

Pipeline Construction

There are no other new rental developments in the construction pipeline in Honea Path based upon interviews with the county planning departments. Per the 2014 and 2015 LIHTC allocation lists, there are no proposed LIHTC properties in the PMA. Laurel Street Village Phase I, Allison Square, and Crabapple Chase have all entered the market and undergone absorption. All three are maintaining high occupancy rates.

Comparable Properties

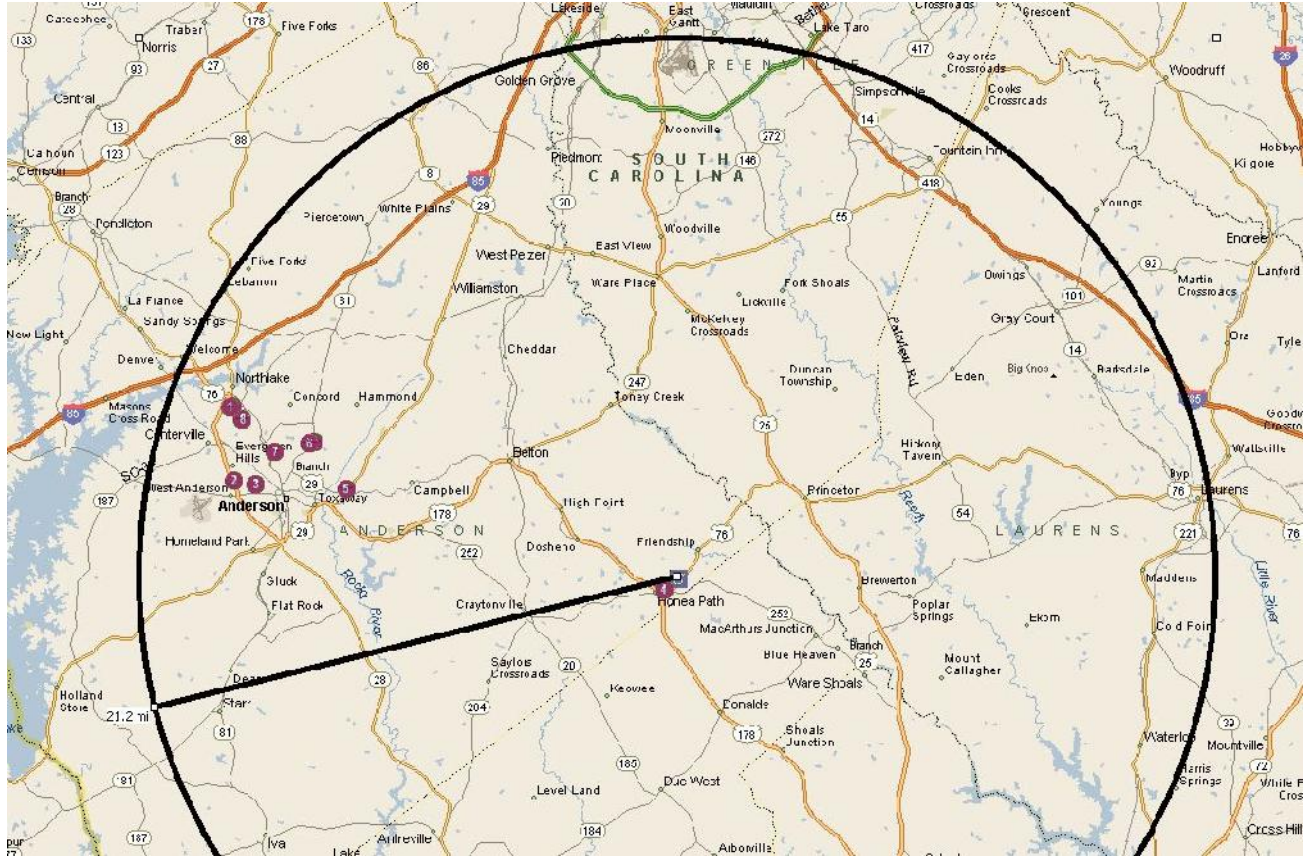
Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 10 comparable properties containing 1,112 units.

The Subject will not offer rental assistance; therefore, we have excluded subsidized properties from the supply analysis. The availability of LIHTC and market rate data in the immediate market was limited and, therefore, we extended the search into Anderson, SC located approximately 19 to 25 miles to the west in Anderson County. All of the LIHTC properties in the PMA operate as USDA

Rural Development properties with subsidy with the exception of the Subject's Phase I, Laurel Street Village. This property is the most comparable property to the Subject. We have included five family LIHTC properties in Anderson and five market rate properties that will generally be inferior to the Subject in terms of age and condition. Two family LIHTC properties in Anderson that are managed by Intermark Management—Oak Place and Park on Market—were unavailable for interview and therefore have been excluded from this analysis. Both are located outside of the PMA and the comparables included in this report provide adequate LIHTC data as they include the newest LIHTC properties (Allison Court and Crabapple Chase). Given the limited market rate data in the PMA, we have supplemented the rent analysis with classified listings (craigslist.com and hotpads.com) of two, three, and four-bedroom units.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. *Comparable Properties Maps*, illustrating the location of the Subject in relation to comparable properties, are also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Comparable Rental Property Map



COMPARABLE PROPERTIES

| # | Property Name | City | Type | Distance |
|----|--------------------------|------------|------------------------|------------|
| 1 | Allison Square | Anderson | @50%, @60%, Non-Rental | 22.5 miles |
| 2 | Crabapple Chase | Anderson | @50%, @60% | 20.4 miles |
| 3 | Hampton Crest | Anderson | @50%, @60% | 19.4 miles |
| 4 | Laurel Street Village I* | Honea Path | @50%, @60% | 0.0 miles |
| 5 | Rocky Creek Village | Anderson | @50%, @60% | 16.9 miles |
| 6 | Ashton Park Apartments | Anderson | Market | 18.6 miles |
| 7 | Bailey Court | Anderson | Market | 19.4 miles |
| 8 | Park Place | Anderson | Market | 21.3 miles |
| 9 | Tanglewood Apartments | Anderson | Market | 17.9 miles |
| 10 | Walden Oaks | Anderson | Market | 22.5 miles |

*Located in PMA

The following tables illustrate unit mix by bedroom type and income level, square footage by bedroom type, year built, common area and in-unit amenities, rent per square foot, monthly rents and utilities included, and vacancy information for the comparable properties and the Subject in a comparative framework.

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

| | | | | | |
|----------------------|--------|-----------------|------|---------------------|--------|
| Effective Rent Date: | Mar-16 | Units Surveyed: | 1112 | Weighted Occupancy: | 96.60% |
| | | Market Rate | 889 | Market Rate | 95.80% |
| | | Tax Credit | 223 | Tax Credit | 99.60% |

