

**PROFESSIONAL MARKET STUDY
FOR THE SUMMERVILLE VILLAS APARTMENTS
A PROPOSED LIHTC/USDA REHAB DEVELOPMENT**

**LOCATED IN:
SUMMERVILLE, DORCHESTER COUNTY, SC**

PREPARED FOR:

GARY D. ELLIS

&

***SC STATE HOUSING FINANCE
and DEVELOPMENT AUTHORITY***

PREPARED BY:

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MARCH, 2017

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ASSIGNMENT & EXECUTIVE SUMMARY

1. Scope of Work

The proposed LIHTC/USDA rehab multi-family development will target very low to moderate income households in the general population in Summerville and Dorchester County, South Carolina.

The market study assignment was to ascertain market demand for a proposed LIHTC/USDA (family) rehab development known as the Summerville Villas, for Gary D. Ellis and the SC State Housing Finance and Development Authority, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Net sf)	Unit Size (Gross sf)
1BR/1b	8	621	Na
2BR/1b	24	815	Na
3BR/1b	10	995	Na
Total	42		

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), and approximately 80% of the units at 60% or below of AMI.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	2	\$504	\$113	\$617
2BR/1b	6	\$559	\$139	\$698
3BR/1b	2	\$592	\$214	\$806

*USDA-RD approved UA's (effective: 9/28/16)

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	6	\$528	\$113	\$641
2BR/1b	18	\$559	\$139	\$698
3BR/1b	8	\$592	\$214	\$806

*USDA-RD approved UA's (effective: 9/28/16)

2a. Average Vacancy Rate for Comparable Market Rate Properties:

- 1.9%

2b. Average Vacancy Rate for LIHTC family Properties:

- 1.6%

3. Capture Rates:

- The capture rates by income segment and bedroom mix are exhibited below and assume a 100% vacant property:

Capture Rates by Bedroom Type & Income Targeting			
Income Targeting	1BR	2BR	3BR
50% AMI	0.8%	1.7%	1.0%
60% AMI	1.4%	2.9%	2.3%

- The overall project capture rate for the proposed LIHTC/USDA family rehab development is estimated at 1.9%.

4. Absorption Rate:

- Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, and (3) the retention of: (a) the existing 30-units of deep subsidy rental assistance and (b) the typical number of Section 8 voucher holders at the property, it is estimated that the property will retain at least 80% of its tenant base. The most likely/best case rent-up scenario for the property, were the subject 20% vacant, suggests a 1-month rent-up time period (an average of 8-units per month). Absent the 30-units of rental assistance the estimate is within 4-months.

5. Strength/Depth of Market:

- At the time of the market study, market depth was considered to be very adequate in order to incorporate the proposed LIHTC/USDA family rehab development. The proposed subject net rents are very competitively positioned at all target AMI segments. Section 8 voucher support has both historic and current positive indicators. In addition, the subject site location is considered to be one that will enhance marketability and the rent-up process.

6. Bed Room Mix:

- The subject will offer 1BR, 2BR, and 3BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. All family household sizes will be targeted, from a one person household to large family households.

7. Long Term Negative Impact:

- In the opinion of the analyst, based upon market findings and interviews with LIHTC and USDA property managers, neither significant short term nor long-term negative impact is to be expected within the PMA LIHTC and USDA market. At the time of the survey, the overall estimated vacancy rate of all surveyed LIHTC-family apartment properties was 1.6%. At the time of the survey, the overall estimated vacancy rate of all surveyed USDA-family apartment properties was 2.9%. Four of the six surveyed LIHTC-family properties maintain a waiting list, ranging in size between 3 and 60 applications. Two of the three surveyed USDA-family properties maintain a waiting list, ranging in size between 1 and 17 applications. Typical occupancy rates at the surveyed LIHTC and USDA family apartment properties ranged between 98% to 100%. In addition, several of the surveyed LIHTC and USDA-family apartment managers and management firms stated that there is still an unmet need for LIHTC supply in the Summerville market and none express a concern of their respective property coming under negative impact should the proposed subject rehab development proceed forward.

8. Proposed Net Rents & Market Rent Advantage:

- The proposed Summerville Villas net rents at 50% and 60% AMI are very competitively positioned within the Summerville competitive environment.

Percent Rent Advantage follows:

	<u>50% AMI</u>	<u>60% AMI</u>	
1BR/1b:	35%	32%	
2BR/1b:	35%	35%	
3BR/1b:	40%	40%	<u>Overall:</u> 35.78%

9. Recommendation:

- As proposed in the Project Description of this market study, it is of the opinion of the analyst, based upon the findings in the market study, that Summerville Villas (a proposed LIHTC/USDA family rehab development) proceed forward with the development process as presently configured.

2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Summerville Villas Apartments Total # Units: 42
 Location: Summerville, SC # LIHTC Units: 42
 PMA Boundary: N: Berkeley County & I-26; E: North Charleston & Charleston County;
S: remainder of Dorchester County; W: remainder of Dorchester County
 Development Type: x Family Older Persons Farthest Boundary Distance to Subject: 6 miles

RENTAL HOUSING STOCK (found on pages 57 - 59)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	23	3,450	99	97.1%
Market-Rate Housing	14	2,876	88	96.9%
Assisted/Subsidized Housing not to include LIHTC	3	138	4	97.1%
LIHTC (All that are stabilized)*	6	436	7	98.4%
Stabilized Comps**	8	1,010	19	98.1%
Non-stabilized Comps				

* 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
2	1	1	622	\$504	\$775	\$1.05	34.96%	\$995	\$1.26
6	1	1	622	\$528	\$775	\$1.05	31.87%	\$995	\$1.26
24	2	1	815	\$559	\$855	\$0.89	34.61%	\$1090	\$0.94
10	3	1	995	\$592	\$990	\$0.82	40.20%	\$1320	\$0.89
Gross Potential Rent Monthly*				\$23,512	\$36,620		35.79%		

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

DEMOGRAPHIC DATA (found on page 35-37)

	2010		2016		2019	
Renter Households	8,515	29.17%	9,936	28.59%	10,543	28.47%
Income-Qualified Renter HHs (LIHTC)	1,703	20.00%	2,037	20.50%	2,195	20.82%
Income-Qualified Renter HHs (MR)	(if applicable)					

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 46)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	55	115				170
Existing Households (Overburd + Substand)	752	1,273				2,025
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	807	1,388	Demand assumes no rental assistance			2,195

CAPTURE RATES (found on page 46)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	1.2%	2.3%				1.9%

ABSORPTION RATE (found on page 50)

Absorption Period	1 to 4 months
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2017 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
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
2	1 BR	\$504	\$1,008	\$775	\$1,550	
6	1 BR	\$528	\$3,168	\$775	\$4,650	
	1 BR		\$0		\$0	
24	2 BR	\$559	\$13,416	\$855	\$20,520	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
10	3 BR	\$592	\$5,920	\$990	\$9,900	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	42		\$23,512		\$36,620	35.79%

SECTION A
PROJECTION DESCRIPTION

The proposed low to moderate income Low Income Housing Tax Credit (LIHTC) multi-family rehab development will target the general population in the Summerville area of Dorchester County, South Carolina.

Development Location:

Summerville Villas Apartments is located at 350 Luden Drive. It is approximately .5 miles south of US 17A in the southern portion of Summerville, within the city limits.

Construction Type:

The market study assignment was to ascertain market demand for a proposed LIHTC/USDA (family) rehab development known as the Summerville Villas, for Gary D. Ellis and the SC State Housing Finance and Development Authority, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	622	Na
2BR/1b	24	815	Na
3BR/1b	10	995	Na
Total	42		

Development Profile & Structure Type/Design:

The proposed rehab rental development design will comprise 9 one-story and two-story walk-up residential buildings. The development will include a separate building which will include a manager's office, central laundry, computer room, and community space.

The Scope of Work is provided in the Appendix of this market study. The Scope of Work was reviewed by the market analyst. It includes the proposed recommended changes to the current, project unit and development amenity package. Specific recommendations are made regarding site improvements, building exterior improvements, apartment unit improvements, and the community building improvements.

Occupancy Type:

The proposed *Occupancy Type* is **General Population** (LIHTC-family, non age restricted).

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), and approximately 80% of the units at 60% or below of AMI.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	2	\$504	\$113	\$617
2BR/1b	6	\$559	\$139	\$698
3BR/1b	2	\$592	\$214	\$806

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	6	\$528	\$113	\$641
2BR/1b	18	\$559	\$139	\$698
3BR/1b	8	\$592	\$214	\$806

*USDA-RD approved UA's (effective: 9/28/16)

Utilities:

The tenant will be responsible for water, sewer, electric for heat, hot water, cooking and general purposes. The owner will provide trash removal and pest control. Utility estimates approved by USDA-RD, with an effective date of 9/28/2016 (see Appendix).

Rental Assistance:

The proposed rehab development will provide 30-units of USDA-RD Section 515 deep subsidy rental assistance (RA).

Project Amenity Package

The development will include the following amenity package:

Unit Amenities*

- range/microwave/hood
- refrigerator w/ice maker*
- dishwasher
- garbage disposal
- central air
- carpet & vinyl laminate flooring
- smoke alarms
- cable ready & internet ready
- ceiling fan
- mini-blinds

*Energy Star compliant

Development Amenities

- on-site mgmt office
- community room
- central laundry
- gazebo w/benches

- playground
- walking trail
- equipped computer room
- video security system

Placed in Service Date

The estimated year that the Summerville Villas Apartments will be placed in service as a renovated property is late 2018 or early 2019.

Architectural Plans

The architectural firm for the proposed development is Don Harwood Architects, LLC. At the time of the market study, the floor plans and elevations had not been completed.

Current Project Parameters for Summerville Villas are:

Summerville Villas, 350 Luden Dr (843) 871-6823
Type: USDA-RD fm **Date:** February 23, 2017
Date Built: 1984 **Condition:** Fair to Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Note Rent</u>	<u>Utility Allowance</u>	<u>Unit Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$538	\$677	\$113	622	1
2BR/1b	24	\$569	\$708	\$139	815	1
3BR/1b	10	\$602	\$741	\$214	995	0
Total	42 (30-RA)					2

Typical Occupancy Rate: 99% **Waiting List:** Yes (17)
Security Deposit: \$250 **Concessions:** No
Utilities Included: trash removal

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 1 story & 2 story

Tenant Gross Income, Rent Roll

Based upon a March 2, 2017, Property Tax Credit Compliance Report, tenant gross income ranged between \$4,368 and \$37,335. The estimated average gross income was \$14,213 and the estimated median gross income was \$11,879. The most current available rent roll is provided in the Appendix, along with the compliance report.

SECTION B
SITE & NEIGHBORHOOD
EVALUATION

The site of the proposed LIHTC/USDA rehab apartment development, is located at 350 Luden Drive. The site is located approximately .5 miles south of US 17A in the southern portion of Summerville, within the city limits. Specifically, the site is located within Census Tract 105.05.

The site and market area were visited on February 26, 2017.

Note: The site is not located within a Qualified Census Tract (QCT).

Site & Neighborhood Characteristics

Street and highway accessibility are very good relative to the site. Ready access from the site is available to the major retail trade areas, public schools, local health care facilities, and major employers. Access to all major facilities can be attained within a 10-minute drive. Access to the site is off Luden Drive, which is a short, secondary connector that links with Boonehill Road (US 17A) to the north, and County Road 18-562 to the south.

Ingress/Egress/Visibility

The traffic density on Luden Drive is estimated to be light to medium, with a speed limit of 35 miles per hour (in the vicinity of the site). The site in relation to the subject property and Luden Drive is very agreeable to signage and offers excellent drive-by visibility.

The approximately 5.1-acre, polygon shaped tract presently comprises the location of the subject, the Summerville Villas Apartments. For the most part the tract is relatively flat.

The site is not located in a flood plain. Source: FEMA website (www:msc.fema.gov), Map Number 4500680245D, Panel 245 of 330, Effective Date: April 15, 1994. All public utility services are available to the tract and excess capacity exists. At present, the tract is zoned R-6, Multi-Family. The surrounding land use and land use designations around the site are detailed below:

Direction	Existing Land Use	Designation
North	Vacant.	R-2
East	Vacant	County
South	Residential, followed by 2 elementary schools	R-6 & PUD
West	Residential	R-2

Source: Town of Summerville, GIS Data Report.

The potential for acceptable curb appeal to the site/subject is considered to be excellent. The surrounding landscape in the vicinity of the site offers neither distinctive views nor unsightly views of the surrounding landscape. The surrounding areas to the site appear to be void of any major negative externalities: including noxious odors, close proximity to power lines, cemeteries, and property boundaries with rail lines.

Infrastructure Development

At the time of the market study, there was no on-going infrastructure development in the immediate vicinity of the site. However future land use plans calls for Luden Drive to be widened beginning next summer and for replacing the bridge over the Sawmill Branch Canal (north of the subject property). Project meetings regarding these issues have already occurred. Source: Mr. Russ Cornet, Town Engineer, Summerville, SC, (843) 851-4214.

Crime & Perceptions of Crime

The overall setting of the site is considered to be one that is very acceptable for continued residential use and commercial development within the present neighborhood setting. The site and the immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. The most recent crime rate data for Summerville reported by the FBI revealed that violent crime and property crime rate for Summerville was relatively low, particularly for violent Crime (homicide, rape, robbery and assault.

In 2015, www.safewise.com named Summerville as number 27 among their list of the 30 safest cities in South Carolina. The website stated that *"Summerville is just minutes from Charleston, and located in one of nation's fastest growing regions. Since 2000, the city's population increased from roughly 29,000 to 47,000, making it the second most populated city on our list. Rapid growth like this often results in high incidents of crime, but that's not the case in Summerville. According to the FBI Crime Report, the city's violent crime rate is nearly 40 percent lower than the typical American community."*

Overall, between 2013 and 2014 violent crime in Summerville increased by 33.3%, due to an increase in the number of reported assaults. It should be noted that the actual number of such crimes in 2014 was extremely low at 140 overall. In areas with a low number of crimes, any increase results in a relatively large percentage change. The violent crime rate per 100,000 population was 299.1 in 2014, significantly lower than the statewide average of 497.7. Property crimes decreased by -0.4% in Summerville between 2013 and 2014.

Summerville			
Type of Offence	2013	2014	Change
Homicide	0	0	0
Rape	13	10	-3
Robbery	26	23	-3
Assault	66	107	41
Burglary	227	205	-22
Larceny	1,309	1,302	-7
Motor Vehicle Theft	103	126	23
Summerville Total	1,744	1,773	29
Violent Crime Rate/100,000	232.2	299.1	
Property Crime Rate/100,000	3,625.3	3,489.2	

Source: FBI, Uniform Crime Reports

Positive & Negative Attributes

Overall, the field research revealed the following charted strengths and weaknesses of the of the proposed site. In the opinion of the analyst, the site is considered to be very appropriate as a LIHTC/USDA multi-family rehab development targeting the general population.

SITE ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Located within a mostly residential development area with nearby institutional use	
Very good linkages to the area road system	
Nearby road speed and noise is acceptable, and excellent visibility regarding curb appeal and signage placement	
Good proximity to two elementary schools, a Bi-Lo grocery, a high school, and area employment opportunities	

Note: The pictures on the following pages are of the site and surrounding uses.



(1) Site entrance off Luden Dr, east to west.



(2) Site entrance right, off Luden Dr, north to south.



(3) Site entrance left, off Luden Dr, south to north.



(4) Summerville Villas signage.



(5) Summerville Villas office.



(6) Summerville Villas Tot Lot.



(7) Summerville Villas play ground.



(8) 1-story buildings.



(9) 2-story building.



(10) Alternate entrance, off Luden Dr, east to west.

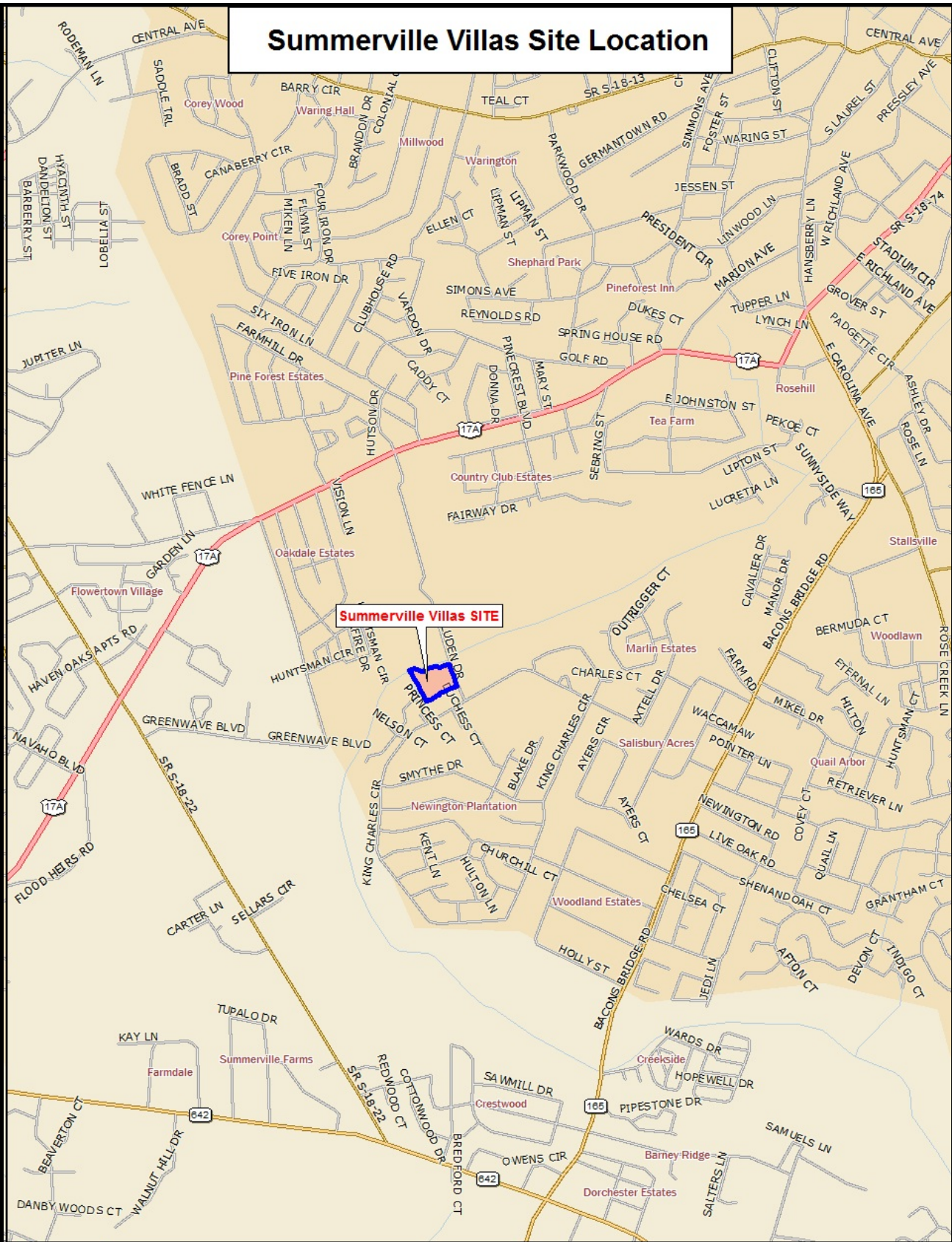


(11) 1-story buildings.



(12) 2-story buildings.

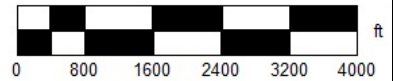
Summerville Villas Site Location



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Access to Services

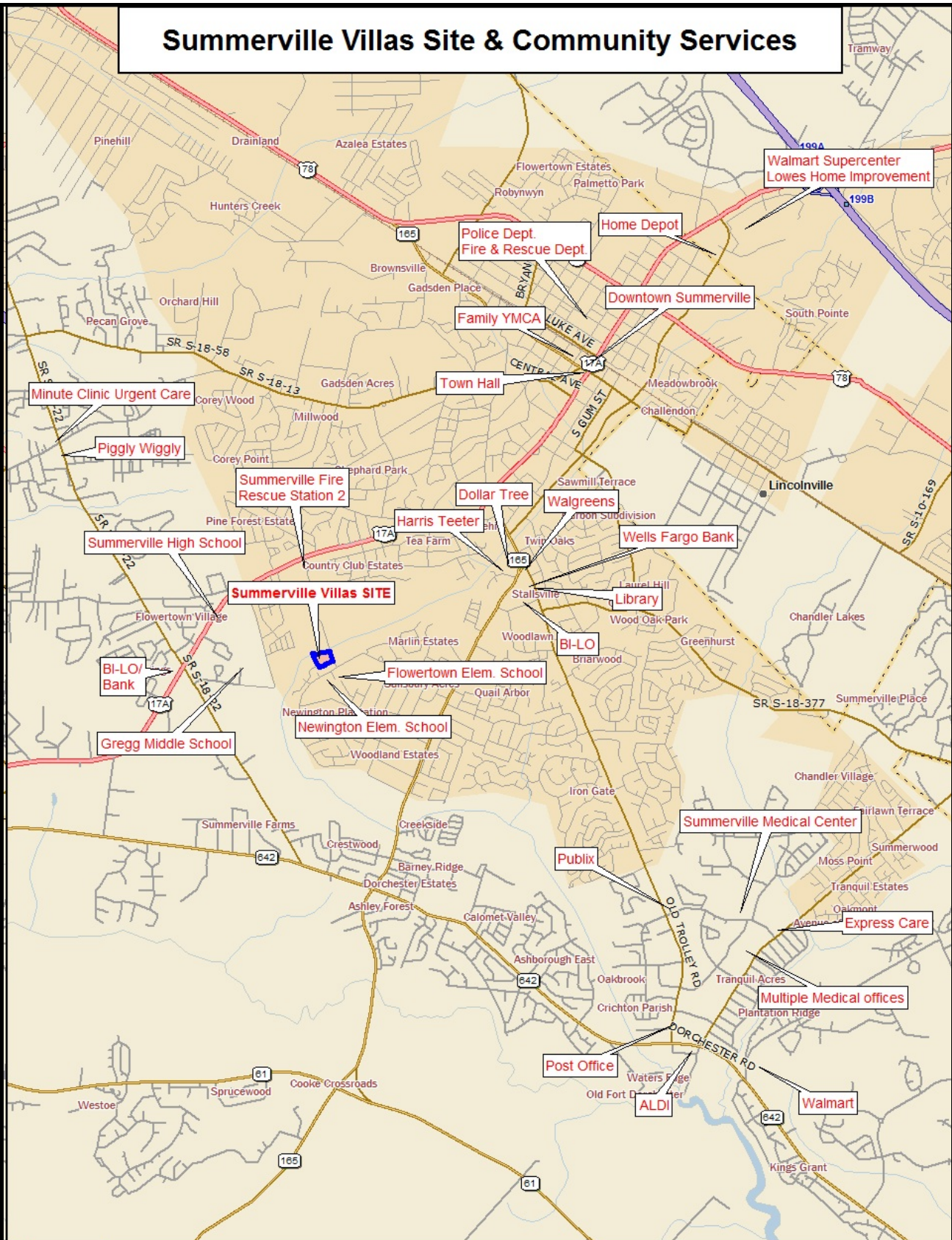
The subject is accessible to schools, major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. Summerville does not offer public bus transportation. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Site*
Flowertown Elementary	.2
Newington Elementary	.2
Summerville Fire & Rescue 2	.7
Summerville High School	1.5
BI-LO (east)	1.8
BI-LO & Bank (west)	1.9
Harris Teeter	2.0
Dollar Tree	2.0
Walgreens	2.0
Wells Fargo Bank	2.0
Library	2.0
Gregg Middle School	2.2
Piggly Wiggly	3.0
Minute Clinic	3.1
Town Hall	3.2
Family YMCA	3.2
Downtown Summerville	3.3
Police/Fire & Rescue Dept.	3.6
Publix	3.9
Summerville Medical Center	4.3
Post Office	4.6
Walmart Supercenter (north)	4.8
Walmart	5.4

* in tenths of miles

Summerville Villas Site & Community Services



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SECTION C

MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the

location and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA) and Secondary Market Area (SMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography, as well as local interviews with key respondents regarding market specific input relating to market area delineation.

In addition, managers of existing LIHTC and USDA family properties were surveyed, as to where the majority of their existing tenants previously resided. **In particular, the manager of the subject property, Summerville Villas, Ms Estalina Saunders. Ms Saunders stated that the majority of the existing tenants came from Summerville and a 5 to 10 mile surrounding area.**

Primary Market Area

Based on field research in Summerville, North Charleston, Charleston and Dorchester Counties, along with an assessment of the competitive environment, transportation and employment patterns, the site's location, physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family development consists of the following 2010 census tracts:

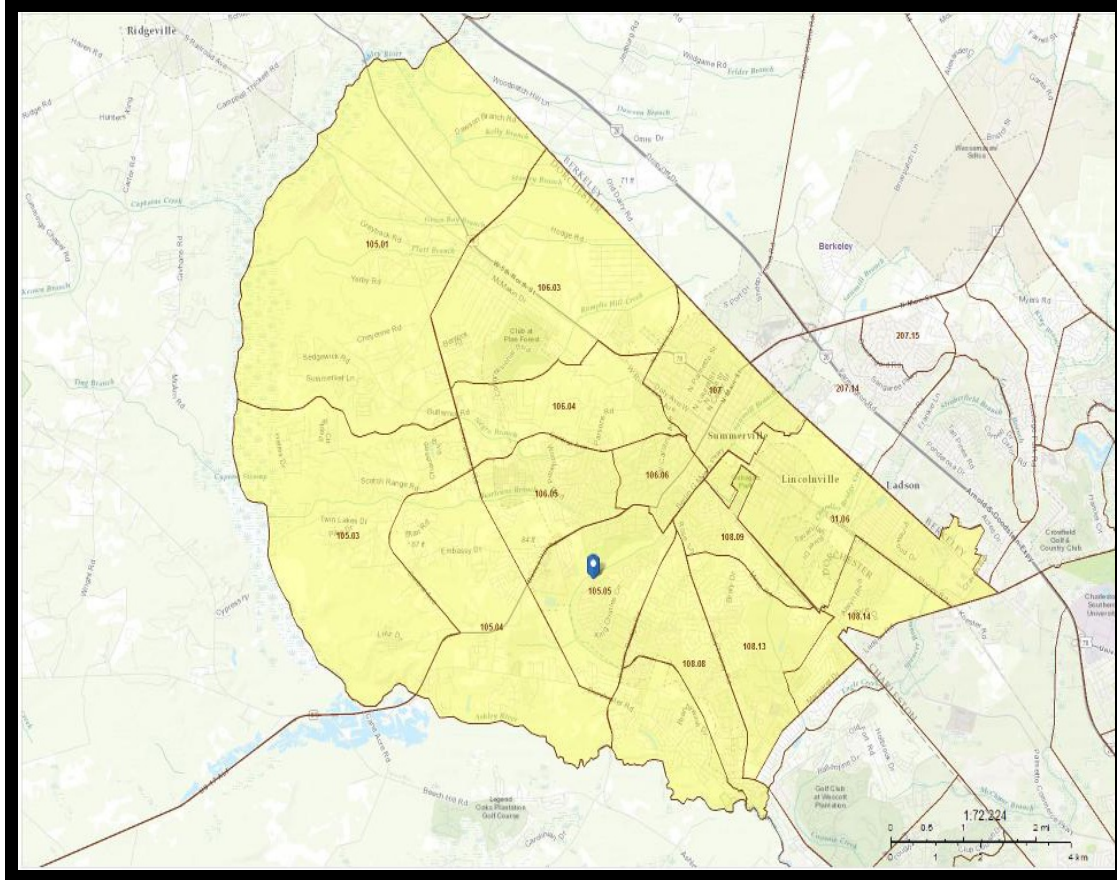
- 105.01 105.03, 105.04, 105.05, 106.03,
- 106.04, 106.05, 106.06, 107, 108.07,
- 108.08, 108.09, 108.13, 108.14, and 31.06.