| | One Bedroom One Bath | | Two Bedrooms Two Bath | | Three Bedrooms Two Bath | | Four Bedrooms Two and a half Bath | |
|-----------------------------|---|---------------|--|---------------|--|---------------|---|---------------|
| | Property | Average | Property | Average | Property | Average | Property | Average |
| RENT | Ashton Park Apartments | \$1,006 | Ashton Park Apartments | \$1,065 | Ashton Park Apartments | \$1,239 | Crabapple Chase * (2BA 60%) | \$580 |
| | Walden Oaks | \$934 | Ashton Park Apartments | \$1,045 | Walden Oaks | \$951 | Laurel Street Village II * (50%) | \$479 |
| | Tanglewood Apartments | \$670 | Walden Oaks | \$948 | Walden Oaks | \$927 | Laurel Street Village II * (60%) | \$479 |
| | Park Place | \$554 | Walden Oaks | \$934 | Tanglewood Apartments | \$920 | Crabapple Chase * (2BA 50%) | \$436 |
| | Bailey Court | \$505 | Tanglewood Apartments (1.5BA) | \$805 | Park Place (3BA) | \$795 | | |
| | Hampton Crest * (60%) | \$465 | Park Place | \$654 | Rocky Creek Village (fka Anderson Place) * (60%) | \$685 | | |
| | Hampton Crest * (50%) | \$406 | Bailey Court (1BA) | \$586 | Hampton Crest * (60%) | \$624 | | |
| | Laurel Street Village II * (50%) | \$375 | Rocky Creek Village (fka Anderson Place) * (1BA 60%) | \$585 | Crabapple Chase * (60%) | \$553 | | |
| | Laurel Street Village II * (60%) | \$375 | Bailey Court (1BA) | \$566 | Bailey Court (1BA) | \$548 | | |
| | Allison Square * (60%) | \$374 | Hampton Crest * (60%) | \$534 | Hampton Crest * (50%) | \$537 | | |
| | Allison Square * (50%) | \$332 | Crabapple Chase * (60%) | \$495 | Rocky Creek Village (fka Anderson Place) * (50%) | \$535 | | |
| | | | Allison Square * (60%) | \$477 | Allison Square * (60%) | \$525 | | |
| | | | Hampton Crest * (50%) | \$475 | Allison Square * (50%) | \$495 | | |
| | | | Rocky Creek Village (fka Anderson Place) * (1BA 50%) | \$470 | Laurel Street Village * (60%) | \$480 | | |
| | | | Allison Square * (50%) | \$435 | Laurel Street Village II * (50%) | \$479 | | |
| | | | Crabapple Chase * (50%) | \$405 | Laurel Street Village II * (60%) | \$479 | | |
| | | | Laurel Street Village * (60%) | \$395 | Laurel Street Village * (50%) | \$471 | | |
| | | | Laurel Street Village * (50%) | \$394 | Crabapple Chase * (50%) | \$438 | | |
| | | | Laurel Street Village II * (50%) | \$394 | | | | |
| | | | Laurel Street Village II * (60%) | \$394 | | | | |
| SQUARE FOOTAGE | Allison Square * (50%) | 850 | Rocky Creek Village (fka Anderson Place) * (1BA 50%) | 1,400 | Ashton Park Apartments | 1,450 | Crabapple Chase * (2BA 50%) | 1,400 |
| | Allison Square * (60%) | 850 | Rocky Creek Village (fka Anderson Place) * (1BA 60%) | 1,400 | Rocky Creek Village (fka Anderson Place) * (50%) | 1,400 | Crabapple Chase * (2BA 60%) | 1,400 |
| | Ashton Park Apartments | 850 | Ashton Park Apartments | 1,188 | Rocky Creek Village (fka Anderson Place) * (60%) | 1,400 | Laurel Street Village II * (50%) | 1,250 |
| | Hampton Crest * (50%) | 815 | Walden Oaks | 1,181 | Walden Oaks | 1,381 | Laurel Street Village II * (60%) | 1,250 |
| | Hampton Crest * (60%) | 815 | Allison Square * (50%) | 1,100 | Walden Oaks | 1,277 | | |
| | Walden Oaks | 805 | Allison Square * (60%) | 1,100 | Hampton Crest * (50%) | 1,251 | | |
| | Laurel Street Village II * (50%) | 750 | Crabapple Chase * (50%) | 1,100 | Hampton Crest * (60%) | 1,251 | | |
| | Laurel Street Village II * (60%) | 750 | Crabapple Chase * (60%) | 1,100 | Allison Square * (60%) | 1,250 | | |
| | Bailey Court | 650 | Walden Oaks | 1,097 | Allison Square * (50%) | 1,250 | | |
| | Tanglewood Apartments | 615 | Ashton Park Apartments | 1,085 | Crabapple Chase * (60%) | 1,250 | | |
| | Park Place | 544 | Hampton Crest * (50%) | 1,047 | Crabapple Chase * (60%) | 1,250 | | |
| | | | Hampton Crest * (60%) | 1,047 | Laurel Street Village * (50%) | 1,150 | | |
| | | | Laurel Street Village * (50%) | 1,000 | Laurel Street Village * (60%) | 1,150 | | |
| | | | Laurel Street Village * (60%) | 1,000 | Tanglewood Apartments | 1,150 | | |
| | | | Laurel Street Village II * (50%) | 950 | Laurel Street Village II * (50%) | 1,100 | | |
| | | | Laurel Street Village II * (60%) | 950 | Laurel Street Village II * (60%) | 1,100 | | |
| | | | Tanglewood Apartments (1.5BA) | 925 | Park Place (3BA) | 1,030 | | |
| | | | Bailey Court (1BA) | 900 | Bailey Court (1BA) | 925 | | |
| | | | Park Place | 864 | | | | |
| | | | Bailey Court (1BA) | 825 | | | | |
| RENT PER SQUARE FOOT | Ashton Park Apartments | \$1.18 | Ashton Park Apartments | \$0.96 | Ashton Park Apartments | \$0.85 | Crabapple Chase * (2BA 60%) | \$0.41 |
| | Walden Oaks | \$1.16 | Ashton Park Apartments | \$0.90 | Tanglewood Apartments | \$0.80 | Laurel Street Village II * (50%) | \$0.38 |
| | Tanglewood Apartments | \$1.09 | Tanglewood Apartments (1.5BA) | \$0.87 | Park Place (3BA) | \$0.77 | Laurel Street Village II * (60%) | \$0.38 |
| | Park Place | \$1.02 | Walden Oaks | \$0.85 | Walden Oaks | \$0.73 | Crabapple Chase * (2BA 50%) | \$0.31 |
| | Bailey Court | \$0.78 | Walden Oaks | \$0.80 | Walden Oaks | \$0.69 | | |
| | Hampton Crest * (60%) | \$0.57 | Park Place | \$0.76 | Bailey Court (1BA) | \$0.59 | | |
| | Laurel Street Village II * (50%) | \$0.50 | Bailey Court (1BA) | \$0.69 | Hampton Crest * (60%) | \$0.50 | | |
| | Laurel Street Village II * (60%) | \$0.50 | Bailey Court (1BA) | \$0.65 | Rocky Creek Village (fka Anderson Place) * (60%) | \$0.49 | | |
| | Hampton Crest * (50%) | \$0.50 | Hampton Crest * (60%) | \$0.51 | Crabapple Chase * (60%) | \$0.44 | | |
| | Allison Square * (60%) | \$0.44 | Hampton Crest * (50%) | \$0.45 | Laurel Street Village II * (50%) | \$0.44 | | |
| | Allison Square * (50%) | \$0.39 | Crabapple Chase * (60%) | \$0.45 | Laurel Street Village II * (60%) | \$0.44 | | |
| | | | Allison Square * (60%) | \$0.43 | Hampton Crest * (50%) | \$0.43 | | |
| | | | Rocky Creek Village (fka Anderson Place) * (1BA 60%) | \$0.42 | Allison Square * (60%) | \$0.42 | | |
| | | | Laurel Street Village II * (50%) | \$0.41 | Laurel Street Village * (60%) | \$0.42 | | |
| | | | Laurel Street Village II * (60%) | \$0.41 | Laurel Street Village * (50%) | \$0.41 | | |
| | | | Allison Square * (50%) | \$0.40 | Allison Square * (50%) | \$0.40 | | |
| | | | Laurel Street Village * (60%) | \$0.40 | Rocky Creek Village (fka Anderson Place) * (50%) | \$0.38 | | |
| | | | Laurel Street Village * (50%) | \$0.39 | Crabapple Chase * (50%) | \$0.35 | | |
| | | | Crabapple Chase * (50%) | \$0.37 | | | | |
| | | | Rocky Creek Village (fka Anderson Place) * (1BA 50%) | \$0.34 | | | | |

PROPERTY PROFILE REPORT

Allison Square

| | |
|-------------------------------|---|
| Effective Rent Date | 3/04/2016 |
| Location | 100 Allison Cir Anderson, SC 29625 Anderson County County |
| Distance | 22.5 miles |
| Units | 40 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden |
| Year Built/Renovated | 2015 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | N/A |
| Tenant Characteristics | N/A |
| Contact Name | Wilba |
| Phone | (864) 401-8666 |



Market Information

| | |
|-----------------------------|------------------------|
| Program | @50%, @60%, Non-Rental |
| Annual Turnover Rate | N/A |
| Units/Month Absorbed | N/A |
| HCV Tenants | 8% |
| Leasing Pace | Prelease |
| Annual Chg. in Rent | Dec. due to UA |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | not included |
| Sewer | not included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden | 1 | 850 | \$332 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 1 | 1 | Garden | 3 | 850 | \$374 | \$0 | @60% | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden | 6 | 1,100 | \$435 | \$0 | @50% | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden | 18 | 1,100 | \$477 | \$0 | @60% | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden | 3 | 1,250 | \$495 | \$0 | @50% | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden | 8 | 1,250 | \$525 | \$0 | @60% | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden | 1 | 1,250 | N/A | \$0 | Non-Rental | No | 0 | 0.0% | N/A | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|------------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$332 | \$0 | \$332 | \$0 | \$332 | 1BR / 1BA | \$374 | \$0 | \$374 | \$0 | \$374 |
| 2BR / 2BA | \$435 | \$0 | \$435 | \$0 | \$435 | 2BR / 2BA | \$477 | \$0 | \$477 | \$0 | \$477 |
| 3BR / 2BA | \$495 | \$0 | \$495 | \$0 | \$495 | 3BR / 2BA | \$525 | \$0 | \$525 | \$0 | \$525 |
| Non-Rental | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | | | | | | |
| 3BR / 2BA | N/A | \$0 | N/A | \$0 | N/A | | | | | | |

Allison Square, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The regional manager reported that Allison Square began leasing on September 1, 2015 and all units were leased by October 15, 2015. Rents are set at the maximum allowable levels; therefore, they have decreased over the past year due to changes in the utility allowance. Approximately 65 households are on the waiting list.