Transportation access to the site and PMA is excellent. The major east/west transportation corridor in the PMA is US 17A. The major north/south transportation corridors in the PMA are I-26, and US Highway 78.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject
North	Berkeley County & I-26	5 miles
East	North Charleston & Charleston County	6 miles
South	remainder of Dorchester County	3 miles
West	remainder of Dorchester County	5 to 6 miles

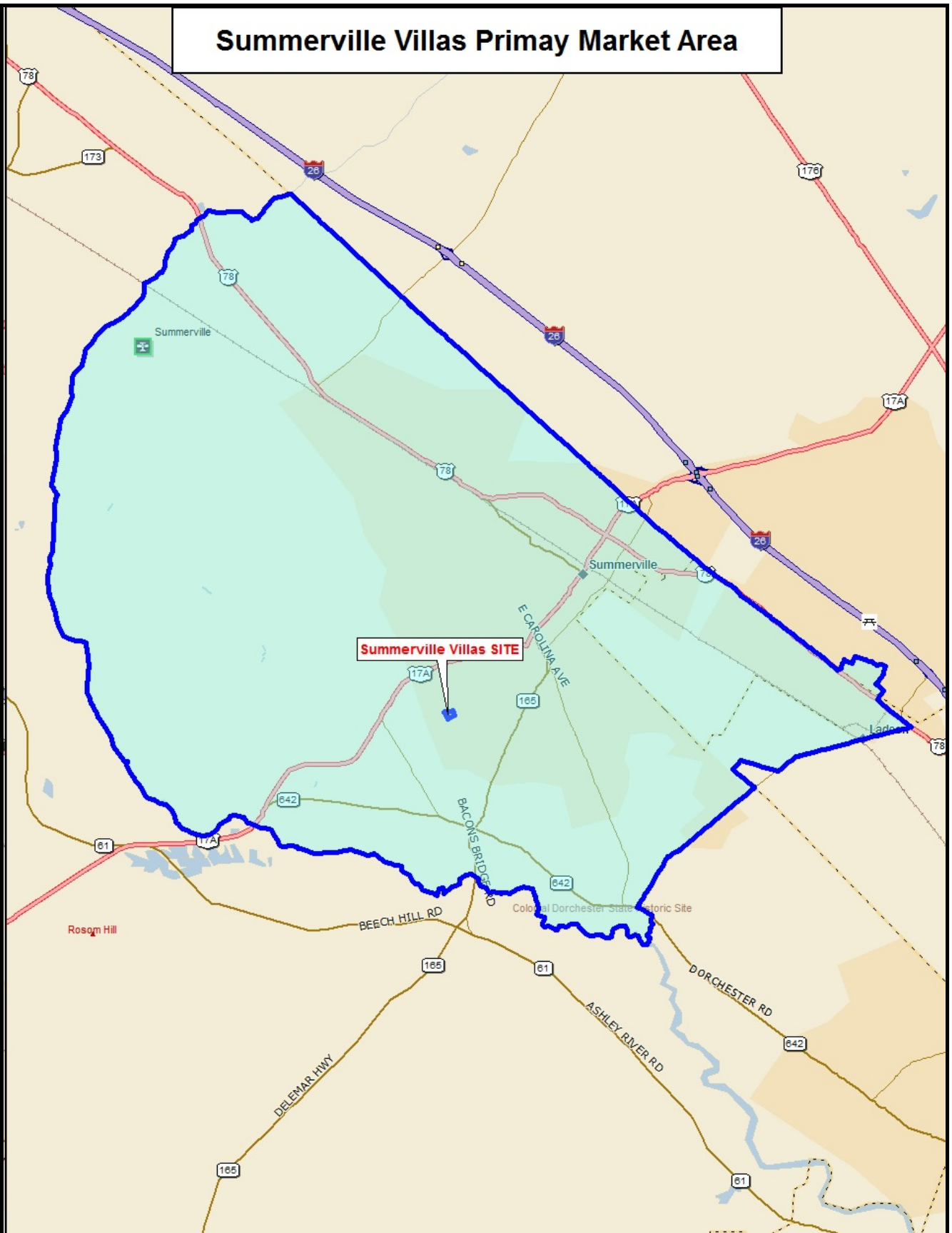
2010 Census Tracts



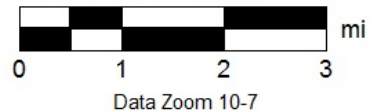
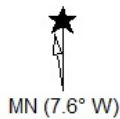
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area, principally the remainder of Dorchester County, and portions of Berkeley and Charleston Counties. However, in order to remain conservative the demand methodology excluded any potential demand from a secondary market area.

Summerville Villas Primay Market Area



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Race: 2010

The most recent statistics on race for the census tract in which the proposed development is located (Census Tract 105.05) within the PMA is exhibited below:

Race	Number	Percent
Total Population	6,494	100.0
One Race	6,277	96.7
White	5,108	78.7
Black or African American	974	15.0
American Indian and Alaska Native	29	0.4
Asian	72	1.1
Native Hawaiian and Other Pacific Islander	7	0.1
Some Other Race	87	1.3
Two or More Races	217	3.3
Race & Hispanic or Latino	Number	Percent
Total Population	6,494	100.0
One Race	6,277	96.7
Hispanic or Latino	240	3.7
Not Hispanic or Latino	6,037	93.0
Two or More Races	217	3.3
Hispanic or Latino	24	0.4
Not Hispanic or Latino	193	3.0

Source: 2010 Census of Population, South Carolina, Table QT-P3.

Pro Forma Rents vs Affordability

The proposed pro forma rents will be affordable to the subject tenant population. The property offers 30 units with deep subsidy rental assistance. In addition, the proposed rents by AMI are below the current FMR's by bedroom type which allow for Section 8 Housing Choice Vouchers to be placed at the subject property. Also, the overall subject property market rent advantage is 32%.

SECTION D

MARKET AREA ECONOMY

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area

to create and sustain growth, and job formation is typically the primary motivation for positive net in-migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 1 through 5 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Dorchester County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 1A			
Civilian Labor Force, Dorchester County: 2007, 2015 and 2016			
	2007	2015	2016
Civilian Labor Force	62,138	71,848	73,709
Employment	59,419	67,938	70,319
Unemployment	2,719	3,910	3,390
Unemployment Rate	4.4%	5.4%	4.6%

Table 1B				
Change in Employment, Dorchester County				
Years	# Total	# Annual*	% Total	% Annual*
2007 - 2009	- 1,618	- 809	- 2.72	- 1.37
2010 - 2014	+ 6,691	+1,673	+11.28	+ 2.71
2015 - 2016	+ 2,381	Na	+ 3.51	Na

* Rounded Na - Not applicable

Sources: South Carolina Labor Force Estimates, 2007 - 2016. SC Department of Employment and Workforce, Labor Market Information Division. Koontz and Salinger. March, 2017.

Table 2 exhibits the annual change in civilian labor force employment in Dorchester County between 2007 and 2016. Also, exhibited are unemployment rates for the County, State and Nation.

Table 2							
Change in Labor Force: 2007 - 2016							
	Dorchester County					SC	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2007	62,138	59,419	-----	2,719	4.4%	5.7%	4.6%
2008	63,518	59,928	509	3,590	5.7%	6.8%	5.8%
2009	64,044	57,801	(2,127)	6,243	9.7%	11.2%	9.3%
2010	65,564	59,322	1,521	6,242	9.5%	11.2%	9.6%
2011	67,007	60,999	1,677	6,008	9.0%	10.6%	8.9%
2012	68,110	62,799	1,800	5,311	7.8%	9.2%	8.1%
2013	68,570	64,042	1,243	4,528	6.6%	7.6%	7.4%
2014	70,088	66,013	1,971	4,075	5.8%	6.4%	6.1%
2015	71,848	67,938	1,925	3,910	5.4%	6.0%	5.3%
2016	73,709	70,319	2,381	3,390	4.6%	5.1%	4.9%
Month							
1/2016	72,305	68,627	-----	3,678	5.1%	5.6%	5.3%
2/2016	72,702	69,012	385	3,690	5.1%	5.9%	5.2%
3/2016	73,584	69,777	765	3,807	5.2%	5.6%	5.1%
4/2016	73,310	69,813	36	3,497	4.8%	5.2%	4.7%
5/2016	73,358	70,124	311	3,234	4.4%	4.8%	4.5%
6/2016	74,675	70,855	731	3,820	5.1%	5.6%	5.1%
7/2016	75,101	71,517	662	3,584	4.8%	5.4%	5.1%
8/2016	74,279	70,609	(908)	3,670	4.9%	5.5%	5.0%
9/2016	73,841	70,574	(35)	3,267	4.4%	4.9%	4.8%
10/2016	73,885	70,819	245	3,066	4.1%	4.6%	4.7%
11/2016	73,686	71,022	203	2,664	3.6%	4.0%	4.4%
12/2016	73,782	71,079	57	2,703	3.7%	4.1%	4.5%

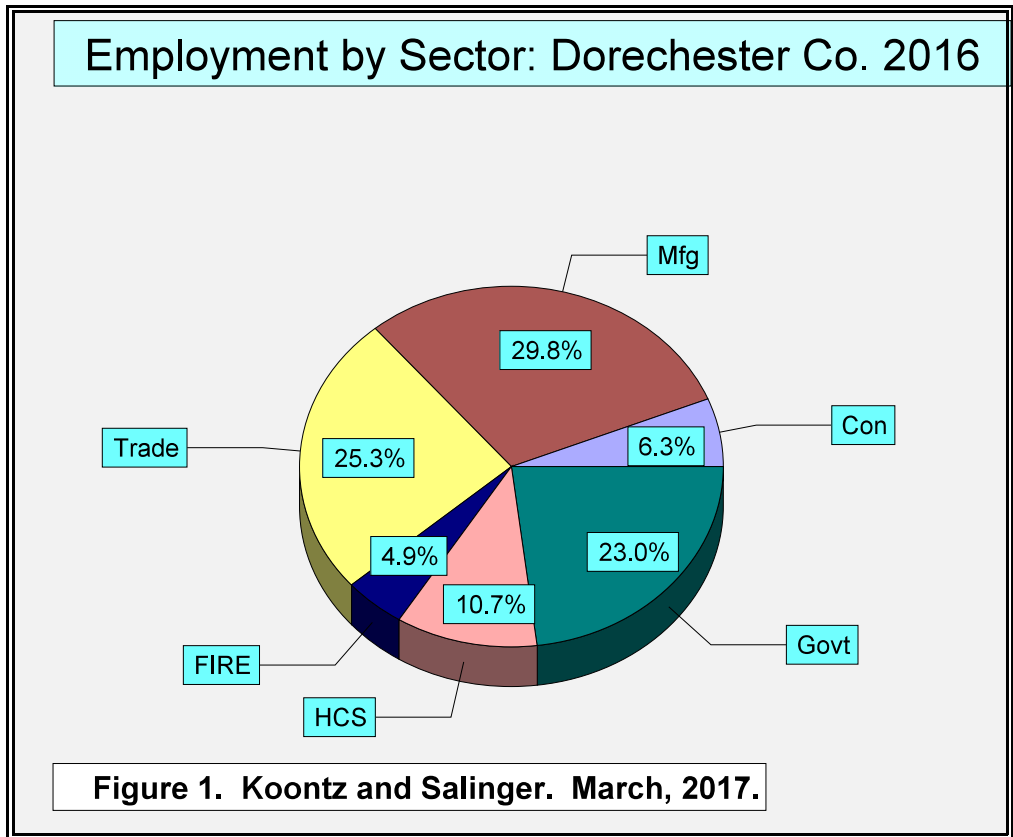
Sources: South Carolina Labor Force Estimates, 2007 - 2016. SC Department of Employment and Workforce, Labor Market Information Division. Koontz and Salinger. March, 2017.

Table 3 exhibits average monthly employment by sector in Dorchester County between the 2nd Quarter of 2015 and 2016.

Year	Total	Con	Mfg	HCS	T	ADS	FIRE	Gov
2015	31,796	1,804	4,404	2,799	5,274	10,749	955	6,129
2016	33,435	2,024	4,522	2,976	5,472	10,792	997	6,457
15-16 # Ch.	+1,639	+ 220	+ 118	+ 177	+ 198	+ 143	+ 42	+ 328
15-16 % Ch.	+ 5.2	+12.2	+ 2.7	+ 6.3	+ 3.8	+ 5.1	+4.4	+ 5.4

Note: Con - Construction; Mfg - Manufacturing; HCS - Health Care Services; T - Wholesale and Retail Trade; FIRE - Finance, Insurance, and Real Estate; Gov - Federal, State & Local; ADS - Administration

Figure 1 exhibits employment by sector in Dorchester County in the 2nd Quarter of 2016. The top employment sectors are: service, trade, government and manufacturing. The forecast for 2016, is for the manufacturing sector to stabilize, and the trade and service sectors to increase.



Sources: SC Department of Employment and Workforce, 2015 and 2016.
Koontz and Salinger. March, 2017.

Table 4 exhibits the annual change in covered employment in Dorchester County between 2002 and the 1st and 2nd Quarters of 2016. Covered employment data differs from civilian labor force data in that it is based on at-place employment within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

<p style="text-align: center;">Table 4</p> <p style="text-align: center;">Change in Covered Employment: 2002 - 2016</p>		
Year	Employed	Change
2002	28,071	-----
2003	28,638	567
2004	29,275	637
2005	29,788	513
2006	30,343	555
2007	30,807	464
2008	30,605	(202)
2009	28,403	(2,202)
2010	28,114	(289)
2011	28,783	669
2012	29,257	474
2013	29,942	685
2014	30,848	906
2015	31,926	1,078
2016 1 st Q	32,366	-----
2016 2 nd Q	33,435	1,069

Sources: SC Department of Employment and Workforce.
Koontz and Salinger. March, 2017.

Commuting

The majority of the workforce within the PMA has relatively short commutes to work within Dorchester and surrounding counties in South Carolina. Data from the 2011-2015 American Community Survey indicate that the mean commuting time for residents of Dorchester County is 28.2 minutes. For the PMA, mean commuting times range from 24.4 minutes to 32 minutes.

For Dorchester County as a whole, roughly 37% of employed persons living in the County also work in Dorchester County. Some 61.6% of County residents work outside the county of residence, and a very low ratio (1.4%) work out of state. Among residents of the PMA, over 42% work in the county of residence. Some 58% work in other SC counties (principally Berkeley County and Charleston County) and 1.1% work in other states.

Dorchester County also provides jobs for workers living outside the area, principally workers living in Berkeley, Charleston and Colleton counties. Figure 1 below shows the out-commuting among Dorchester County residents; Figure 2 shows the in-commuting from other counties for jobs in Dorchester County. **NOTE: These data are from 2014, and ratios may differ slightly from data from the 2011-2015 ACS.**

Source: US Census Bureau, 2011-2015 American Community Survey

<u>Jobs Counts by Counties Where Workers are Employed - All Jobs</u>		
	2014	
	Count	Share
All Counties	62,344	100.0%
Charleston County, SC	29,190	46.8%
Dorchester County, SC	13,373	21.5%
Berkeley County, SC	6,858	11.0%
Richland County, SC	2,089	3.4%
Orangeburg County, SC	1,143	1.8%
Lexington County, SC	1,137	1.8%
Beaufort County, SC	958	1.5%
Greenville County, SC	880	1.4%
Colleton County, SC	683	1.1%
Horry County, SC	557	0.9%
All Other Locations	5,476	8.8%

<u>Jobs Counts by Counties Where Workers Live - All Jobs</u>		
	2014	
	Count	Share
All Counties	30,638	100.0%
Dorchester County, SC	13,373	43.6%
Berkeley County, SC	5,743	18.7%
Charleston County, SC	5,608	18.3%
Colleton County, SC	944	3.1%
Orangeburg County, SC	870	2.8%
Richland County, SC	384	1.3%
Horry County, SC	317	1.0%
Beaufort County, SC	302	1.0%
Lexington County, SC	257	0.8%
Georgetown County, SC	207	0.7%
All Other Locations	2,633	8.6%

Table 5, exhibits average annual weekly wages in the 2nd Quarter of 2015 and 2016 in the major employment sectors in Dorchester County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2017 will have average weekly wages between \$475 and \$1,000. Workers in the accommodation and food service sectors in 2017 will have average weekly wages in the vicinity of \$300.

Table 5				
Average Annual Weekly Wages, 2nd Quarter 2015 and 2016				
Dorchester County				
Employment Sector	2015	2016	% Numerical Change	Annual Rate of Change
Total	\$ 666	\$ 698	+ 32	+ 4.8
Construction	\$ 774	\$ 814	+ 40	+ 5.2
Manufacturing	\$1196	\$1254	+ 58	+ 4.8
Wholesale Trade	\$ 997	\$ 956	- 41	- 4.1
Retail Trade	\$ 438	\$ 460	+ 22	+ 5.0
Finance & Insurance	\$ 834	\$ 917	+ 83	+10.0
Real Estate & Leasing	\$ 644	\$ 671	+ 27	+ 4.2
Administrative Services	\$ 611	\$ 578	- 33	- 5.4
Education Services	\$ 900	\$1370	+470	+52.2
Health Care Services	\$ 605	\$ 622	+ 17	+ 2.8
Leisure & Hospitality	\$ 282	\$ 290	+ 8	+ 2.8
Federal Government	\$ 974	\$ 908	- 66	- 6.8
State Government	\$ 650	\$ 689	+ 39	+ 6.0
Local Government	\$ 656	\$ 668	+ 12	+ 1.8

Sources: SC Department of Employment and Workforce, Covered Employment, Wages and Contributions, 2015 and 2016.

Koontz and Salinger. March, 2017.

Major Employers

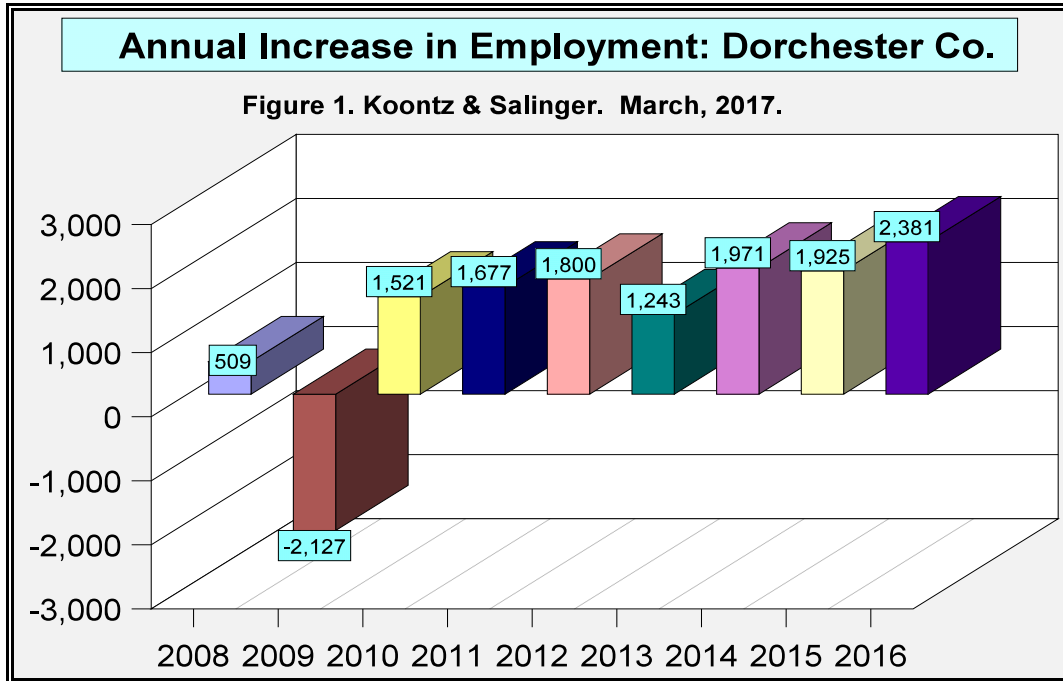
The major employers in the Charleston, SC Metro Area are listed in Table 6.

Table 6		
Major Employers		
Firm	Product/Service	Number of Employees
Joint Base Charleston	Area US Military Commands	22,000
Medical University of SC	Healthcare	13,000
Boeing	Aircraft Manufacturing	6,500
Charleston County Schools	Education	5,300
Roper St Francis Healthcare	Hospitals	5,134
Berkeley County Schools	Education	3,744
Dorchester County Schools	Education	3,100
JEM Restaurant Group	Taco Bell & Pizza Hut	3,000
Walmart	Retail	2,300
Robert Bosch Corp.	Antilock Brake Systems	2,200
Charleston County	Government	2,100
Trident Health System	Healthcare	2,000
College of Charleston	Education	2,000
SAIC	System Engineering	1,576
Kiawah Island Resort	Resort	1,500
Nucor Steel	Manufacturing	1,500
Blackbaud	Computer Software Development	1,300
Publix	Retail	1,160
Verizon Wireless	Call Center	1,155
Santee Cooper	Utility	1,150
US Postal Service	Postal Service	1,100
Berkeley County	Government	1,059
KapStone Paper	Paper & Packaging	1,030
Bi-Lo Stores	Retail	1,000

Source: Center for Business Research, Charleston Metro Chamber of Commerce

SUMMARY

The economic situation for Dorchester County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 1 and 2, Dorchester County experienced employment losses in 2009. Like much of the state and nation, very significant employment losses were exhibited in 2009, followed by gains in each year since 2010. Between 2010 and 2016, the overall local economy improved significantly and has continued since despite the reduction in the local labor force participation rate, resulting in a reduction of the unemployment rate to below 5% in the later portion of 2015, to a 2016 annual rate of 4.6%.



As represented in Figure 1 (and Table 1B), between 2010 and 2014, the average increase in employment was approximately +1,673 workers or +2.71% per year in Dorchester County. The rate of employment change between 2015 and 2016 was very significant at +2,381 workers, or by +3.51%.

Monthly unemployment rates in 2015 and 2016 were much improved when compared to the 2010 to 2012 period. Monthly unemployment rates in 2016 remained very low to low (in the 3.6% to 5.2% range), and for the most part improved on a month to month basis.

The National forecast for 2017 (at present) is for the unemployment rate to approximate 4% to 4.5%. Typically, during the last three years, the overall unemployment rate in Dorchester County has been below the state average unemployment rates and more comparable to the national average unemployment rates. The annual unemployment rate in 2017 in Dorchester County is forecasted to continue to decline, to the vicinity of 4% (on an annual basis) and improving on a relative year to year basis.

Dorchester County Economic Development is the lead economic development agency for Summerville and Dorchester County. The City of Summerville also has an economic development department which engages in a variety of activities and programs designed to obtain a healthy balance of strategic economic growth and improved quality-of-life. This is achieved by facilitating quality private development and redevelopment, coordinating with community partners to support business growth, pursuing annexation opportunities, and improving access to our community's unique historic and natural resources.

Given the location with respect to Charleston County and Berkeley County, much of the economic development activity in the entire metro area has a regional focus, given that investment in one area benefits the entire region.

The most recent announcement of an expansion which will result in job creation was made on February 2, 2017. KION North America, a member of KION Group AG, which is one of the world's largest manufacturers of industrial trucks, announced that they would be expanding their Dorchester County operations. KION will be investing \$5.7 million in its existing operations, creating more than 50 new jobs over the next five years. One of KION groups customers is Volvo Cars, which is in the process of establishing manufacturing operations in Berkeley County. KION will provide material handling equipment for the facility and will supply and service a fleet of forklifts, reach trucks and VNA (very narrow aisle) trucks.

During 2016, business expansions included \$177,000,000 in new capital investment and 397 new jobs for Dorchester County, including the following:

- Boeing supplier, The Lighthouse for the Blind, Inc. announced 32 jobs with a \$2 million investment.
- BAE Systems announced a new facility creating 315 new jobs.
- Robert Bosch LLC announced a \$175 million expansion, adding 150 new jobs.
- DC Machine opened its new expansion with 17 new jobs accompanying a \$5,3 million investment.
- WABCO opened their new \$17 million facility with 250 employees.
- Scout Boats opened their new 22,000 SF expansion and hired 200 new employees.
- Sportsman Boats opened their new 140,000 SF expansion.
- Summerville Medical Center announced a \$53 million expansion.
- Palmetto State Armory opened their new facility in the renovated Collins Square.
- Construction of a 100,000 SF speculative building at Winding Woods Commerce Park was announced.

Local Economy - Relative to Subject & Impact on Housing Demand

The Summerville / Dorchester County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the acceptable site location of the subject, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters from these sectors of the workforce who are in need of affordable housing and a reasonable commute to work.

The increasing internal growth in population and continuing immigration of population led to, and is continuing to lead to significant growth in local area service and trade employment, specifically job growth in: the local health care system, school system, local government and growth in the number of small businesses and large scale retail trade establishments.

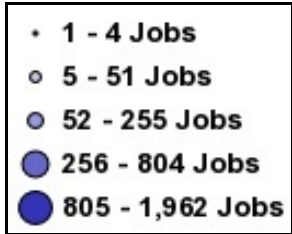
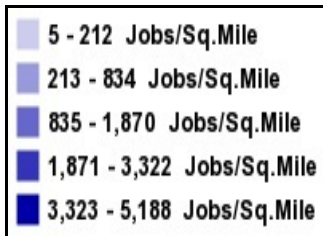
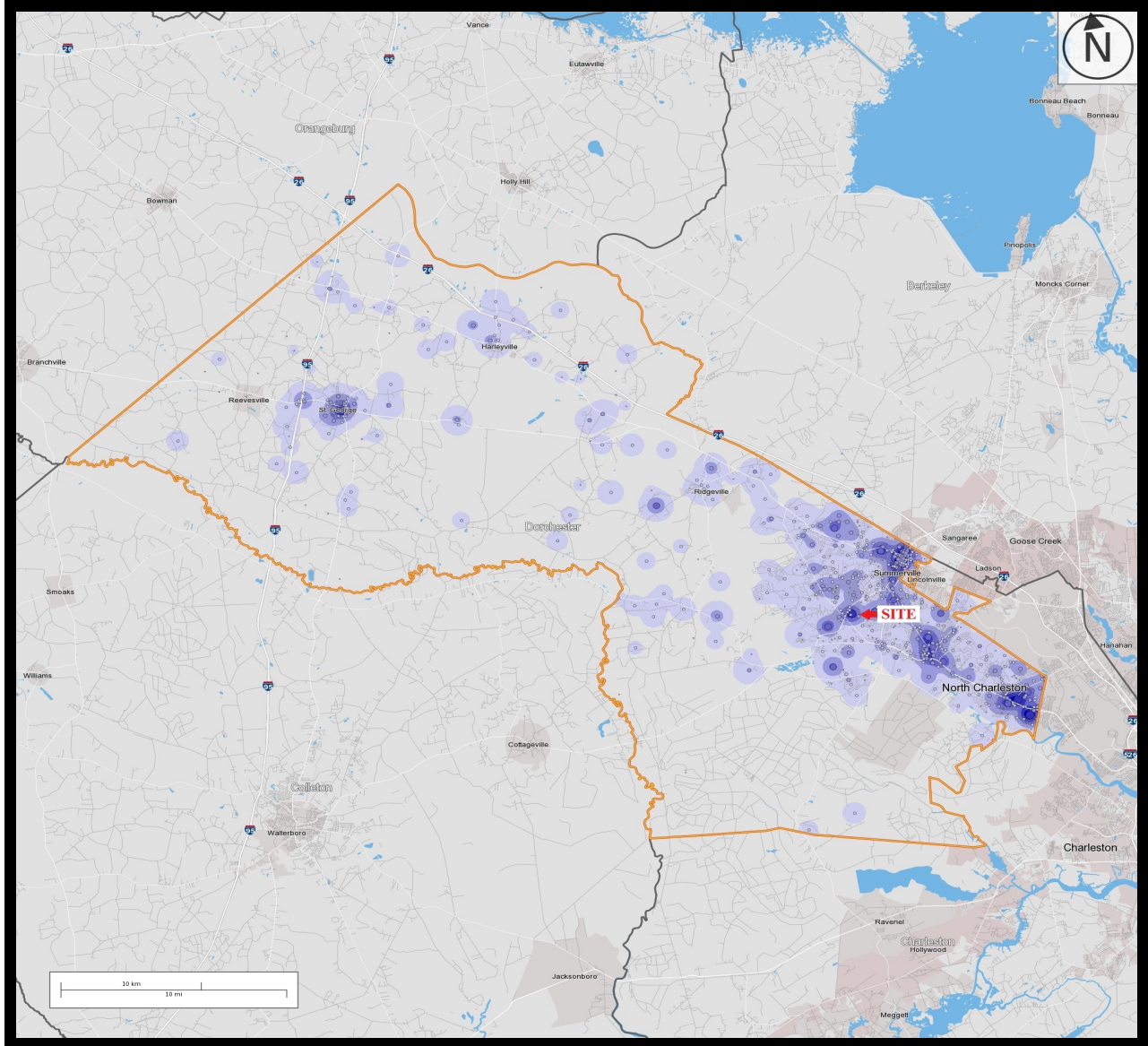
In the opinion of the market analyst, the renovation of an existing USDA family development located within the PMA should fare very well. The opportunities for LIHTC households to buy a home are and will become ever more challenging, in the current underwriting and mortgage due diligence environment.

The proposed subject property net rents at 50% and 60% AMI are marketable, and competitive with the area competitive environment, in particular given the fact that 30 of the existing 42 units have deep subsidy rental assistance (RA). Wages increased in most of the major employment sectors in Dorchester County between 2015 and 2016. However the overall average increase was only a little above the rate of inflation. Occurrences such as this, make new, professionally managed apartment properties, that are affordable and well amenitized, attractive to the low to moderate income households in need of housing or alternative housing choices.

In summary, recent economic indicators are more supportive of a continuing improving local economy in Summerville and Dorchester County over the next year. Recent monthly unemployment rates have been declining to the 4% to 4.5% level over the last year and are forecasted to continue to decline into all of 2017.