Photos



PROPERTY PROFILE REPORT

Crabapple Chase

Effective Rent Date 3/04/2016
Location 100 Crabapple Chase
 Anderson, SC 29625
 Anderson County County
Distance 20.4 miles
Units 42
Vacant Units 1
Vacancy Rate 2.4%
Type Garden (3 stories)
Year Built/Renovated 2015 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Lakendra
Phone 864-224-0080



Market Information

Program @50%, @60%
Annual Turnover Rate N/A
Units/Month Absorbed Could not report
HCV Tenants 10%
Leasing Pace N/A
Annual Chg. in Rent None
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer included
Trash Collection not included

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Garden (3 stories) | 4 | 1,100 | \$425 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 2 | 1,100 | \$515 | \$0 | @60% | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 4 | 1,250 | \$465 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 20 | 1,250 | \$580 | \$0 | @60% | Yes | 1 | 5.0% | yes | None |
| 4 | 2 | Garden (3 stories) | 4 | 1,400 | \$471 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 4 | 2 | Garden (3 stories) | 8 | 1,400 | \$615 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 2BR / 2BA | \$425 | \$0 | \$425 | -\$20 | \$405 | 2BR / 2BA | \$515 | \$0 | \$515 | -\$20 | \$495 |
| 3BR / 2BA | \$465 | \$0 | \$465 | -\$27 | \$438 | 3BR / 2BA | \$580 | \$0 | \$580 | -\$27 | \$553 |
| 4BR / 2BA | \$471 | \$0 | \$471 | -\$35 | \$436 | 4BR / 2BA | \$615 | \$0 | \$615 | -\$35 | \$580 |

Crabapple Chase, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven

Blinds
Central A/C
Ceiling Fan
Microwave
Washer/Dryer hookup

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property manager could not report the absorption rate as the manager is new to the property.

Photos



PROPERTY PROFILE REPORT

Hampton Crest

| | |
|-------------------------------|--|
| Effective Rent Date | 1/25/2016 |
| Location | 101 Palmetto Lane Anderson, SC 29625 Anderson County |
| Distance | 19.4 miles |
| Units | 64 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2010 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Oak Place |
| Tenant Characteristics | None identified |
| Contact Name | Belinda |
| Phone | 864-224-7700 |



Market Information

| | |
|-----------------------------|------------|
| Program | @50%, @60% |
| Annual Turnover Rate | 23% |
| Units/Month Absorbed | n/a |
| HCV Tenants | N/A |
| Leasing Pace | n/a |
| Annual Chg. in Rent | n/a |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | included |
| Sewer | included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | N/A | 815 | \$450 | \$0 | @50% | Yes | 0 | N/A | N/A | None |
| 1 | 1 | Garden (3 stories) | N/A | 815 | \$509 | \$0 | @60% | Yes | 0 | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | N/A | 1,047 | \$530 | \$0 | @50% | Yes | 0 | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | N/A | 1,047 | \$589 | \$0 | @60% | Yes | 0 | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | N/A | 1,251 | \$602 | \$0 | @50% | Yes | 0 | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | N/A | 1,251 | \$689 | \$0 | @60% | Yes | 0 | N/A | N/A | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$450 | \$0 | \$450 | -\$44 | \$406 | 1BR / 1BA | \$509 | \$0 | \$509 | -\$44 | \$465 |
| 2BR / 2BA | \$530 | \$0 | \$530 | -\$55 | \$475 | 2BR / 2BA | \$589 | \$0 | \$589 | -\$55 | \$534 |
| 3BR / 2BA | \$602 | \$0 | \$602 | -\$65 | \$537 | 3BR / 2BA | \$689 | \$0 | \$689 | -\$65 | \$624 |

Hampton Crest, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Courtyard
Central Laundry
On-Site Management
Recreation Areas

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The contact could not provide the unit breakdown. Additionally, the contact would not provide tenant characteristics, citing the Fair Housing Act. When asked about current market conditions, the contact replied that the market is strong. The contact added that turnover at the property is due to job transfers and tenants purchasing homes.

Photos



PROPERTY PROFILE REPORT

Laurel Street Village

| | |
|-------------------------------|--|
| Effective Rent Date | 3/08/2016 |
| Location | Laurel Street Honea Path, SC 29654 Anderson County |
| Distance | N/A |
| Units | 42 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Townhouse |
| Year Built/Renovated | 2015 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | N/A |
| Tenant Characteristics | N/A |
| Contact Name | N/A |
| Phone | N/A |



Market Information

| | |
|-----------------------------|------------|
| Program | @50%, @60% |
| Annual Turnover Rate | N/A |
| Units/Month Absorbed | N/A |
| HCV Tenants | 5% |
| Leasing Pace | N/A |
| Annual Chg. in Rent | None |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | not included |
| Sewer | not included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Townhouse | 2 | 1,000 | \$394 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 2 | 2 | Townhouse | 1 | 1,000 | \$395 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 2 | 2.5 | Townhouse | 4 | 1,000 | \$394 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 2 | 2.5 | Townhouse | 16 | 1,000 | \$395 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 3 | 2 | Townhouse | 3 | 1,150 | \$471 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 3 | 2 | Townhouse | 10 | 1,150 | \$480 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 3 | 2.5 | Townhouse | 2 | 1,150 | \$471 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 3 | 2.5 | Townhouse | 4 | 1,150 | \$480 | \$0 | @60% | Yes | 0 | 0.0% | no | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|-------------|-----------|-------|-------------|-------|-----------|
| 2BR / 2BA | \$394 | \$0 | \$394 | \$0 | \$394 | 2BR / 2BA | \$395 | \$0 | \$395 | \$0 | \$395 |
| 2BR / 2.5BA | \$394 | \$0 | \$394 | \$0 | \$394 | 2BR / 2.5BA | \$395 | \$0 | \$395 | \$0 | \$395 |
| 3BR / 2BA | \$471 | \$0 | \$471 | \$0 | \$471 | 3BR / 2BA | \$480 | \$0 | \$480 | \$0 | \$480 |
| 3BR / 2.5BA | \$471 | \$0 | \$471 | \$0 | \$471 | 3BR / 2.5BA | \$480 | \$0 | \$480 | \$0 | \$480 |

Laurel Street Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

Management reported that the property leased its first unit in mid-December 2015 and leased its last unit the first week in March 2016. The property is currently 100 percent occupied and stabilized within three months. There are five people on the waiting list for two and three-bedroom units at 50 and 60 percent AMI.

Laurel Street Village, continued

Trend Report

Vacancy Rates

1Q14 1Q16
N/A 0.0%

Trend: @50%

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$394 | \$0 | \$394 | \$394 |
| 2016 | 1 | 0.0% | \$394 | \$0 | \$394 | \$394 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$394 | \$0 | \$394 | \$394 |
| 2016 | 1 | 0.0% | \$394 | \$0 | \$394 | \$394 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$479 | \$0 | \$479 | \$479 |
| 2016 | 1 | 0.0% | \$471 | \$0 | \$471 | \$471 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$479 | \$0 | \$479 | \$479 |
| 2016 | 1 | 0.0% | \$471 | \$0 | \$471 | \$471 |

Trend: @60%

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$394 | \$0 | \$394 | \$394 |
| 2016 | 1 | 0.0% | \$395 | \$0 | \$395 | \$395 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$394 | \$0 | \$394 | \$394 |
| 2016 | 1 | 0.0% | \$395 | \$0 | \$395 | \$395 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$479 | \$0 | \$479 | \$479 |
| 2016 | 1 | 0.0% | \$480 | \$0 | \$480 | \$480 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2014 | 1 | N/A | \$479 | \$0 | \$479 | \$479 |
| 2016 | 1 | 0.0% | \$480 | \$0 | \$480 | \$480 |

Trend: Comments

1Q14 N/A

1Q16 Management reported that the property leased its first unit in mid-December 2015 and leased its last unit the first week in March 2016. The property is currently 100 percent occupied and stabilized within three months. There are five people on the waiting list for two and three-bedroom units at 50 and 60 percent AMI.

Photos



PROPERTY PROFILE REPORT

Rocky Creek Village (fka Anderson Place)

| | |
|-------------------------------|---|
| Effective Rent Date | 3/04/2016 |
| Location | 1304 Williamston Road Anderson, SC 29621 Anderson County |
| Distance | 16.9 miles |
| Units | 35 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Single Family |
| Year Built/Renovated | 2004 / N/A |
| Marketing Began | 12/01/2004 |
| Leasing Began | 12/01/2004 |
| Last Unit Leased | 1/31/2005 |
| Major Competitors | None identified |
| Tenant Characteristics | Approximately 10 percent senior tenants. Most of the tenants are from the area. |
| Contact Name | Sherry |
| Phone | 864.260.9011 |



Market Information

| | |
|-----------------------------|------------------|
| Program | @50%, @60% |
| Annual Turnover Rate | 6% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 85% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | None |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | included |
| Sewer | included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|---------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 1 | Single Family | N/A | 1,400 | \$525 | \$0 | @50% | Yes | 0 | N/A | yes | None |
| 2 | 1 | Single Family | N/A | 1,400 | \$640 | \$0 | @60% | Yes | 0 | N/A | no | None |
| 3 | 2 | Single Family | N/A | 1,400 | \$600 | \$0 | @50% | Yes | 0 | N/A | yes | None |
| 3 | 2 | Single Family | N/A | 1,400 | \$750 | \$0 | @60% | Yes | 0 | N/A | no | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 2BR / 1BA | \$525 | \$0 | \$525 | -\$55 | \$470 | 2BR / 1BA | \$640 | \$0 | \$640 | -\$55 | \$585 |
| 3BR / 2BA | \$600 | \$0 | \$600 | -\$65 | \$535 | 3BR / 2BA | \$750 | \$0 | \$750 | -\$65 | \$685 |

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Rocky Creek Village (fka Anderson Place), continued

Comments

Management reported that voucher usage is high at the property because they accept direct referrals from the housing authority. The contact indicated that there is a lack of affordable housing options in the market and that the units can be leased without voucher tenants. The property manager has been with the property for 10 years and turnover has remained very low, with an average of two turnovers per year. Due to the relative lack of LIHTC housing, the property's major competitors are nearby market rate properties that accept Housing Choice Vouchers.