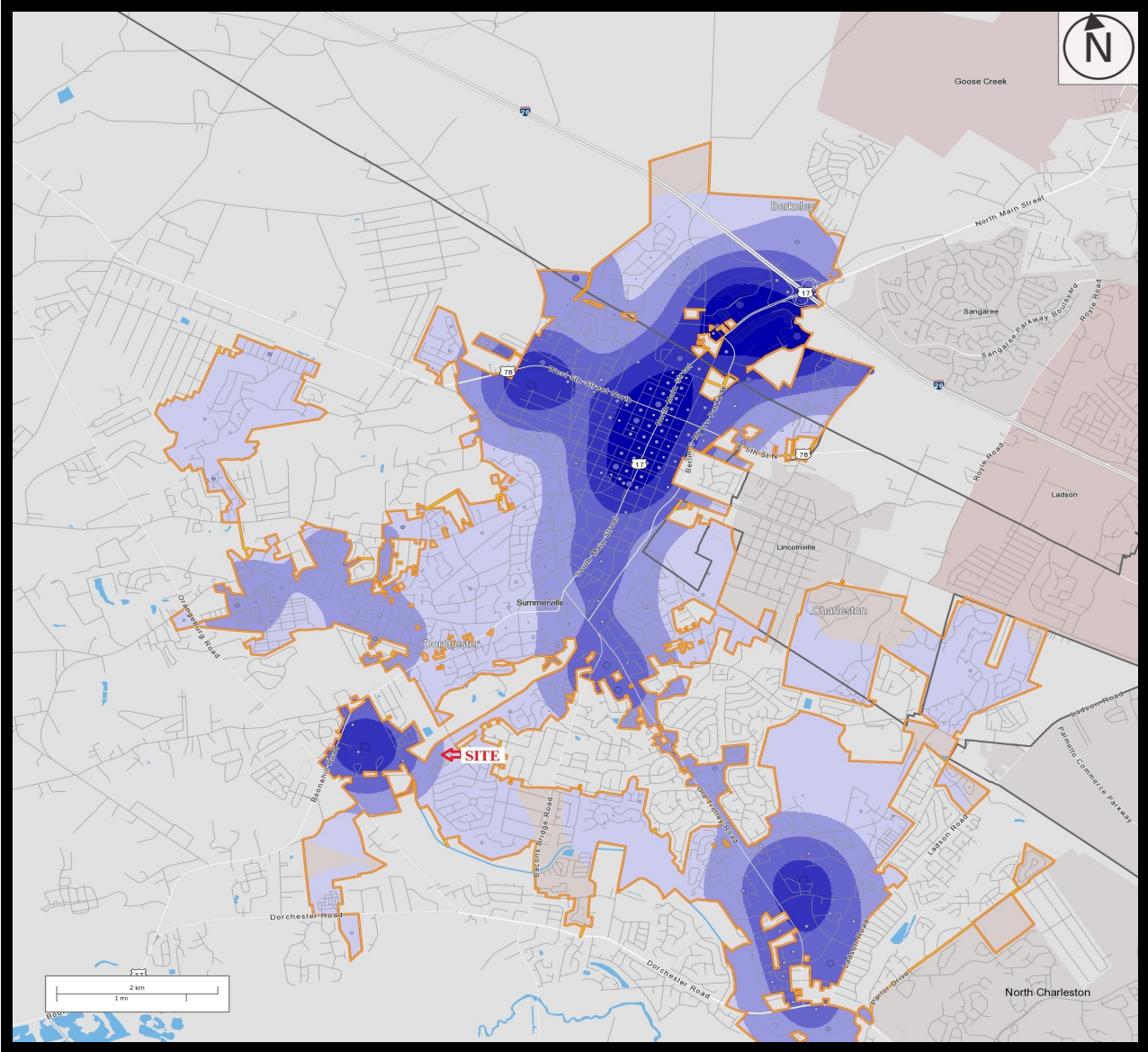
Jobs in Dorchester County are concentrated in and around Summerville southward to Charleston County. The following map shows the major employment nodes within the County.

Major Employment Nodes in Dorchester County, SC



Within the Town of Summerville, jobs are concentrated in the Central Business District of the town, the US 17 corridor and in various areas in the major transportation corridors.

Major Employment Nodes in Summerville, SC



■	5 - 200 Jobs/Sq.Mile
■	201 - 788 Jobs/Sq.Mile
■	789 - 1,767 Jobs/Sq.Mile
■	1,768 - 3,137 Jobs/Sq.Mile
■	3,138 - 4,900 Jobs/Sq.Mile

•	1 - 3 Jobs
○	4 - 39 Jobs
●	40 - 194 Jobs
●	195 - 611 Jobs
●	612 - 1,491 Jobs

SECTION E

COMMUNITY DEMOGRAPHIC DATA

Tables 7 through 12 exhibit indicators of trends in population and household growth.

Table 7 exhibits the change in **total** population in Summerville, the Summerville PMA, and Dorchester County between 2000 and 2021. The year 2019 is estimated to be the placed in service year (Source: Exhibit S, 2017 Market Study Guideline Procedures).

Total Population Trends

The City of Summerville and the Summerville PMA exhibited significant to very significant population gains between 2000 and 2010. The rate of increase within the PMA between 2000 and 2010, approximated +2.95% per year versus +4.57% for the City of Summerville. Significant population increases in the PMA between 2016 and 2019 were forecasted at a rate of round +1.80% per year. The forecast for the 2019 to 2021 period is for population change within the PMA to be comparable to the preceding period at around +1.70% per year.

The forecasted rate of change between 2016 and 2019 for Dorchester County as a whole is for significant annual gains in population. The majority of the rate of change is subject to: (1) in and out-migration of population, and (2) a reduction in the local area labor force participation rate, owing to: (a) the most pro growth economic environment within the county during much of the 10-years, and (b) an increase in the number of baby boomers entering retirement. Recent indicators suggest an improving local economy, which in turn could increase the rate of population gain in the county and PMA in 2019 and 2021 at a rate above the current forecasts.

Population Projection Methodology

The forecast for total population is based primarily upon the 2000 and 2010 census, the 2011 to 2015 census estimates, as well as the Nielsen-Claritas 2017 and 2022 population projections. The most recent set of projections prepared by the South Carolina Revenue and Fiscal Affairs Office were used as a cross check to the Nielsen-Claritas data set.

- Sources: (1) 2000 and 2010 US Census, 2011-2015 US Census Estimates.
- (2) South Carolina State and County Population Projections, prepared by the South Carolina Revenue and Fiscal Affairs Office.
- (3) Nielsen Claritas Projections.

Table 7 exhibits the change in total population in Summerville, the Summerville PMA, and Dorchester County between 2000 and 2021.

Table 7 Total Population Trends and Projections: Summerville, Summerville PMA, and Dorchester County					
Year	Population	Total Change	Percent	Annual Change	Annual Percent
Summerville					
2000	27,752	-----	-----	-----	-----
2010	43,392	+15,640	+ 56.36	+1,564	+ 4.57
2016	50,734	+ 7,342	+ 16.92	+1,224	+ 2.64
2019	53,711	+ 2,977	+ 5.87	+ 992	+ 1.92
2021	55,464	+ 1,753	+ 3.26	+ 877	+ 1.62
Summerville PMA					
2000	61,133	-----	-----	-----	-----
2010	81,651	+20,518	+ 33.56	+2,052	+ 2.94
2016	92,653	+11,002	+ 13.47	+1,834	+ 2.13
2019*	97,799	+ 5,146	+ 5.55	+1,715	+ 1.82
2021	101,112	+ 3,313	+ 3.39	+1,657	+ 1.68
Dorchester County					
2000	96,413	-----	-----	-----	-----
2010	136,555	+40,142	+ 41.64	+4,014	+ 3.54
2016	154,637	+18,082	+ 13.24	+3,014	+ 2.09
2019	163,173	+ 8,536	+ 5.52	+2,845	+ 1.81
2021	168,695	+ 5,522	+ 3.38	+2,761	+ 1.68

* 2019 - Estimated placed in service year.

Calculations: Koontz and Salinger. March, 2017.

Between 2000 and 2010, PMA population increased at an annual rate of approximately 2.95%. The majority of the increase is occurring in the central portion of the PMA in the vicinity of Summerville and that area between Summerville and North Charleston, in particular along and near the major transportation corridors. Between 2016 and 2019 the PMA population is forecasted to increase at a significant annual rate of approximately 1.8%. The figure below presents a graphic display of the numeric change in population in the PMA between 2000 and 2021.

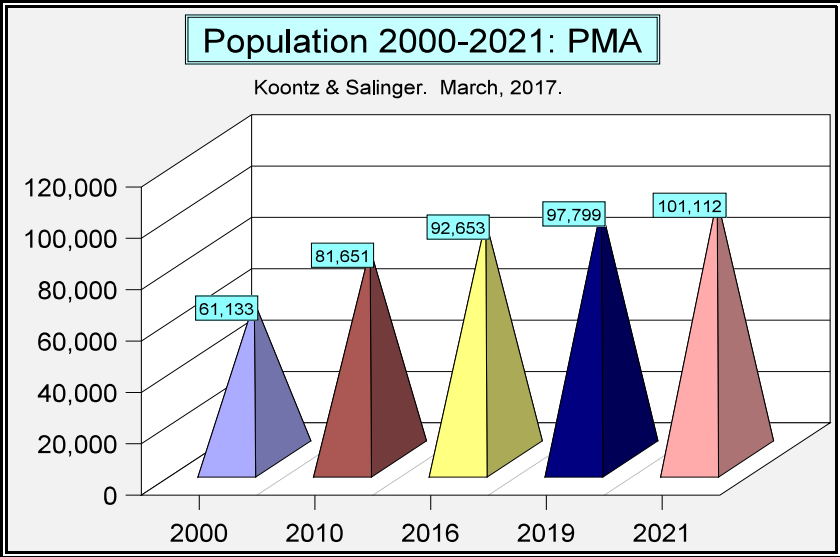


Table 8 exhibits the change in population by age group in the Summerville PMA between 2010 and 2019. One of the most significant increases exhibited between 2016 and 2019 within the Summerville PMA was in the 65-74 age group representing an increase of almost 23.5% over the three year period. The 75+ age group is forecasted to increase by almost 1,450 persons, or by approximately +32%.

	2010 Number	2010 Percent	2016 Number	2016 Percent	2019 Number	2019 Percent
Age Group						
0 - 24	29,166	35.72	31,730	34.25	33,939	33.57
25 - 44	22,442	27.49	24,365	26.30	25,570	25.29
45 - 54	11,835	14.49	12,896	13.92	13,195	13.05
55 - 64	9,399	11.51	11,400	12.30	12,895	12.75
65 - 74	5,318	6.51	7,730	8.34	9,535	9.43
75 +	3,491	4.28	4,532	4.89	5,978	5.91

Sources: 2010 Census of Population, South Carolina
Nielsen Claritas Projections
Koontz and Salinger. March, 2017

HOUSEHOLD TRENDS & CHARACTERISTICS

Table 9 exhibits the change in **total** households in the Summerville PMA between 2000 and 2021. The significant increase in household formations in the Summerville PMA has continued since the 2010 census and reflects the recent population trends and near term forecasts.

The ratio of persons per household is projected to stabilize at around 2.63 between 2016 and 2021 within the Summerville PMA. The reduction in the rate of decline is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters supply since the 2010 census was taken.

Table 9					
Summerville PMA Household Formations: 2000 to 2021					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household ¹	Total Households
PMA					
2000	61,133	756	60,377	2.7195	22,201
2010	81,651	323	81,328	2.7864	29,187
2016	92,653	300	92,353	2.6571	34,757
2019	97,799	300	97,499	2.6331	37,028
2021	101,112	300	100,812	2.6275	38,368

Sources: Nielsen-Claritas Projections.
2000 & 2010 Census of Population, South Carolina.

Koontz & Salinger. March, 2017.

¹Population in Households divided by Total Households.

Table 10				
Change in Household Formations Summerville PMA				
Year	Total Change	Annual Change	Percent Change	% Annual Change
PMA				
2000-2010	+ 6,986	+ 699	+31.47	+ 2.77
2010-2016	+ 5,570	+ 928	+19.08	+ 2.95
2016-2019	+ 2,271	+ 757	+ 6.53	+ 2.13
2019-2021	+ 1,340	+ 670	+ 3.62	+ 1.79

Sources: 2000 & 2010 Census of Population, South Carolina.
 Nielsen-Claritas Projections.
 Koontz and Salinger. March, 2017.

The change in household formations within the Summerville PMA between 2000 and 2010 exhibited a very significant annual increase of almost 700 households or +2.77% per year.

The projection of household formations in the PMA between 2016 and 2019 exhibited a significant increase of around 930 households per year or approximately +2.95% per year. The rate and size of the annual increase between 2016 and 2019 is considered to be very supportive of additional new construction and/or rehab LIHTC family development (that targets the low to moderate income population, as well as the non subsidized population), subject to the proposed development rent positioning within the overall competitive environment.

Table 11A								
Households by Owner-Occupied Tenure, by Person Per Household Summerville PMA, 2010 - 2019								
Households	Owner				Owner			
	2010	2016	Change	% 2016	2016	2019	Change	% 2019
1 Person	3,310	4,059	+ 749	16.35%	4,059	4,362	+ 303	16.47%
2 Person	7,341	8,905	+1,564	35.88%	8,905	9,572	+ 667	36.14%
3 Person	3,957	4,845	+ 888	19.52%	4,845	5,179	+ 334	19.55%
4 Person	3,577	4,138	+ 561	16.67%	4,138	4,353	+ 215	16.44%
5 + Person	2,487	2,874	+ 387	11.58%	2,874	3,019	+ 145	11.40%
Total	20,672	24,821	+4,149	100%	24,821	26,485	+1,664	100%

Table 11B								
Households by Renter-Occupied Tenure, by Person Per Household Summerville PMA, 2010 - 2017								
Households	Renter				Renter			
	2010	2016	Change	% 2016	2016	2019	Change	% 2017
1 Person	3,083	3,812	+ 729	38.37%	3,812	4,118	+ 306	39.06%
2 Person	2,181	2,358	+ 177	23.73%	2,358	2,424	+ 66	22.99%
3 Person	1,619	1,837	+ 218	18.49%	1,837	1,938	+ 101	18.38%
4 Person	949	1,144	+ 195	11.51%	1,144	1,224	+ 80	11.61%
5 + Person	683	785	+ 102	7.90%	785	839	+ 54	7.96%
Total	8,515	9,936	+1,421	100%	9,936	10,543	+ 607	100%

Sources: Nielsen Claritas Projections
Koontz and Salinger. March, 2017

Table 11 indicates that in 2019 approximately 95% of the renter-occupied households in the Primary Market Area contain 1 to 5 persons (the target group by household size).

A significant increase in renter households by size is exhibited by 1 person households between 2014 and 2019. Note: Moderate to significant gains are exhibited by 2 through 5+ person per households. One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 20% and 25% of the renter households in the PMA fit the bedroom profile for a 3BR unit.

Table 12 exhibits households within the Summerville PMA by owner-occupied and renter-occupied tenure.

The 2016 to 2019 tenure trend revealed a significant increase in renter-occupied tenure, in the Summerville PMA on a percentage basis, exhibiting an annual increase of approximately +2%.

<p style="text-align: center;">Table 12</p> <p style="text-align: center;">Households by Tenure: Summerville PMA</p>					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	22,201	15,954	71.86	6,247	28.14
2010	29,187	20,672	70.83	8,515	29.17
2016	34,757	24,821	71.41	9,936	28.59
2019	37,028	26,485	71.53	10,543	28.47
2021	38,368	27,456	71.56	10,912	28.44

Sources: 2000 & 2010 Census of Population, South Carolina.
 Nielsen-Claritas Projections.
 Koontz and Salinger. March, 2017.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD MTSP income limits for 4.5, rounded to five person households (the imputed average household size in a 3BR unit, at 1.5 persons per bedroom) in Dorchester County, South Carolina at 50% and 60% of AMI.

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 13A and 13B exhibit renter-occupied households, by income group, in the Summerville PMA in 2010, forecasted to 2016 and 2019.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the years 2017 and 2022, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey. The data set was extrapolated to fit the required forecast year of 2019.

Tables 13A and 13B exhibit renter-occupied households, by income in the Summerville PMA in 2010, projected to 2016 and 2019.

Table 13A				
Summerville PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under \$10,000	780	9.16	1,250	12.58
10,000 - 20,000	1,408	16.54	1,459	14.68
20,000 - 30,000	1,379	16.20	1,557	15.67
30,000 - 40,000	1,231	14.46	1,536	14.45
40,000 - 50,000	1,133	13.13	1,049	10.56
50,000 - 60,000	733	8.61	773	7.78
60,000 +	1,851	21.74	2,412	24.28
Total	8,515	100%	9,936	100%

Table 13B				
Summerville PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2016 Number	2016 Percent	2019 Number	2019 Percent
Under \$10,000	1,250	12.58	1,334	12.65
10,000 - 20,000	1,459	14.68	1,466	13.91
20,000 - 30,000	1,557	15.67	1,581	15.00
30,000 - 40,000	1,536	14.45	1,505	14.27
40,000 - 50,000	1,049	10.56	1,079	10.23
50,000 - 60,000	773	7.78	812	7.70
60,000 +	2,412	24.28	2,766	26.24
Total	9,936	100%	10,543	100%

Sources: 2006 - 2010 American Community Survey.
Nielsen Claritas, HISTA Data, Ribbon Demographics.
Koontz and Salinger. March, 2017.

SECTION F

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified demand methodology. This incorporates sources of age qualified income eligible demand from new renter household growth and from existing renter

households residing within the Summerville market. In addition, even though it is not significant in the area at this time, the amount of substandard housing that still exists within the Summerville PMA will be factored into the demand methodology.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimate that the subject will be placed in service in 2019, as a completed rehab development.

In this section, the effective project size is 42-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 13A and 13B from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like kind competitive supply. In this case discriminated by income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted LIHTC apartment projects in the market area.

Income Threshold Parameters

Summerville Villas has 30-units with rental assistance (RA). For those 30-units the lower income limit is effectively \$0 up to the maximum allowable for each household size. However, this analysis is prepared as if there is no RA.

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60% or below of AMI.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2016 HUD Income Guidelines were used.
- (5) - 0% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will consist of 1BR, 2BR and 3BR units. The expected minimum to maximum number of people per unit is:

- 1BR - 1 and 2 persons
- 2BR - 2, 3 and 4 persons
- 3BR - 3, 4, 5 and 6 persons

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), and approximately 80% at 60% AMI.

The lower portion of the target income range is set by the proposed subject 1BR gross rents at 50%, and 60% AMI. Typically the 1BR gross rent sets the lower threshold limit and the 2BR and 3BR gross rents (income ranges) fall between the lower and the maximum HUD based person per household income range by AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. For LIHTC family applications 35% of income to rent is established as the rent to income ratio.

The proposed 1BR net rent at 50% AMI is \$504. The estimated utility costs is \$113. The proposed 1BR gross rent is \$617. The lower income limit at 50% AMI based on a rent to income ratio of 35% for a 1BR unit is established at \$21,155.

The proposed 1BR net rent at 60% AMI is \$528. The estimated utility costs is \$113. The proposed 1BR gross rent is \$641. The lower income limit at 60% AMI based on a rent to income ratio of 35% for a 1BR unit is established at \$21,980.

The maximum income at 50% and 60% AMI for 2 to 5 person households in Dorchester County, SC follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$23,100	\$27,720
2 Person -	\$26,400	\$31,680
3 Person -	\$29,700	\$35,640
4 Person -	\$33,000	\$39,600
5 Person -	\$35,650	\$42,780

Source: 2016 HUD MTSP income limits.

Overall Income Ranges by AMI

The overall income range for the targeting of income eligible households at 50% AMI is \$21,155 to \$35,650.

The overall income range for the targeting of income eligible households at 60% AMI is \$21,980 to \$42,780.

Fair Market Rents

The 2017 Final Fair Market Rents for Dorchester County, SC are as follows:

- Efficiency = \$ 713
- 1 BR Unit = \$ 818
- 2 BR Unit = \$ 973
- 3 BR Unit = \$1290
- 4 BR Unit = \$1665

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.gov

Note: The proposed subject property 1BR, 2BR, and 3BR gross rents at both 50% and 60% AMI are set below the 2017 maximum Fair Market Rents in Dorchester County. Thus, the proposed subject property 1BR, 2BR, and 3BR units at 50% and 60% AMI will be readily marketable to Section 8 Housing Choice voucher holders.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI Target Income Segment

The subject will position 10-units at 50% of AMI.

It is projected that in 2019 approximately **21%** of the renter households in the PMA were in the subject property 50% AMI LIHTC target income group of \$21,155 to \$35,650.

60% AMI Target Income Segment

The subject will position 32-units at 60% of AMI.

It is projected that in 2019 approximately **29%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group of \$21,980 to \$42,780.

Adjustments

In order to adjust for income overlap between the 50% and 60% income segments several adjustments were made resulting in the following discrete estimates/percentages of households, within the 50%, and 60% AMI income ranges:

Renter-Occupied

50% AMI	10%
60% AMI	19%

The discrimination made to the overall 50%, and 60% income ranges was to maintain the ratio difference established when analyzing the income overlap groups, yet lean towards the higher segment of the overlap, i.e., 60% (vs 50%) owing the forecast trends, both on a numerical and a percentage basis exhibited between 2016 and 2019, within the Nielsen Claritas HISTA data base for the PMA. Overall, the adjustment between the two income bands was moderate.

Effective Demand Pool

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

- * net household formation (normal growth),
- * existing renters who are living in substandard housing, and
- * existing renters who are in rent overburdened situations.

Several adjustments are made to the basic model. The methodology adjustments are:

(1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2016 to 2019 forecast period, and

(2) taking into consideration like-kind competition introduced into the market between 2015 and 2016.

New Household Growth

For the PMA, forecast housing demand through household formation totals 2,271 households over the 2016 to 2019 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2016 to 2019 forecast period it is calculated that 607 or approximately 27% of the new households formations would be renters.

Based on 2019 income forecasts, 55 new renter households fall into the 50% AMI target income segment of the proposed subject property, and 115 into the 60% AMI target income segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2011-2015 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2011-2015 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 381 renter-occupied households were defined as residing in substandard housing. Based upon 2011-2015 American Community Survey data, 266 renter-occupied households were defined as residing in substandard housing.

The forecast for 2016 based upon a straight line trend of over crowding data, and holding constant at year 2010 lacking complete plumbing data, and adjusting for margin of error estimates, was for 180 renter occupied household residing in substandard housing in the PMA, in 2016. The forecast in 2019 was for 140 renter occupied household residing in substandard housing in the PMA.

Based on 2019 income forecasts, 13 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI, and 27 at 60% AMI.

Demand from Existing Renters that are Rent Overburdened

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2011-2015 American Community Survey provides the most current estimate of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2019 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to the 2008-2010 national and worldwide

recession since the report of the findings in the 2011-2015 American Community Survey. The 2011-2015, ACS indicates that approximately 51.5% of all households age 25-64 in Dorchester County are rent overburdened, and that approximately 79% of all renters (regardless of age) within the \$20,000 to \$34,999 income range are rent overburdened, versus approximately 63% in the \$35,000 to \$49,999 income range.

***Note:** HUD defines rent over burdened as paying more than 30% of income to rent.

It is estimated that approximately 79% of the renters with incomes in the 50% AMI target income segments of \$21,155 to \$35,650 are rent overburdened. It is estimated that approximately 63% of the renters with incomes in the 60% AMI target income segments of \$21,980 to \$42,780 are rent overburdened.

In the PMA it is estimated that 739 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property. In the PMA it is estimated that 1,246 existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property.

Total Effective Tenant Pool

The potential demand from these sources (within the PMA) total 807 households/units for the subject apartment development at 50% AMI. The potential demand from these sources (within the PMA) total 1,388 households/units for the subject apartment development at 60% AMI.

The total potential demand from the PMA is 2,195 households/units for the subject apartment development at 50% to 60% AMI. This estimate comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

These estimates of demand will still need to be adjusted for the introduction of new like-kind LIHTC supply into the PMA that is either: (1) built in 2016, placed in service in 2016, or currently in the rent-up process, (2) under construction, and/or (3) in the pipeline for development.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct, like-kind competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are no LIHTC family apartment developments under construction within the PMA, nor are there any in the pipeline for development.

A review of the 2014 to 2016 list of awards made by the South Carolina Housing Finance and Development Authority revealed that in the last three rounds one award was made for a LIHTC elderly development located within the Summerville PMA. In 2016, an award was made for a 42-unit HFOP development, the Villas at Oakbrook. The development will be located at 5010 Ladson Boulevard in Summerville. This development is not considered to be comparable to the proposed subject LIHTC/USDA-family rehab development.

At the time of the market survey, there was one 258-unit Class A Luxury market rate property, The Legends at Azalea, located within Summerville that was in the final stage of development. Pre leasing is expected to begin in April 2017. The property is located at 3500 Pinckney Marsh Lane and is being developed by United Residential Properties (Macon, GA).

The Class A Luxury property is not considered to be comparable to the proposed subject LIHTC/USDA-family rehab development. The Legends at Azalea will offer seven 1BR floor plans (651-920 SF), two 2BR floor plans (1155-1252 SF), and two 3BR floor plans (1312-1479 SF). The building design is 3-story walk-up, garden apartments. Amenities include: gated entry, clubhouse, salt water swimming pool, garages, storage units, cyber café, pet park, car care center, and screened patios and balconies.

Sources: www.legendsatazalea.com

Ms. Jessie Schuller, Zoning Administrator, City of Summerville,
(843) 851-4214.

The segmented, effective demand pool for the Summerville PMA is summarized in Table 14.

Table 14

LIHTC Quantitative Demand Estimate: Summerville PMA

	AMI	AMI
● <u>Demand from New Growth - Renter Households</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2019)	10,543	10,543
Less: Current Number of Households (2016)	<u>9,936</u>	<u>9,936</u>
Change in Total Renter Households	+ 607	+ 607
% of Renter Households in Target Income Range	<u>9%</u>	<u>19%</u>
Total Demand from New Growth	55	115
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing (2016)	180	180
Number of Households in Substandard Housing (2019)	140	140
% of Substandard Households in Target Income Range	<u>9%</u>	<u>19%</u>
Number of Income Qualified Renter Households	13	27
● <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2019)	10,543	10,543
Minus Number of Substandard Renter Household	<u>- 140</u>	<u>- 140</u>
Total in Eligible Demand Pool	10,403	10,403
% of Households in Target Income Range	<u>9%</u>	<u>19%</u>
Number of Income Qualified Renter Households	936	1,977
Proportion Income Qualified (that are Rent Overburden)	<u>79%</u>	<u>63%</u>
Total	739	1,246
● <u>Net Total Demand (New & Existing Renters)</u>	807	1,388
● <u>Adjustment for Like-Kind Supply</u>		
Minus New Supply of Competitive Units (2015-2016)*	<u>- 0</u>	<u>- 0</u>
● <u>Gross Total Demand</u>	807	1,388

Capture Rate Analysis

Scenario 1: (assumes a 100% vacant property after rehab)

Scenario 1 assumes a completed rehab development that is 100% vacant.

Total Number of Households Income Qualified = 2,195. For the subject 42 LIHTC/USDA units, this equates to an overall non segmented Capture Rate of 1.9%.

Scenario 1

● <u>Capture Rate</u> (42-units)	50%	60%
	<u>AMI</u>	<u>AMI</u>
Number of Units in LIHTC Segment	10	32
Number of Income Qualified Households	807	1,388
Required Capture Rate	1.2%	2.3%

Scenario 2: (assumes a 30% vacant property after rehab)

Scenario 2

Scenario 1 assumes a completed rehab development that is 100% vacant. Summerville Villas typically has an occupancy rate of 98%, owing primarily to the availability of 30-units of rental assistance. Allowing for the retention of the 30-units with rental assistance results in a worse case scenario of 12 vacant unit with a 2nd Capture Rate Scenario as follows:

Total Number of Households Income Qualified = 2,195. For the vacant 12 LIHTC/USDA units, this equates to an overall Capture Rate of 0.5%.

● <u>Capture Rate</u> (12-units)	50%	60%
	<u>AMI</u>	<u>AMI</u>
Number of Units in LIHTC Segment	2	10
Number of Income Qualified Households	425	171
Required Capture Rate	0.2%	0.7%

● Total Demand by Bedroom Mix

It is estimated that approximately 30% of the target group is estimated to fit a 1BR unit profile, 45% of the target group is estimated to fit a 2BR unit profile, and 25% of the target group is estimated to fit a 3BR unit profile. Source: Table 11B and Survey of the Competitive Environment - Table 15.

Rationale for 3BR Targeting

The following demand by bedroom mix implicitly adjusts for household size such that demand for 3BR units comprises larger (3+ person) renter households. In Table 11B the data indicates that in 2019 approximately 19.5% of the renter-occupied households in the PMA are 4 and 5+ person households. Table 15, exhibits that 44% of the existing LIHTC & USDA-family supply located within the PMA targets large families/households with 3BR units.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 50% AMI)

1BR	-	242
2BR	-	363
3BR	-	202
Total	-	807

	<u>Total Demand</u>	New Supply*	<u>Net Demand</u>	Units <u>Proposed</u>	Capture <u>Rate</u>
1BR	242	0	242	2	0.8%
2BR	363	0	363	6	1.7%
3BR	202	0	202	2	1.0%

Total Demand by Bedroom Type (at 60% AMI)

1BR	-	416
2BR	-	625
3BR	-	347
Total	-	1,388

	<u>Total Demand</u>	New Supply*	<u>Net Demand</u>	Units <u>Proposed</u>	Capture <u>Rate</u>
1BR	416	0	416	6	1.4%
2BR	625	0	625	18	2.9%
3BR	347	0	347	8	2.3%

- Scenario 1 - Overall Project Capture Rate: 1.9%

Summary: Assumes 100% vacant property (worse case scenario).

- Scenario 2 - Overall Project Capture Rate: 0.5%

Summary: An overall capture rate of 0.5% for the proposed LIHTC/USDA subject rehab development with 30-units of deep subsidy rental assistance is considered to be a very positive quantitative indicator given the following market conditions: (1) the existing program assisted LIHTC & USDA-family apartment market targeting very low to moderate income households is stable and operating at a 98% occupancy rate, with most properties maintaining a waiting list, (2) the site location is considered to be very good and will enhance the marketing and rent-up of the subject, and (3) the demand methodology excluded potential demand from eligible HUD Section 8 voucher holders. Typically a capture rate greater than 20% warrants caution. In the case of the subject, a capture rate of 0.5% is considered to be a quantitative indicator which is very supportive of the proposed LIHTC/USDA rehab development.

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Absorption Analysis

Assuming the property was 100% vacant, and comparable to a new construction LIHTC/USDA family development, the most likely/best case rent-up scenario for the property, were the subject 100% vacant and still retains 30 units of rental assistance, suggests a 1-month rent-up time period (an average of 12-units per month). Absent the 30-units of rental assistance the estimate is within 4-months.

The absorption of the project is contingent upon an attractive product after the rehab process, professional management, and a strong marketing and pre-leasing program.

The proposed development does not have a Relocation Plan. It was reported that the development rehab process will take place in such a way that no tenants will be relocated during the rehab process.

Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, and (3) the retention of: (a) the existing 30-units of deep subsidy rental assistance and (b) the typical number of Section 8 voucher holders at the property, it is estimated that the property will retain at least 80% of its tenant base, the most likely/best case rent-up scenario for the property, were the subject 20% vacant, suggests a 1-month rent-up time period (an average of 8-units per month).

Stabilized occupancy, subsequent to the end of the rehab process is expected to be 93% or higher within a one month period, beyond the absorption period.

SECTION G

COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions in the PMA.