Rocky Creek Village (fka Anderson Place), continued

Trend Report

Vacancy Rates

| 4Q07 | 1Q11 | 1Q14 | 1Q16 |
|------|------|------|------|
| 0.0% | 0.0% | 0.0% | 0.0% |

Trend: @50%

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 4 | N/A | \$480 | \$0 | \$480 | \$425 |
| 2011 | 1 | 0.0% | \$525 | \$0 | \$525 | \$470 |
| 2014 | 1 | N/A | \$525 | \$0 | \$525 | \$470 |
| 2016 | 1 | N/A | \$525 | \$0 | \$525 | \$470 |

Trend: @60%

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 4 | N/A | \$580 | \$0 | \$580 | \$525 |
| 2011 | 1 | N/A | \$620 | \$0 | \$620 | \$565 |
| 2014 | 1 | N/A | \$620 | \$0 | \$620 | \$565 |
| 2016 | 1 | N/A | \$640 | \$0 | \$640 | \$585 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 4 | N/A | \$570 | \$0 | \$570 | \$505 |
| 2011 | 1 | N/A | \$590 | \$0 | \$590 | \$525 |
| 2014 | 1 | N/A | \$600 | \$0 | \$600 | \$535 |
| 2016 | 1 | N/A | \$600 | \$0 | \$600 | \$535 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 4 | N/A | \$670 | \$0 | \$670 | \$605 |
| 2011 | 1 | N/A | \$710 | \$0 | \$710 | \$645 |
| 2014 | 1 | N/A | \$740 | \$0 | \$740 | \$675 |
| 2016 | 1 | N/A | \$750 | \$0 | \$750 | \$685 |

Trend: Comments

4Q07 Management stated that the property is typically 100 percent occupied with a waiting list of five to 10 households. Management believes that the single family home design gives the property an advantage in the local market. Management reported that the property began leasing at the beginning of December 2004 and was fully leased by the end of February 2005 for an absorption pace of 12 units per month. Rents are not currently at the maximum level. Management does not believe that maximum rents are achievable in the local market. However, management does believe that the property could achieve higher rents and will likely increase rents in January. However, the amount of the rental increase was not known at the time of this interview. Management believes there is a need for additional LIHTC housing in the Anderson area, especially developments with a single family home design.

1Q11 Management estimated that 10 percent of the current tenants are seniors, and that there was demand for an additional senior LIHTC property in Anderson.

1Q14 The contact could not provide a reason for the high voucher use at the property, and added that the voucher rate is typical for the property. The contact noted that the three-bedroom unit is the most demanded unit type at the property. When asked about current market conditions, the contact replied that the market is strong.

1Q16 Management reported that voucher usage is high at the property because they accept direct referrals from the housing authority. The contact indicated that there is a lack of affordable housing options in the market and that the units can be leased without voucher tenants. The property manager has been with the property for 10 years and turnover has remained very low, with an average of two turnovers per year. Due to the relative lack of LIHTC housing, the property's major competitors are nearby market rate properties that accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Ashton Park Apartments

| | |
|-------------------------------|--|
| Effective Rent Date | 3/04/2016 |
| Location | 50 Braeburn Drive Anderson, SC 29621 Anderson County |
| Distance | 18.6 miles |
| Units | 216 |
| Vacant Units | 13 |
| Vacancy Rate | 6.0% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2006 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Walden Oaks and Shadow Creek |
| Tenant Characteristics | Approximately 40 percent students. |
| Contact Name | Tiffany |
| Phone | (864) 367-0143 |



Market Information

| | |
|-----------------------------|---------------------------------|
| Program | Market |
| Annual Turnover Rate | 60% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | Rents change daily - Yield Star |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | not included |
| Sewer | not included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 54 | 850 | \$1,006 | \$0 | Market | No | N/A | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | 54 | 1,085 | \$1,045 | \$0 | Market | No | N/A | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | 54 | 1,188 | \$1,065 | \$0 | Market | No | N/A | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | 54 | 1,450 | \$1,239 | \$0 | Market | No | N/A | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-------------------|-------|-------------------|-------|-------------------|
| 1BR / 1BA | \$1,006 | \$0 | \$1,006 | \$0 | \$1,006 |
| 2BR / 2BA | \$1,045 - \$1,065 | \$0 | \$1,045 - \$1,065 | \$0 | \$1,045 - \$1,065 |
| 3BR / 2BA | \$1,239 | \$0 | \$1,239 | \$0 | \$1,239 |

Ashton Park Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Coat Closet
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool
Volleyball Court

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground
Theatre
Wi-Fi

Premium

None

Other

None

Comments

Management reported that there is a short waiting list for the two-bedroom units. Although rents change daily, management indicated that rents have increased by \$200 over the past year.

Ashton Park Apartments, continued

Trend Report

Vacancy Rates

| 1Q11 | 4Q11 | 1Q14 | 1Q16 |
|------|------|------|------|
| 1.4% | 2.3% | 7.9% | 6.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2011 | 1 | 0.0% | \$655 | \$0 | \$655 | \$655 |
| 2011 | 4 | 0.0% | \$680 | \$0 | \$680 | \$680 |
| 2014 | 1 | N/A | \$724 - \$794 | \$0 | \$724 - \$794 | \$724 - \$794 |
| 2016 | 1 | N/A | \$1,006 | \$0 | \$1,006 | \$1,006 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2011 | 1 | N/A | \$755 - \$800 | \$0 | \$755 - \$800 | \$755 - \$800 |
| 2011 | 4 | 4.6% | \$775 - \$825 | \$0 | \$775 - \$825 | \$775 - \$825 |
| 2014 | 1 | N/A | \$806 - \$927 | \$0 | \$806 - \$927 | \$806 - \$927 |
| 2016 | 1 | N/A | \$1,045 - \$1,065 | \$0 | \$1,045 - \$1,065 | \$1,045 - \$1,065 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------------|-------|-----------------|-----------------|
| 2011 | 1 | 0.0% | \$885 | \$0 | \$885 | \$885 |
| 2011 | 4 | 0.0% | \$905 | \$0 | \$905 | \$905 |
| 2014 | 1 | N/A | \$914 - \$1,010 | \$0 | \$914 - \$1,010 | \$914 - \$1,010 |
| 2016 | 1 | N/A | \$1,239 | \$0 | \$1,239 | \$1,239 |

Trend: Comments

1Q11 Discounted cable is available for \$47 per month.

4Q11 The contact reported current occupancy has been typical during the past year.

1Q14 The contact could not provide vacancy by unit type. The contact stated that the property is currently at 92 percent occupancy, and added that the property normally operates at 98 percent occupancy. The contact attributed the above average amount of vacancy to a slow winter season. The property does not accept Housing Choice Vouchers. The contact stated that turnover at the property is due to tenants purchasing homes, and students moving out at the end of the school year. The contact noted that the two-bedroom unit is the most popular unit type at the property.

1Q16 Management reported that there is a short waiting list for the two-bedroom units. Although rents change daily, management indicated that rents have increased by \$200 over the past year.

Photos



PROPERTY PROFILE REPORT

Bailey Court

| | |
|-------------------------------|--|
| Effective Rent Date | 3/04/2016 |
| Location | 106 Concord Avenue Anderson, SC 29621 Anderson County |
| Distance | 19.4 miles |
| Units | 100 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Various |
| Year Built/Renovated | 1950 / 2003 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Raintree Apts, Tanglewood Apts |
| Tenant Characteristics | Majority singles, approximately 30 percent seniors. Most of the tenants are from Anderson. |
| Contact Name | Rhonda; Erin |
| Phone | (864) 224-2271 |



Market Information

| | |
|-----------------------------|-------------------|
| Program | Market |
| Annual Turnover Rate | 40% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 5% |
| Leasing Pace | Within two months |
| Annual Chg. in Rent | None |
| Concession | None |

Utilities

| | |
|-------------------------|---------------------|
| A/C | included -- central |
| Cooking | included -- gas |
| Water Heat | included -- gas |
| Heat | included -- gas |
| Other Electric | included |
| Water | included |
| Sewer | included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden | 16 | 650 | \$625 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 1 | Garden | 36 | 825 | \$725 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 1 | Townhouse | 40 | 900 | \$745 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 3 | 1 | Garden | 8 | 925 | \$745 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|---------------|-------|---------------|--------|---------------|
| 1BR / 1BA | \$625 | \$0 | \$625 | -\$120 | \$505 |
| 2BR / 1BA | \$725 - \$745 | \$0 | \$725 - \$745 | -\$159 | \$566 - \$586 |
| 3BR / 1BA | \$745 | \$0 | \$745 | -\$197 | \$548 |

Bailey Court, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Off-Street Parking

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property manager reported that demand for rental housing in the market is high as the property typically remains fully occupied and it is currently maintaining a waiting list. Management is not testing rents as they have not increased over the past year even though the property's occupancy rate is at 100 percent and there is a waiting list.