Overall, the Summerville apartment market is very diversified, and relatively dynamic. Much like the significant population growth over the last 17 years, the local apartment market exhibited similar significant growth, with the exception of the last "deep recession" period. The local apartment market has become much more diversified and upscale with a number of Class A properties introduced into the market, as well as a number of LIHTC complexes (targeting both the elderly and general population).

Part I - Survey of LIHTC & USDA Family Apartments (located w/in the PMA)

Six LIHTC-family apartment properties, representing 426-units, and three USDA-family apartment properties, representing 138-units were surveyed in detail. All nine properties are located within the Summerville PMA. Several key findings in the surveyed program assisted apartments include:

- * At the time of the survey, the overall estimated vacancy rate of all surveyed LIHTC-family apartment properties was 1.6%.
- * At the time of the survey, the overall estimated vacancy rate of all surveyed USDA-family apartment properties was 2.9%.
- * Four of the six surveyed LIHTC-family properties maintain a waiting list, ranging in size between 3 and 60 applications.
- * Typical occupancy rates at the surveyed LIHTC family program assisted apartment properties was reported to be in the high 90's.
- * Two of the three surveyed USDA-family properties maintain a waiting list, ranging in size between 1 and 17 applications.
- * The bedroom mix of the surveyed LIHTC-family properties is 2% 1BR, 45% 2BR, 51% 3BR, and 2% 4BR.
- * The bedroom mix of the surveyed USDA-family properties is 17% 1BR, 67% 2BR, and 16% 3BR.
- * The most comparable surveyed USDA-family property to the subject in terms of income restriction and project design are Cambridge Apartments and Summer Pines.
- * A map showing the location of the surveyed LIHTC & USDA apartment properties is provided on page 62.

Survey of Competitive Market Rate Apartments

Fourteen market rate properties, representing 2,876 units were surveyed. All 14 properties are located within the Summerville PMA. Several key findings in the conventional market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was 3.1%.
- * The typical occupancy rates reported for most of the surveyed properties ranges between the mid 90's to high 90's.
- * The bedroom mix of the surveyed market rate properties was 27% 1BR, 58.5% 2BR, and 14.5% 3BR.
- * A survey of the conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$920	\$930	\$719-\$1129
2BR/1b	\$938	\$890	\$835-\$1109
2BR/1.5b, 2b & 2.5b	\$1051	\$1085	\$853-\$1287
3BR/1.5b, 2b & 2.5b	\$1243	\$1234	\$929-\$1488

Source: Koontz & Salinger. March 2017

- * Approximately 21% of the surveyed market rate properties include water, sewer and trash removal within the net rent. Approximately 43% of the surveyed properties only include trash removal, and approximately 36% of the surveyed properties include nothing within the net rent.
- * Security deposits range between \$100 and \$500, or were based upon one month's rent. The overall estimated median security deposit within the surveyed competitive environment is \$250.
- * None of the surveyed market rate properties are presently offering rent concessions.
- * Three of the surveyed market rate properties were built in the 1970's, three in the 80's, and eight in the 2000's. The overall average age is 1995, median age 2004, and the range is 1974-2009.

* A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Rent	Average	Median	Range
1BR/1b	795	790	551-984
2BR/1b	985	933	780-1122
2BR/1.5b, 2b & 2.5b	1100	1095	852-1275
3BR/1.5b, 2b & 2.5b	1304	1276	1032-1668

Source: Koontz & Salinger. March, 2017

* A map showing the location of the surveyed market rate properties is provided on page 63.

Comparable Properties

* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Bridge Pointe	Bridge Pointe	Bridge Pointe
Martins Creek	Martins Creek	Martins Creek
Somerset	Somerset	Somerset
Treehaven	Treehaven	Treehaven
Wellington Place	Wellington Place	Wellington Place
Westbury Mews	Westbury Mews	Westbury Mews

Source: Koontz & Salinger. March, 2017

* A map showing the location of the surveyed comparable market rate properties is provided on page 64.

Summary of PMA Vacancy Rates

LIHTC fm Properties	- 1.6%
USDA fm Properties	- 2.9%
Market Rate	- 3.1%
Market Rate - Comparable	- 1.9%
Overall Rate*	- 2.9%

*LIHTC, USDA, and Market Rate

Section 8 Housing Choice Vouchers

The Section 8 Housing Choice Voucher program for Summerville and Dorchester County that is managed by the SC State Housing Authority covers a 7 county area. The baseline for vouchers for the seven county area is 2,064 vouchers. At the time of the survey, Dorchester County is allocated 382 vouchers and currently there are 352 vouchers leased and in use. Presently, there are 1,815-applicants on the waiting list for a Section 8 Housing Choice Voucher in Dorchester County. The waiting list is closed. It can be up to a six to seven year wait for a voucher. It was stated, that "the need has been ongoing the past few years for additional affordable housing in Dorchester County, but has increased recently". Source: Mr. Ron Phillips, SC State Housing Authority, March 1, 2017, (803) 254-3886.

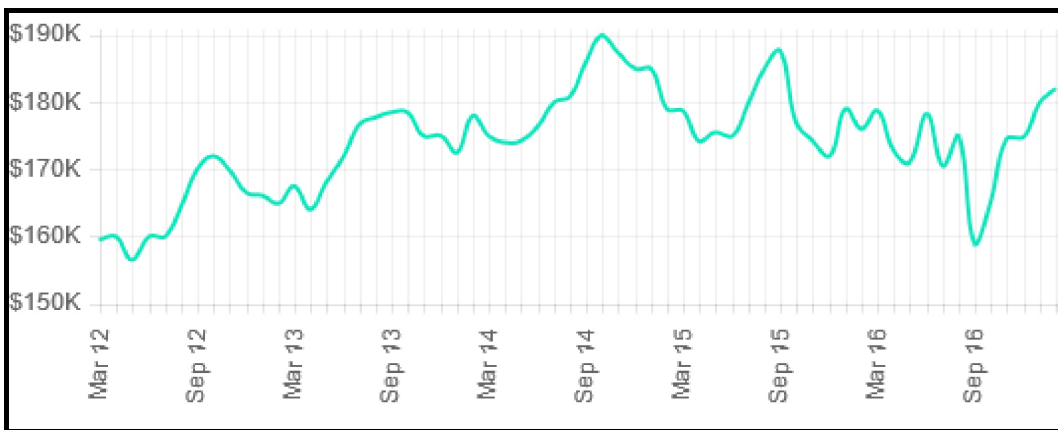
The Section 8 Housing Choice Voucher program managed by the North Charleston Housing Authority has 2,026 vouchers of which 1,825 are issued. Of these vouchers 164 are in use in Summerville. The waiting list has over 1,000 applicants. It recently reopened on February 9, 2017. The Housing Authority is in the process of reviewing the applications. The respondent stated that the need for affordable housing in Summerville has been ongoing and has increased over the past few years. Source: Ms. Bridget Harris, North Charleston Housing Authority, March 1, 2017, (843) 744-3466.

At the time of the survey, approximately 114 of the 436-units (26%) in the surveyed LIHTC-family properties in were occupied by Section 8 Housing Choice Voucher holders.

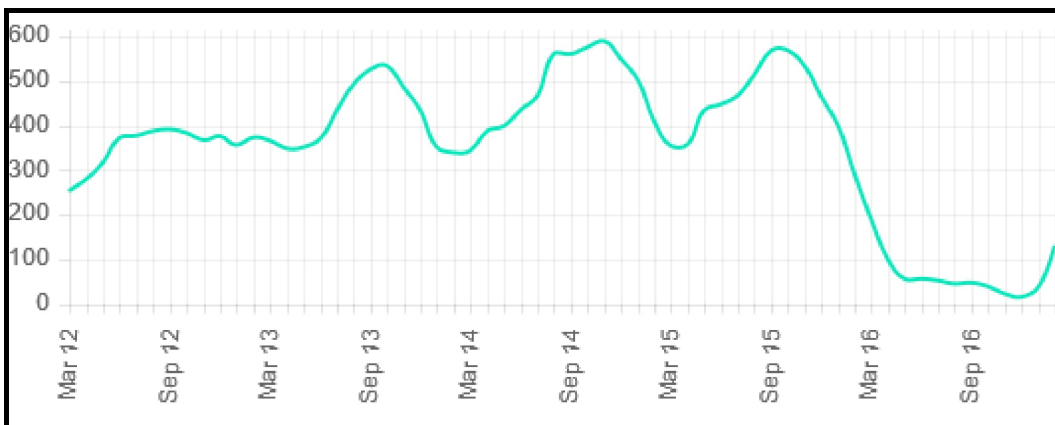
For-Sale Market

The figures below exhibit median homes sales price and home sales trends in Summerville, SC between March 2012 and September 2016. The median sales price fluctuated from a low of \$159,000 to around \$190,000 over the reporting period, but the overall trend is generally stable. (NOTE: in areas with low sales volumes, the median sales price can vary widely.) Sales volumes fluctuated quarter to quarter, but with a recent drop in the number of sales. Data from Trulia indicate an increase of \$3,500 (2%) in median home sales over the past year. The average price per square foot for this same period rose to \$106, up from \$99. The median sales price for the November 2016 - February 2017 period was \$185,000, and the median list price was \$195,000.

Median Home Sales Prices March 2012-September 2016, Summerville



Home Sales Volume March 2012-September 2016, Summerville



With respect to mobile homes, the overall ratio of this housing type is quite small in the Summerville PMA, and the ratio of renter occupied units is even smaller. Given the insignificant number of mobile homes in this market, little to no competition is expected from this housing type.

In summary, the proposed USDA family rehab development most likely would lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership in the majority of the Summerville, SC home buying market. The majority of the tenants at the subject property have annual incomes in the \$9,000 to \$25,000 range. Today's home buying market, both stick-built, modular, and mobile home requires that one meet a much higher standard of income qualification, long term employment stability, credit standing, and a savings threshold. These are difficult hurdles for the majority of LIHTC/USDA family households to achieve in today's home buying environment.

Table 15 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed program assisted LIHTC, and USDA family apartment properties within the Summerville PMA competitive environment.

Table 15											
SURVEY OF LIHTC & USDA FAMILY PROGRAM ASSISTED COMPETITIVE SUPPLY PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	42	8	24	10	2	\$504-\$528	\$559	\$592	622	815	995
LIHTC											
Azalea Park	64	--	32	32	0	--	\$575-\$650	\$655-\$760	--	895	1100
Cedar Key	48	--	16	32	0	--	\$557-\$736	\$618-\$834	--	915	1100
Country Club	32	--	--	32	0	--	\$530-\$630	--	--	950-1057	--
Lake Pointe	56	8	20	28	2	\$450-\$550	\$550-\$708	\$625-\$912	850	1100	1250-1400
Planters Retreat	172	--	96	96	5	--	\$798	\$911	--	1082	1322
Wisteria Place	64	--	32	32	0	--	\$684-\$773	\$838-\$951	--	1082	1322
Sub Total	436	8	196	232	7						
USDA-RD											
Cambridge	48	8	32	8	2	\$500	\$535	\$550	594	864	1100
Summer Pines	48	8	36	4	0	\$469	\$509	\$569	695	928	1035
Summerville Villas	42	8	24	10	2	\$538	\$569	\$602	622	815	995
Sub Total	138	24	92	22	4						
Total*	574	32	288	254	11						

*- Excludes the subject property

Comparable properties highlighted in red.

Note: The basic rent was noted for the USDA-RD properties

Source: Koontz and Salinger. March, 2017.

Table 16 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed market rate apartment properties within the Summerville competitive environment.

Table 16											
SURVEY OF MARKET RATE COMPETITIVE SUPPLY											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	42	8	24	10	2	\$504- \$528	\$559	\$592	622	815	995
Bridge Pointe	130	24	74	32	3	\$995	\$1090 \$1300	\$1320 \$1410	790	1154- 1181	1491- 1668
Farmington Village	280	72	176	32	3	\$932- \$1027	\$1202 \$1287	\$1382	696- 984	1084- 1227	1382
Latitude @ Westcott	290	70	180	40	6	\$1015	\$1044 \$1056	\$1488	833	1044- 1056	1488
Martins Creek	200	48	128	24	7	\$827- \$847	\$897- \$1012	\$1097 \$1107	793	995	1202
Oakbrook Village	192	24	120	48	0	\$832- \$892	\$1002 \$1077	\$1181 \$1206	728	1178	1417
Silvana Oaks	208	80	88	40	9	\$950- \$1025	\$1055 \$1100	\$1200 \$1350	770- 850	1100	1200
Somerset	240	50	168	22	4	\$780	\$835- \$890	\$1020 \$1100	900	1050	1240
Summerville Station	200	48	128	24	0	\$814	\$853	\$1093	700	1000	1200
The Grove @ Oakbrook	280	60	164	56	10	\$915- \$1040	\$1045 \$1180	\$1250 \$1310	888- 972	1080- 1235	1295
The Reserve @ Westcott	280	104	140	36	20	\$910- \$1020	\$1048 \$1146	\$1234 \$1331	822	1075- 1097	1283
The Tradition @ Summerville	232	64	156	12	23	\$973- \$1129	\$951- \$1256	\$1353 \$1474	652- 790	933- 1050	1276
Treehaven	88	40	40	8	2	\$719	\$819	\$929	682	852	1032
Wellington Place	124	50	50	24	0	\$825- \$865	\$890- \$940	\$980- \$1045	725- 945	925- 1050	1079- 1155

Table 16

**SURVEY OF MARKET RATE COMPETITIVE SUPPLY
PROJECT PARAMETERS**

Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Westbury Mews	132	44	72	16	1	\$765-\$895	\$865-\$955	\$1105	551-877	780-1007	1105
Total*	2,876	778	1684	414	88						

* - Excludes the subject property

Comparable properties highlighted in red.

Source: Koontz and Salinger. March, 2017.

Table 17, exhibits the key amenities of the subject and the surveyed LIHTC, and USDA-RD program assisted apartment properties. Overall, the subject is marginally comparable and competitive with the area program assisted apartment properties, regarding the unit amenity package but not with the development amenity package.

Table 17													
SURVEY OF PROGRAM ASSISTED (FAMILY) COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
LIHTC													
Azalea Park	x	x			x	x		x	x	x	x	x	x
Cedar Key	x	x			x	x		x	x	x	x		x
Country Club	x	x						x	x	x	x		x
Lake Pointe	x	x			x	x		x	x	x	x	x	x
Planters Retreat	x	x	x		x	x	x	x	x	x	x	x	x
Wisteria Place	x	x			x	x	x	x	x	x	x		x
USDA-RD													
Cambridge	x	x			x			x	x	x	x		
Summer Pines	x	x			x				x	x	x		x
Summerville Villas	x	x			x				x	x	x		x

Source: Koontz and Salinger. March, 2017.