Trend Report

Vacancy Rates

| 2Q09 | 1Q11 | 1Q14 | 1Q16 |
|-------|------|------|------|
| 10.0% | 0.0% | 4.0% | 0.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2009 | 2 | 0.0% | \$465 | \$19 | \$446 | \$326 |
| 2011 | 1 | 0.0% | \$590 | \$0 | \$590 | \$470 |
| 2014 | 1 | 0.0% | \$625 | \$0 | \$625 | \$505 |
| 2016 | 1 | 0.0% | \$625 | \$0 | \$625 | \$505 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|---------------|-------------|---------------|---------------|
| 2009 | 2 | 13.2% | \$495 - \$545 | \$21 - \$23 | \$474 - \$522 | \$315 - \$363 |
| 2011 | 1 | 0.0% | \$625 | \$0 | \$625 | \$466 |
| 2014 | 1 | 3.9% | \$725 - \$745 | \$0 | \$725 - \$745 | \$566 - \$586 |
| 2016 | 1 | 0.0% | \$725 - \$745 | \$0 | \$725 - \$745 | \$566 - \$586 |

3BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2009 | 2 | 0.0% | \$595 | \$25 | \$570 | \$373 |
| 2011 | 1 | 0.0% | \$695 | \$0 | \$695 | \$498 |
| 2014 | 1 | 12.5% | \$745 | \$0 | \$745 | \$548 |
| 2016 | 1 | 0.0% | \$745 | \$0 | \$745 | \$548 |

Trend: Comments

| | |
|------|--|
| 2Q09 | The contact reported the rental market has been slow and highly competitive in the past year. |
| 1Q11 | Management noted that the utility structure has changed in order to be more competitive in the market with all utilities included. |
| 1Q14 | The contact stated that turnover at the property is due to job transfers and tenants purchasing homes. |
| 1Q16 | The property manager reported that demand for rental housing in the market is high as the property typically remains fully occupied and it is currently maintaining a waiting list. Management is not testing rents as they have not increased over the past year even though the property's occupancy rate is at 100 percent and there is a waiting list. |

Photos



PROPERTY PROFILE REPORT

Park Place

Effective Rent Date 3/04/2016
Location 153 Civic Center Blvd.
 Anderson, SC 29621
 Anderson County
Distance 21.3 miles
Units 165
Vacant Units 7
Vacancy Rate 4.2%
Type Garden (3 stories)
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Hamptons, Country Club
Tenant Characteristics 50 percent of the tenants are local.
Contact Name Malisa
Phone 864-222-2333



Market Information

Program Market
Annual Turnover Rate 60%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within three weeks
Annual Chg. in Rent Inc. 0-1%
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection included

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 63 | 544 | \$554 | \$0 | Market | No | 4 | 6.3% | N/A | None |
| 2 | 1 | Garden (3 stories) | 39 | 864 | \$595 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 39 | 864 | \$654 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 3 | 3 | Garden (3 stories) | 24 | 1,030 | \$795 | \$0 | Market | No | 3 | 12.5% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$554 | \$0 | \$554 | \$0 | \$554 |
| 2BR / 1BA | \$595 | \$0 | \$595 | \$0 | \$595 |
| 2BR / 2BA | \$654 | \$0 | \$654 | \$0 | \$654 |
| 3BR / 3BA | \$795 | \$0 | \$795 | \$0 | \$795 |

Park Place, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Furnishing
Refrigerator

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

Management reported that rents have remained the same over the past year; however, based upon our last interview, rents did increase slightly by \$4 to \$10.

Park Place, continued

Trend Report

Vacancy Rates

| 1Q11 | 1Q14 | 2Q15 | 1Q16 |
|------|------|------|------|
| 7.3% | 6.1% | 2.4% | 4.2% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | N/A | \$500 | \$0 | \$500 | \$500 |
| 2014 | 1 | N/A | \$550 | \$0 | \$550 | \$550 |
| 2015 | 2 | 3.2% | \$550 | \$0 | \$550 | \$550 |
| 2016 | 1 | 6.3% | \$554 | \$0 | \$554 | \$554 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | N/A | \$610 | \$0 | \$610 | \$610 |
| 2014 | 1 | N/A | \$590 | \$0 | \$590 | \$590 |
| 2015 | 2 | 0.0% | \$590 | \$0 | \$590 | \$590 |
| 2016 | 1 | 0.0% | \$595 | \$0 | \$595 | \$595 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | N/A | \$613 | \$0 | \$613 | \$613 |
| 2014 | 1 | N/A | \$650 | \$0 | \$650 | \$650 |
| 2015 | 2 | 2.6% | \$650 | \$0 | \$650 | \$650 |
| 2016 | 1 | 0.0% | \$654 | \$0 | \$654 | \$654 |

3BR / 3BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2011 | 1 | N/A | \$740 | \$0 | \$740 | \$740 |
| 2014 | 1 | N/A | \$765 | \$0 | \$765 | \$765 |
| 2015 | 2 | 4.2% | \$785 | \$0 | \$785 | \$785 |
| 2016 | 1 | 12.5% | \$795 | \$0 | \$795 | \$795 |

Trend: Comments

| | |
|------|---|
| 1Q11 | Management confirmed that the two-bedroom one bathroom units are only slightly less than the two-bedroom two bathroom units. |
| 1Q14 | The contact could not provide vacancy by unit type. The contact added that a significant amount of tenants relocate to the area for work. |
| 2Q15 | The contact reported that they are offering a reduced application fee of \$30, down from \$50. |
| 1Q16 | Management reported that rents have remained the same over the past year; however, based upon our last interview, rents did increase slightly by \$4 to \$10. |

Photos



PROPERTY PROFILE REPORT

Tanglewood Apartments

| | |
|-------------------------------|---|
| Effective Rent Date | 3/04/2016 |
| Location | 2418 Marchbanks Avenue Anderson, SC 29621 Anderson County |
| Distance | 17.9 miles |
| Units | 168 |
| Vacant Units | 3 |
| Vacancy Rate | 1.8% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1976 / 2007 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Raintree, Ashton Park |
| Tenant Characteristics | Majority families. |
| Contact Name | Kelly |
| Phone | (864) 226-5254 |



Market Information

| | |
|-----------------------------|------------------|
| Program | Market |
| Annual Turnover Rate | 21% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | 5 to 7 per month |
| Annual Chg. in Rent | Various |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- electric |
| Water Heat | not included -- electric |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | not included |
| Sewer | not included |
| Trash Collection | not included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 40 | 615 | \$655 | \$0 | Market | No | N/A | N/A | N/A | None |
| 2 | 1.5 | Garden (2 stories) | 112 | 925 | \$790 | \$0 | Market | No | N/A | N/A | N/A | None |
| 3 | 2 | Garden (2 stories) | 16 | 1,150 | \$905 | \$0 | Market | No | N/A | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$655 | \$0 | \$655 | \$15 | \$670 |
| 2BR / 1.5BA | \$790 | \$0 | \$790 | \$15 | \$805 |
| 3BR / 2BA | \$905 | \$0 | \$905 | \$15 | \$920 |

Tanglewood Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Exterior Storage
Furnishing
Hand Rails
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Car Wash
Off-Street Parking
Recreation Areas
Swimming Pool

Central Laundry
On-Site Management
Sport Court
Tennis Court

Premium

None

Other

None

Comments

The property is currently 98 percent occupied and 99 percent leased. Management reported that rents at the property fluctuated over the past year depending upon the unit type.

Tanglewood Apartments, continued

Trend Report

Vacancy Rates

| 1Q11 | 4Q11 | 1Q14 | 1Q16 |
|------|------|------|------|
| 0.6% | 3.0% | 7.1% | 1.8% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | 0.0% | \$515 | \$0 | \$515 | \$530 |
| 2011 | 4 | 0.0% | \$515 | \$0 | \$515 | \$530 |
| 2014 | 1 | N/A | \$630 | \$0 | N/A | N/A |
| 2016 | 1 | N/A | \$655 | \$0 | \$655 | \$670 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | 0.0% | \$670 | \$0 | \$670 | \$685 |
| 2011 | 4 | 4.5% | \$670 | \$0 | \$670 | \$685 |
| 2014 | 1 | N/A | \$685 | \$0 | N/A | N/A |
| 2016 | 1 | N/A | \$790 | \$0 | \$790 | \$805 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2011 | 1 | 6.2% | \$730 | \$0 | \$730 | \$745 |
| 2011 | 4 | 0.0% | \$735 | \$0 | \$735 | \$750 |
| 2014 | 1 | N/A | \$840 | \$0 | N/A | N/A |
| 2016 | 1 | N/A | \$905 | \$0 | \$905 | \$920 |

Trend: Comments

| | |
|------|---|
| 1Q11 | Management commented that concessions are common in this market but because of high occupancy, there are currently no rent concessions. Additionally, management indicated that low turnover helps this property maintain high occupancy. |
| 4Q11 | N/A |
| 1Q14 | The property does not accept Housing Choice Vouchers. The contact stated that turnover at the property is due to job transfers or tenants purchasing homes. The contact noted that the property generally maintains a higher occupancy rate; however, there have been some recent evictions at the property. When asked about the current market, the contact replied that market conditions are starting to improve. |
| 1Q16 | The property is currently 98 percent occupied and 99 percent leased. Management reported that rents at the property fluctuated over the past year depending upon the unit type. |

Photos



PROPERTY PROFILE REPORT

Walden Oaks

Effective Rent Date 3/04/2016
Location 103 Allison Circle
 Anderson, SC 29625
 Anderson County County
Distance 22.5 miles
Units 240
Vacant Units 14
Vacancy Rate 5.8%
Type Garden (3 stories)
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Brandy
Phone (864) 225-5400



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 2-4 weeks
Annual Chg. in Rent Change daily
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 36 | 805 | \$919 | \$0 | Market | No | N/A | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | 136 | 1,097 | \$919 | \$0 | Market | No | N/A | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | 44 | 1,181 | \$933 | \$0 | Market | No | N/A | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | 18 | 1,277 | \$912 | \$0 | Market | No | N/A | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | 6 | 1,381 | \$936 | \$0 | Market | No | N/A | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|---------------|-------|---------------|-------|---------------|
| 1BR / 1BA | \$919 | \$0 | \$919 | \$15 | \$934 |
| 2BR / 2BA | \$919 - \$933 | \$0 | \$919 - \$933 | \$15 | \$934 - \$948 |
| 3BR / 2BA | \$912 - \$936 | \$0 | \$912 - \$936 | \$15 | \$927 - \$951 |

Walden Oaks, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Swimming Pool

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

Rents at the property change daily and the rents range per unit type depending upon availability, lease term, and move-in date. The maximum rents for each unit type are \$1,277, \$1,205, \$1,224, \$1,161, and \$1,130, respectively. The rents listed are the low rents and they are within a tight range across all bedroom types.

Photos



Comparable Property Analysis

Vacancy

The following tables summarize overall vacancy rates for the comparable properties.

OVERALL VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|--|----------------|--------------|--------------|--------------|
| Allison Square | @ 50%, @ 60% | 40 | 0 | 0.00% |
| Crabapple Chase | @ 50%, @ 60% | 42 | 1 | 2.40% |
| Hampton Crest | @ 50%, @ 60% | 64 | 0 | 0.00% |
| Laurel Street Village | @ 50%, @ 60% | 42 | 0 | 0.00% |
| Rocky Creek Village (fka Anderson Place) | @ 50%, @ 60% | 35 | 0 | 0.00% |
| Ashton Park Apartments | Market | 216 | 13 | 6.00% |
| Bailey Court | Market | 100 | 0 | 0.00% |
| Park Place | Market | 165 | 7 | 4.20% |
| Tanglewood Apartments | Market | 168 | 3 | 1.80% |
| Walden Oaks | Market | 240 | 14 | 5.80% |
| Total | | 1,112 | 38 | 3.40% |

OVERALL VACANCY - COMPARABLE LIHTC VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|--|----------------|-------------|--------------|--------------|
| Allison Square | @ 50%, @ 60% | 40 | 0 | 0.00% |
| Crabapple Chase | @ 50%, @ 60% | 42 | 1 | 2.40% |
| Hampton Crest | @ 50%, @ 60% | 64 | 0 | 0.00% |
| Laurel Street Village | @ 50%, @ 60% | 42 | 0 | 0.00% |
| Rocky Creek Village (fka Anderson Place) | @ 50%, @ 60% | 35 | 0 | 0.00% |
| Total | | 223 | 1 | 0.45% |

OVERALL VACANCY - MARKET RATE VACANCY

| Comparable Property | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|------------------------|----------------|-------------|--------------|--------------|
| Ashton Park Apartments | Market | 216 | 13 | 6.00% |
| Bailey Court | Market | 100 | 0 | 0.00% |
| Park Place | Market | 165 | 7 | 4.20% |
| Tanglewood Apartments | Market | 168 | 3 | 1.80% |
| Walden Oaks | Market | 240 | 14 | 5.80% |
| Total | | 889 | 37 | 4.16% |

The comparables reported vacancy rates ranging from zero to 6.0 percent, with an overall weighted average of 3.4 percent. With the exception of two market rate properties, Ashton Park and Walden Oaks, all of the comparables reported vacancy rates of 5.0 percent or lower.

The LIHTC comparables are outperforming the market rate properties as the majority of LIHTC properties are maintaining zero percent vacancy with an overall average of less than one percent. Further, several of the LIHTC properties are maintaining waiting lists. Laurel Street Village Phase I is currently fully occupied and stabilized within three months of its recent completion in December 2015. Only one LIHTC comparable, Rocky Creek Village, has a high Housing Choice Voucher (HCV) rate at 85 percent. The property manager indicated that given the strong demand for LIHTC

housing in the market, the property would be able to fill the units with non-voucher tenants. The voucher tenancy rate at the property is high as management receives tenant referrals directly from the housing authority.

The market rate comparables have vacancy ranging from zero to 6.0 percent with an average of 4.2 percent. All of the market rate properties are maintaining stabilized occupancy rates without the use of concessions. Therefore, we believe that the multifamily conventional market is healthy.

Based upon the performance of the surveyed LIHTC and market rate properties, we believe the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization, per state guideline standards.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 42 non-subsidized, non USDA Rural Development family LIHTC units in the PMA that we included in this comparable analysis. These units are located at the Subject’s first phase and all are occupied. This indicates healthy demand for LIHTC units in the PMA.

Reasonability of Rents

This report is written to SCSHFDA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the Subject development to ensure the proposed rents are acceptable to all.

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using Utility Allowances for the South Carolina Upstate Region effective January 2016. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 50 percent AMI net rent compared to the maximum allowable 50 percent AMI rents for the county, the net rents at the comparables, and the averages comparable net rent.

LIHTC Rent Comparison - @50%

| Property Name | 1BR | 2BR | 3BR | 4BR |
|--|--------------|--------------|--------------|--------------|
| Laurel Street Village II (Subject) | \$375 | \$394 | \$479 | \$479 |
| LIHTC Maximum (Net) - National Non-Metro* | \$389 | \$454 | \$513 | \$559 |
| LIHTC Maximum (Net) - Anderson County** | \$365 | \$426 | \$480 | \$521 |
| Allison Square | \$332 | \$435 | \$495 | - |
| Crabapple Chase | - | \$405 | \$438 | \$436 |
| Hampton Crest | \$406 | \$475 | \$537 | - |
| Laurel Street Village I* | - | \$394 | \$471 | - |
| Rocky Creek Village | - | \$470 | \$535 | - |
| Average (excluding Subject) | \$369 | \$436 | \$495 | \$436 |

*Located in USDA rural eligible area

**Non-HERA Special

The Subject’s proposed 50 percent AMI rents are set below the national non-metropolitan maximum allowable 50 percent AMI rents for 2015, which are above the maximum rents for Anderson where

the LIHTC comparables are located with the exception of Phase I of the Subject. Hampton Crest and Rocky Creek Village appear to have 50 percent rents above the maximum allowable levels. It is likely that these properties have different utility allowances than the Subject and are held harmless at the 2010 maximum allowable levels.

The Subject’s rents are set at the same or similar levels as Phase I, which is 100 percent occupied. Therefore, these rents have been accepted in the market. The Subject’s rents are set below that of Allison Square and above that of Crabapple Chase. These properties were built in 2015 and are therefore similar to the Subject in terms of age/condition. Due to the lack of LIHTC housing in the PMA, high occupancy rates at the LIHTC properties, the Subject’s age/condition and amenity package, and the presence of waiting lists, we believe that the Subject could achieve maximum allowable 50 percent rents.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents for the county, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @60%

| Property Name | 1BR | 2BR | 3BR | 4BR |
|--|--------------|--------------|--------------|--------------|
| Laurel Street Village II (Subject) | \$375 | \$394 | \$479 | \$479 |
| LIHTC Maximum (Net) - National Non-Metro* | \$491 | \$576 | \$653 | \$716 |
| LIHTC Maximum (Net) - Anderson County** | \$461 | \$542 | \$614 | \$671 |
| Allison Square | \$374 | \$477 | \$525 | - |
| Crabapple Chase | - | \$495 | \$553 | \$580 |
| Hampton Crest | \$465 | \$534 | \$624 | - |
| Laurel Street Village I* | - | \$395 | \$480 | - |
| Rocky Creek Village | - | \$585 | \$685 | - |
| Average (excluding Subject) | \$420 | \$497 | \$573 | \$580 |

*Located in USDA rural eligible area

**Non-HERA Special

The Subject’s proposed 60 percent AMI rents are set well below the maximum allowable 60 percent AMI rents for 2015 as the rents are set at the same level as the 50 percent AMI rents. The Subject will be similar to Phase I, which is achieving the Subject’s proposed rents and is maintaining a 100 percent occupancy rate. Allison Square and Crabapple Chase are the newest LIHTC properties in addition to the Subject’s Phase I. Both properties have high occupancy rates and are maintaining waiting lists without concessions or high Housing Choice Voucher rates. Therefore, their rents have been accepted in the market. Their rents do not appear to be set at the maximum allowable levels; however, management reported that rents decreased over the past year due to a change in the utility allowance, indicating that the rents are at the maximum allowable. The Subject will offer a similar age/condition as these properties and a competitive amenity package. Because the Subject is located in a more rural market, we believe that the Subject’s achievable 60 percent AMI rents are at or below these properties. We believe the Subject’s rents are reasonable and achievable as proposed. Further, we believe the Subject could achieve rents at or below those at Hampton Crest. The Subject will have an advantage over Hampton Crest in terms of age/condition; however, the Subject will be located in a more rural market.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are well below the achievable market

rates for the Subject’s area. The following table illustrates both market rent comparisons and achievable market rents.

| Subject Comparison to Market Rents | | | | | | | |
|------------------------------------|----------------|---------|--------------|--------------|------------------|-------------------------|------------------------|
| Unit Type | Square Footage | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rents | Subject Rent Advantage |
| @50% | | | | | | | |
| 1 BR | 750 | \$375 | \$505 | \$1,006 | \$755 | \$575 | 35% |
| 2 BR | 950 | \$394 | \$566 | \$1,065 | \$840 | \$700 | 44% |
| 3 BR | 1,100 | \$479 | \$548 | \$1,239 | \$1,012 | \$800 | 40% |
| 4 BR | 1,250 | \$479 | \$900 | \$1,200 | \$1,045 | \$900 | 47% |
| @60% | | | | | | | |
| 1 BR | 750 | \$375 | \$505 | \$1,006 | \$755 | \$575 | 35% |
| 2 BR | 950 | \$394 | \$566 | \$1,065 | \$840 | \$700 | 44% |
| 3 BR | 1,100 | \$479 | \$548 | \$1,239 | \$1,012 | \$800 | 40% |
| 4 BR | 1,250 | \$479 | \$900 | \$1,200 | \$1,045 | \$900 | 47% |

Ashton Park and Walden Pond are the newest market rate comparables as they were built in 2006 and 2007, respectively. The remaining market rate properties were built from the 1950s to 1999. Therefore, the Subject will have an advantage in terms of age/condition over all of the market rate comparables. Rents at both properties fluctuate daily based upon availability. Currently, these properties are achieving rents per square foot ranging from \$0.73 to \$1.18. The Subject will have an advantage over these properties in terms of age/condition, will be competitive in terms of amenities, and will have a slight disadvantage being in a more rural market. Therefore, we believe that the Subject’s achievable rents per square foot would be slightly lower. We have concluded to achievable market rents below these properties on a rent per unit and rent per square foot basis, ranging from \$0.72 to \$0.78 for the latter.

The Subject will be superior to the remaining comparables due to its new construction, unit sizes, and amenity package. Bailey Court is achieving the lowest market rents. The Subject’s achievable market rents should be above this property as it was built in the 1950s and renovated in 2003; its unit sizes are significantly smaller than those of the Subject; and, it does not offer a computer lab, picnic area, or playground.

Classified Listings

There is limited rent data from the comparable properties in the Subject’s immediate market area to support the Subject’s three-bedroom rents; therefore, we also obtained classified rental listings for single-family homes and manufactured homes in the PMA. It should be noted that we made utility adjustments to the comparable data.

RENTAL CLASSIFIED LISTINGS

| Type | BR | Location | Rent | Comments |
|--------------------|-----|--------------|----------------|---------------------|
| SFH | 2BR | Greenwood | \$775 | 101 Lanham St |
| SFH | 2BR | Anderson | \$550 | 1615 E River St |
| 2BR AVERAGE | | | \$663 | |
| SFH | 3BR | Anderson | \$1,100 | 117 Soren Ln |
| SFH | 3BR | Anderson | \$1,250 | 103 Palm Branch Wy |
| SFH | 3BR | Anderson | \$775 | 503 W Fredericks St |
| SFH | 3BR | Anderson | \$1,200 | 401 Shannon Wy |
| SFH | 3BR | Greenwood | \$1,000 | 201 Edward Ave |
| SFH | 3BR | Greenwood | \$750 | 426 Morgan Ave |
| SFH | 3BR | Greenwood | \$900 | 428 Cothran St |
| SFH | 3BR | Greenwood | \$850 | 412 Ellenburg Ave |
| 3BR AVERAGE | | | \$978 | |
| SFH | 4BR | Greenwood | \$1,200 | 313 Janeway |
| SFH | 4BR | Anderson | \$900 | Near Hartwell Lake |
| SFH | 4BR | Simpsonville | \$1,027 | 1,717 SF and 1.5BA |
| SFH | 4BR | Townville | \$1,000 | 1,640 SF and 2BA |
| SFH | 4BR | Anderson | \$1,100 | Fenced backyard |
| 4BR AVERAGE | | | \$1,045 | |

Source: Craigslist.org and Hotpads.com, March 2016.

As illustrated in the previous table, the three-bedroom classified rents fall within the range of market rate rents illustrated at the comparable properties located in the county. The classified units are in fair to good condition with limited or no property amenities. The Subject will be newly constructed, in excellent condition, and will offer common area amenities such as a computer lab, and playground. Overall, we believe the Subject could achieve a three- and four-bedroom market rents at or below the classified listings given that the Subject will not offer single-family home design and is located in a rural market.

Cost and Availability of Homeownership

We performed an analysis of the cost to own versus cost to rent. The scenarios presented employ estimated median sales prices for a four-bedroom starter home in the Subject’s neighborhood. The data demonstrates that home ownership is generally more expensive on a monthly basis than renting. Further, the requisite 10 percent down payment and credit qualifications can be barriers to homeownership for lower income families.

Re-Sale Starter Four-Bedroom Home

- Unit Price: \$125,000 for a four-bedroom home
- Equity Required: 10%
- Financing: 90% for 30 years at 4.0% fixed.
- Real Estate Taxes: Calculated based on 2.0% of market of value.
- Mortgage Insurance: Estimated at 0.50% of total mortgage amount.
- Insurance: Estimated at 0.50% of total mortgage amount.

For four-bedroom units, the Subject’s proposed rents provide an advantage when compared to the cost of home ownership. Utilizing the Subject’s highest LIHTC rent, it is \$282 more expensive per month to own than to rent.

The calculations are as follows:

| RENT BUY ANALYSIS - 4.00% | | | | |
|--|--------------|---------------------|---------------|--|
| RENT BUY ANALYSIS- Honea Path, SC | | | | |
| Inputs | | Ownership | Rental | Notes |
| Average Price | | \$125,000 | | Trulia.com, 4BR sold home |
| Closing Costs | 3% | \$3,750 | | |
| Downpayment | 10% | \$12,500.00 | | |
| Principal | | \$112,500.00 | | |
| Interest Rate | 4.00% | | | |
| Amortization period | 30 | | | |
| Monthly Payment | | \$537.09 | | |
| Annual Payment | | \$6,445 | | |
| Real Estate Taxes | 2.00% | \$2,500 | | |
| Private Mortgage Insurance | 0.50% | \$562.50 | | |
| Homeowner's Insurance | 0.50% | \$300 | | |
| Utilities | | \$180 | | Trash estimated cost for one year. |
| Maintanance and Repairs | 1.00% | \$1,250 | | Assumes a 1% cost for maintanance and repairs. |
| Tax Benefit | | | | Assumes taxable income of \$36,000 |
| Marginal Tax Bracket | 28% | | | |
| Annual Interest | | \$4,500 | | Assumes first year |
| Annual Tax Savings | | (\$1,960.00) | | |
| Rental Costs | | | | |
| Annual Rent | | | \$5,748 | 4BR Rent at 60% AMI |
| Insurance (renter) | | | \$150 | |
| Total Annual Cost | | \$9,278 | \$5,898 | |
| Total Monthly Cost | | \$773 | \$492 | |
| Differential per year | \$3,380 | | | |
| Differential per month | \$282 | | | |
| Cash Due at Occupancy | | \$16,250 | \$779 | |

It is also important to note that the cash due at the closing of a home and sometimes credit qualification issues is a significant barrier for many households.

Impact of Subject on Other Affordable Units in Market

LIHTC vacancy in the market is low at less than one percent and all of the LIHTC comparables have waiting lists. There is a lack of LIHTC housing in the PMA and the availability of nonsubsidized LIHTC housing targeting moderate income households is very limited. Further, Phase I of the Subject stabilized within three months and two new LIHTC properties entered the market in Anderson and are maintaining low vacancy rates without concessions. Therefore, we do not believe that the addition of the Subject will have a long-term impact on the existing affordable units in the market.

Availability of Affordable Housing Options

There are 249 LIHTC units in the PMA; however, all but 42 units at Laurel Street Village Phase I are USDA Rural Development units, the majority of which operate with subsidy. Therefore, the availability of nonsubsidized LIHTC housing targeting moderate incomes is very limited.

Summary Evaluation of the Proposed Project

The vacancy rates among the multifamily comparables range from zero to 6.0 percent, with an overall vacancy rate of 3.4 percent. The weighted average vacancy rate among the LIHTC comparables is less than one percent, and the weighted average vacancy rate among the market rate comparables is less than five percent. Overall, the market is performing well. None of the comparables are offering rental concessions and all of the surveyed LIHTC properties maintain waiting lists. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable and achievable. The Subject's proposed rents will have advantages of 35 to 47 percent over the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We interviewed William Hall with the Town of Honea Path and Mr. Hall indicated that the only proposed multifamily development in the market is the Subject. Mr. Hall reported that Honea Path serves as a bedroom community for Anderson and Greenville where residents commute to for employment.

Section 8/Public Housing

We attempted to interview Donald Rhodes, Section 8 Director for the South Carolina Regional Housing Authority No. 1, which administers the Section 8 program for Honea Path. However, as of the date of this report, our calls and emails have not been returned. Per HUD's housing authority profiles, the SCRHA No. 1 manages eight properties with 1,326 units in total and it administers 1,653 Housing Choice Vouchers.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports.

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 12.5 percent, which is within acceptable demand threshold. Given the Subject's rural location, we believe this capture rate is reasonable. The Subject will offer new construction units and an extensive amenity package including computer lab, and other common area amenities. Further, the site is located adjacent to the town's recreational facility, which is considered an immediate neighborhood amenity, and the Subject is within walking distance (less than 0.5 miles) to retail including Fred's Pharmacy, CVS Pharmacy, and Bi-Lo grocery.

The LIHTC projects in the PMA all have low vacancy rates and maintain waiting lists, indicating a strong market for affordable LIHTC units. The market rate properties surveyed also exhibit low vacancy rates. Further, there is limited multifamily supply, both LIHTC and conventional, in Honea Path. The developer's proposed LIHTC rents will have a 35 to 47 percent rent advantage over the achievable market rents. The proposed rents will also compete well with the LIHTC rents at the existing family LIHTC comparables we surveyed. Given these factors, we would anticipate the Subject can achieve a stabilized occupancy rate of 93 percent or higher within approximately three months of opening.


J. SIGNED STATEMENT REQUIREMENTS

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 new rental LIHTC units. I understand that any misrepresentation of this statement may result in denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCHFDA'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.


Respectfully submitted,
Novogradac & Company LLP

March 10, 2016


Date



Brad Weinberg, MAI, CCIM
Partner
Novogradac & Company LLP



Ed Mitchell, MAI
Manager
678-867-2333
Ed.Mitchell@novoco.com



Kristina Garcia
Real Estate Analyst

ADDENDA

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Affordable Housing Market Analysts (NCAHMA)

State of Alabama – Certified General Real Estate Appraiser; No. G00628
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIRESI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored “New Legislation Emphasizes Importance of Market Studies in Allocation Process,” *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL, MAI

I. Education

Master of Science – Financial Planning
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management
San Antonio College, San Antonio, Texas

II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Certifications & Licenses

- Alabama State Certified General Real Property Appraiser #G01192
- Florida State Certified General Real Property Appraiser #RZ3784
- Georgia State Certified General Real Property Appraiser #4649
- Mississippi State Certified Real Property Appraiser #GA 1135
- North Carolina State Certified General Real Property Appraiser #A7996
- South Carolina State Certified General Property Appraiser #7354
- West Virginia State Certified Real Property Appraiser #CG 524
- Licensed Real Estate Salesperson (Georgia)

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KRISTINA V. GARCIA

I. Education

Emory University, Atlanta, Georgia
Bachelor of Arts

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP (April 2007 – Present)

III. Assignments

- Conducts and assists with market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assists with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Conducts and assists with the preparation of Rent Comparability Studies according to HUD guidelines.

REPRESENTATIVE SAMPLE OF ENGAGEMENTS

Market Study Experience—Proposed LIHTC New Construction and Rehabilitation Developments:

Analyst has conducted research for market studies within the following states and U.S. territories:

- | | | | | |
|--------------|--|------------------|--------------------------------------|--------------------------|
| • Alabama | • Guam | • Michigan | • Oklahoma | • Texas |
| • Arizona | • Illinois | • Mississippi | • Pennsylvania | • Utah |
| • Arkansas | • Indiana | • New York | • Puerto Rico | • Virginia |
| • California | • Kentucky | • New Jersey | • Rhode Island | • Washington |
| • Florida | • Louisiana | • North Carolina | • South Carolina | • West Virginia |
| • Georgia | • Massachusetts <input type="checkbox"/> | • North Dakota | • Tennessee <input type="checkbox"/> | <input type="checkbox"/> |

HUD Rent Comparability Study Experience:

Analyst has conducted research for rent comparability studies within the following states:

- Alabama Florida • Georgia • New York South Carolina Texas

Appraisal Research Experience:

Analyst has conducted research for appraisals within the following states:

- Alabama • Florida • Georgia • Louisiana • New York • South Carolina • Virginia

Miscellaneous Housing Studies:

- Conducted research for a comprehensive citywide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Conducted research for comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. regarding housing needs and economic trends Pre- and Post- Hurricane Katrina
- Conducted research for mixed-use HOPE VI redevelopment plan for Tindall Heights Macon Housing Authority's Tindall Heights Public Housing

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

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

| | | | |
|-------------------|--|--|----------|
| Development Name: | Laurel Street Village II | Total # Units: | 34 |
| Location: | Laurel Street, Honea Path, Anderson County, SC | # LIHTC Units: | 34 |
| PMA Boundary: | East: Abbeville Hwy; West: US 25; North: Belton Hwy/SC 247; South: SC 184/SC 185 | | |
| Development Type: | <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: | 15 miles |

RENTAL HOUSING STOCK (found on page 2)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 10 | 1,112 | 38 | 96.6% |
| Market-Rate Housing | 5 | 889 | 37 | 95.8% |
| Assisted/Subsidized Housing not to include LIHTC | N/A | N/A | N/A | N/A |
| LIHTC (All that are stabilized)* | 5 | 223 | 1 | 99.6% |
| Stabilized Comps** | 10 | 1,112 | 38 | 96.6% |
| Non-stabilized Comps | N/A | N/A | N/A | N/A |

* 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 | |
| 8 | 1 | 1 | 750 | \$ 375 | \$ 575 | \$ 0.77 | 35% | \$ 1,006 | \$ 1.18 | |
| 16 | 2 | 2 | 950 | \$ 394 | \$ 700 | \$ 0.74 | 44% | \$ 1,065 | \$ 0.90 | |
| 2 | 3 | 2 | 1,100 | \$ 479 | \$ 700 | \$ 0.73 | 40% | \$ 1,239 | \$ 0.85 | |
| 8 | 4 | 2.5 | 1,250 | \$ 479 | \$ 900 | \$ 0.72 | 47% | \$ 1,200 | \$ 0.73 | |
| Gross Potential Rent Monthly* | | | | | \$ 14,094 | \$ 24,600 | 42.71% | | | |

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 pages 36, 37)

| | 2000 | | 2015 | | 2018 | |
|-------------------------------------|------|--|-------|-------|-------|-------|
| Renter Households | | | 3,396 | 25.6% | 3,431 | 25.7% |
| Income-Qualified Renter HHs (LIHTC) | | | 1,126 | 33.2% | 1,126 | 32.8% |
| Income-Qualified Renter HHs (MR) | | | | % | | % |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 38-49)

| Type of Demand | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---|-----|-----|-------------|-----------|-----------|---------|
| Renter Household Growth | 10 | 11 | | | | 11 |
| Existing Households (Overburd + Substand) | 259 | 304 | | | | 304 |
| Homeowner conversion (Seniors) | | | | | | |
| Other: | | | | | | |
| Less Comparable/Competitive Supply | 11 | 31 | | | | 42 |
| Net Income-qualified Renter HHs | 257 | 284 | | | | 273 |

CAPTURE RATES (found on page 48)

| Targeted Population | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---------------------|------|------|-------------|-----------|-----------|---------|
| Capture Rate | 2.7% | 9.5% | N/A | N/A | N/A | 12.4% |

ABSORPTION RATE (found on page 50)

| | |
|-------------------|----------|
| Absorption Period | 3 months |
|-------------------|----------|

Tab 19

Exhibit S-2 Rent Calculation Worksheet

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | Adjusted Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------------|--------------|---------------------------|----------------------------|----------------------|----------------------------|---------------------------------|
| 2 | 1 BR | \$375 | \$750 | \$575 | \$1,150 | |
| 6 | 1 BR | \$375 | \$2,250 | \$575 | \$3,450 | |
| 2 | 2 BR | \$394 | \$788 | \$700 | \$1,400 | |
| 14 | 2 BR | \$394 | \$5,516 | \$700 | \$9,800 | |
| 1 | 3 BR | \$479 | \$479 | \$800 | \$800 | |
| 1 | 3 BR | \$479 | \$479 | \$800 | \$800 | |
| 2 | 4 BR | \$479 | \$958 | \$900 | \$1,800 | |
| 6 | 4 BR | \$479 | \$2,874 | \$900 | \$5,400 | |
| Totals | 34 | | \$14,094 | | \$24,600 | 42.71% |

Source: SCSHFDA, Novogradac & Company LLP, March 2016.