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, storage, patio/balcony)

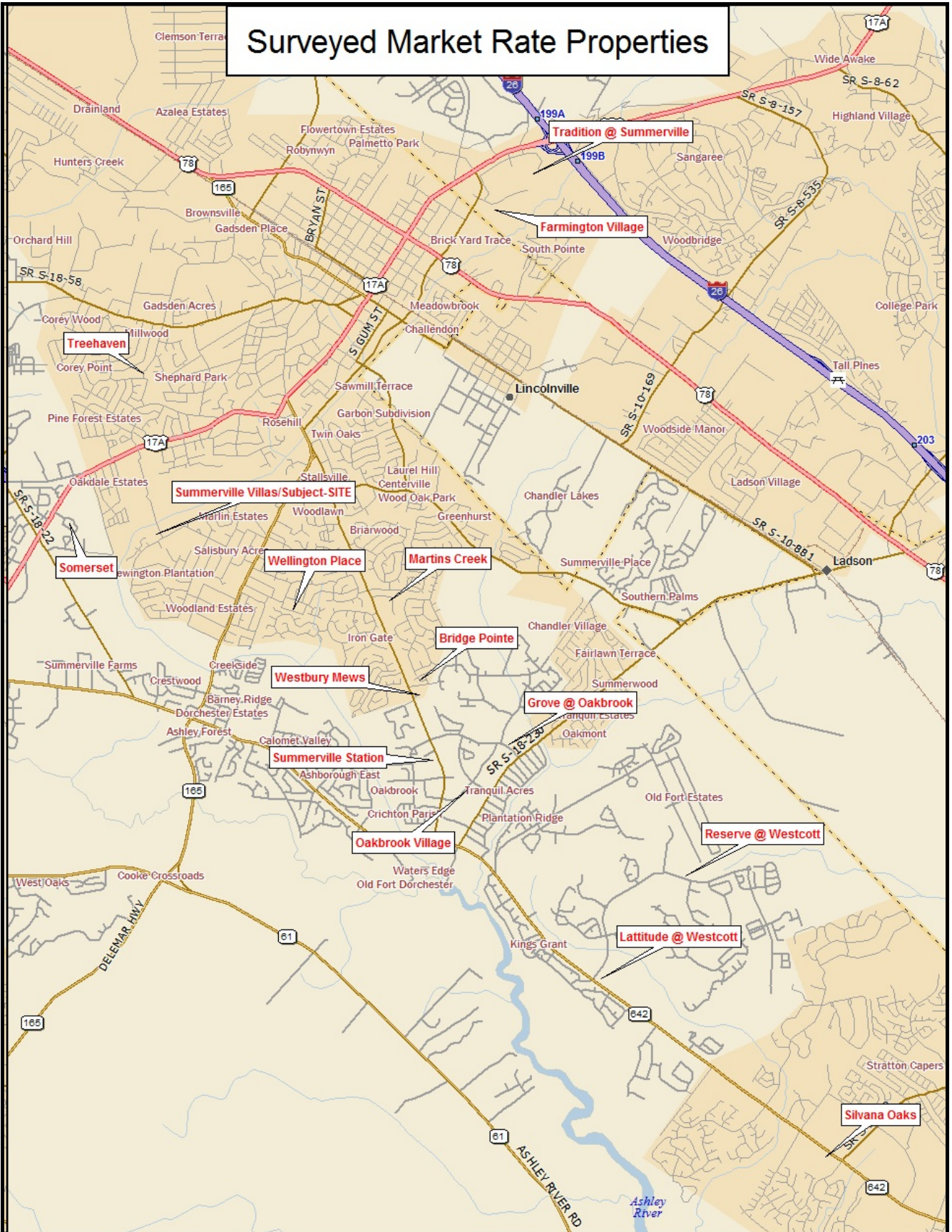
Table 18, exhibits the key amenities of the subject and the surveyed market rate apartment properties. Overall, the subject is competitive with the area conventional supply, regarding the unit amenity package. In particular owing to the subject being a USDA development it is not competitive regarding comparability with Class A market rate development amenity packages, in particular those offering a swimming pool, and an extensive package of clubhouse amenities, and is marginally competitive with the area Class B properties.

Table 18													
SURVEY OF CONVENTIONAL COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Bridge Pointe	x	x	x		x	x	x	x	x	x	x	x	x
Farmington	x	x	x		x	x	x	x	x	x	x	x	x
Latitude	x	x	x		x	x	x	x	x	x	x	x	x
Martins Creek	x	x	x	x	x	x	x	x	x	x	x	x	x
Oakbrook	x	x	x		x	x	x	x	x	x	x	x	x
Silvana Oaks	x	x	x		x	x	x	x	x	x	x	x	x
Somerset	x	x	x		x	x	x	x	x	x	x	x	x
Summerville Station	x	x	x	x	x	x	x	x	x	x	x	x	x
The Grove @ Oakbrook	x	x	x		x	x	x	x	x	x	x	x	x
The Reserve @ Westbrook	x	x	x		x	x	x	x	x	x	x	x	x
The Tradition @Summerville	x	x	x		x	x	x	x	x	x	x	x	x
Treehaven	x	x	x		x	x	x	x	x	x	x	x	x
Wellington Pl	x	x	x	x	x	x		x	x	x	x	x	x
Westbury Mews	x	x	x		x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. March, 2015.

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

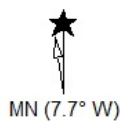
Surveyed Market Rate Properties



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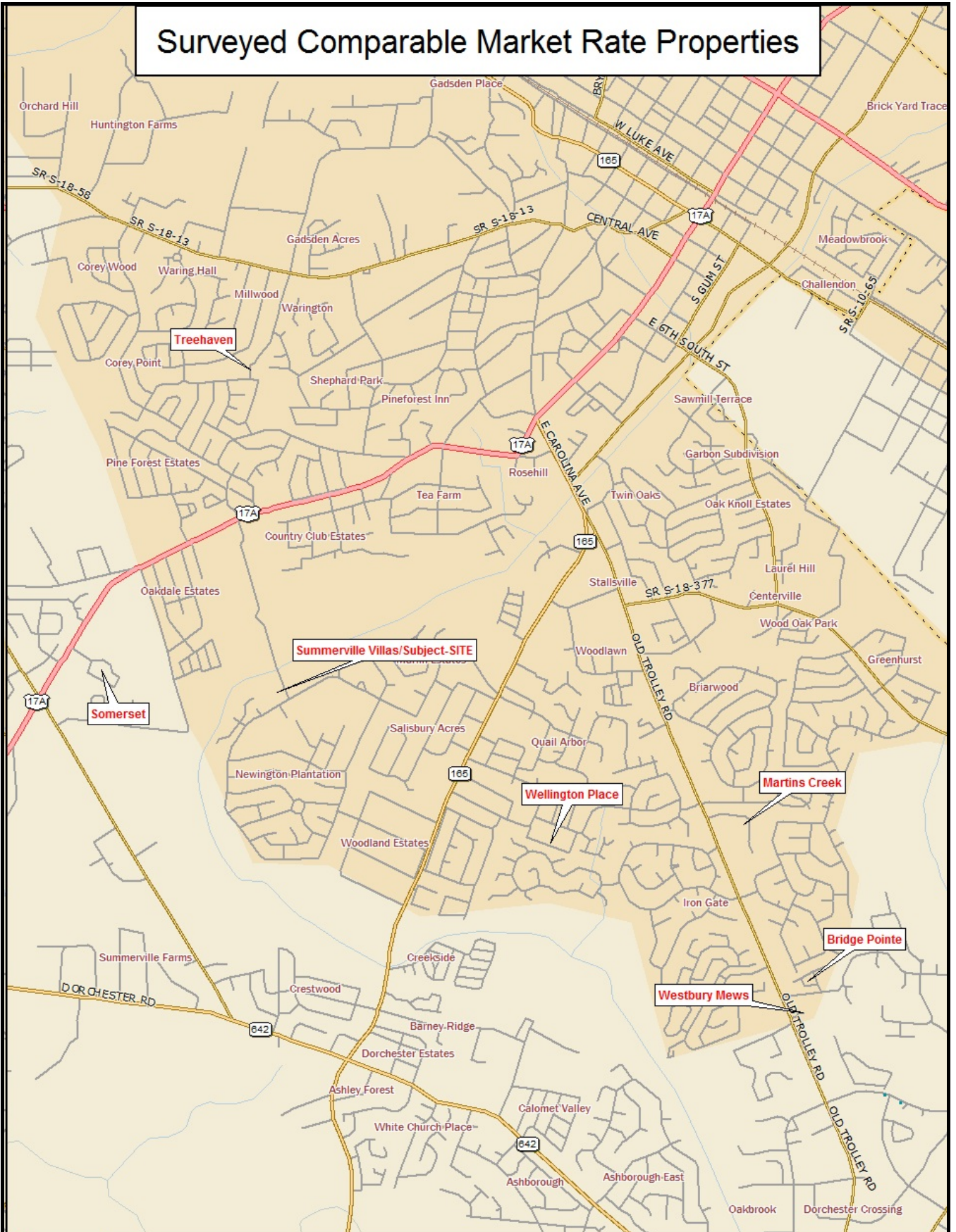
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Data Zoom 11-5

Surveyed Comparable Market Rate Properties



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SECTION H
INTERVIEWS

The following observations are comments relating to the subject property via a survey of local contacts interviewed during the course of the market research.

The project parameters of the proposed LIHTC/USDA-family rehab application were presented to the interview source, in particular: the site location, the proposed project size, bedroom mix, income targeting and rents. The following statements were made:

(1) The Section 8 Housing Choice Voucher program managed by the North Charleston Housing Authority has 2,026 vouchers of which 1,825 are issued. Of these vouchers 164 are in use in Summerville. The waiting list has over 1,000 applicants. It recently reopened on February 9, 2017. The Housing Authority is in the process of reviewing the applications. The respondent stated that the need for affordable housing in Summerville has been ongoing and has increased over the past few years. Source: Ms. Bridget Harris, North Charleston Housing Authority, March 1, 2017, (843) 744-3466.

(2) The Section 8 Housing Choice Voucher program for Summerville and Dorchester County that is managed by the SC State Housing Authority covers a 7 county area. The baseline for vouchers for the seven county area is 2,064 vouchers. At the time of the survey, Dorchester County is allocated 382 vouchers and currently there are 352 vouchers leased and in use. Presently, there are 1,815-applicants on the waiting list for a Section 8 Housing Choice Voucher in Dorchester County. The waiting list is closed. It can be up to a six to seven year wait for a voucher. It was stated, that "the need has been ongoing the past few years for additional affordable housing in Dorchester County, but has increased recently". Source: Mr. Ron Phillips, SC State Housing Authority, March 1, 2017, (803) 254-3886.

(3) Ms. Jessie Schuller, Zoning Administration, City of Summerville, was contacted, (843) 851-4214. Ms. Schuller confirmed the status of apartment developments that were presently under construction, or within the permitted pipeline for development within Summerville.

(4) The manager of the Summer Pines Apartments (USDA-family) stated that the proposed rehab development of Summerville Villas would not negatively impact Summer Pines, as "there is a great need for affordable apartments in Summerville". At the time of the survey, Summer Pines was 100% occupied, and had a waiting list. Source: Mr Tyron, Williams, USDA State Office.

(5) The manager of the Azalea Park Apartments (LIHTC-family) stated that the proposed rehab development of Summerville Villas would not negatively impact Azalea Park. At the time of the survey, Azalea Park was 100% occupied, and 50 to 60 applicants on a waiting list. Source: Ms Yvonne, Manager, (844) 240-8352.

(6) The manager of the Wisteria Place Apartments (LIHTC-family) stated that the proposed rehab development of Summerville Villas would not negatively impact Wisteria Place. At the time of the survey, Wisteria Place was 100% occupied, and 30 applicants on a waiting list. Source: Ms Tanya, Manager, (843) 821-2261.

(7) The manager of the Country Club Apartments (LIHTC-family) stated that the proposed rehab development of Summerville Villas would not negatively impact Country Club. At the time of the survey, Country Club was 100% occupied, and 4 applicants on a waiting list. Source: Ms Lanie, Manager, (843) 875-5090.

(8) The manager of the Cedar Key Apartments (LIHTC-family) stated that the proposed rehab development of Summerville Villas would not negatively impact Cedar Key. At the time of the survey, Cedar Key was 100% occupied, and 3 applicants on a waiting list. Source: Ms Christy, Manager, (843) 695-0250.

(9) Mr. Russ Cornet, Town Engineer, City of Summerville, was contacted, (843) 851-4214. Mr. Cornet provided information concerning current and proposed infrastructure development in the immediate vicinity of Summerville Villas.

SECTION I
CONCLUSIONS &
RECOMMENDATIONS

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC/USDA-family rehab development of **42-units**. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**.

2. The current LIHTC and USDA family apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC family properties was 1.6%. At the time of the survey, the overall estimated vacancy rate of the surveyed USDA family properties was 2.9%. The current market rate apartment market is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was 3.1%.

3. The proposed complex unit amenity package is considered to be competitive within the PMA apartment market for affordable properties. The proposed complex development amenity package is limited.

4. Bedroom Mix - The subject offers 1BR, 2BR, and 3BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. All family household sizes will be targeted, from a one person household to large family households.

5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50% AMI, and 60% AMI. The table on the next page, exhibits the rent reconciliation of the proposed LIHTC/USDA property, by bedroom type, and income targeting, with comparable market rate properties.

6. Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, and (3) the retention of: (a) the existing 30-units of deep subsidy rental assistance and (b) the typical number of Section 8 voucher holders at the property, it is estimated that the property will retain at least 80% of its tenant base, the most likely/best case rent-up scenario for the property, were the subject 20% vacant, suggests a 1-month rent-up time period (an average of 8-units per month).

7. Based upon the analysis and the conclusions of each of the report sections, in the analyst's professional opinion, it is recommended that the proposed Summerville Villas application **proceed forward based upon market findings**.

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

The rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50% and 60% of AMI.

Percent Advantage:

	<u>50% AMI</u>	<u>60% AMI</u>
1BR/1b:	35%	32%
2BR/1b:	35%	35%
3BR/1b:	40%	40%

Overall: 35.78%

Rent Reconciliation			
50% AMI	1BR	2BR	3BR
Proposed subject net rents	\$504	\$559	\$592
Estimated Market net rents	\$775	\$855	\$990
Rent Advantage (\$)	+\$271	+\$296	+\$398
Rent Advantage (%) rounded	35%	35%	40%
60% AMI	1BR	2BR	3BR
Proposed subject net rents	\$528	\$559	\$592
Estimated Market net rents	\$775	\$855	\$990
Rent Advantage (\$)	+\$247	+\$296	+\$398
Rent Advantage (%) rounded	32%	35%	40%

Source: Koontz & Salinger. March, 2017

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that Summerville Villas (a proposed LIHTC/USDA family rehab development) proceed forward with the development process as presently configured and proposed.

Negative Impact

In the opinion of the analyst, based upon market findings and interviews with LIHTC and USDA property managers, neither significant short term nor long-term negative impact is to be expected within the PMA LIHTC and USDA market. At the time of the survey, the overall estimated vacancy rate of all surveyed LIHTC-family apartment properties was 1.6%. At the time of the survey, the overall estimated vacancy rate of all surveyed USDA-family apartment properties was 2.9%. Four of the six surveyed LIHTC-family properties maintain a waiting list, ranging in size between 3 and 60 applications. Two of the three surveyed USDA-family properties maintain a waiting list, ranging in size between 1 and 17 applications. Typical occupancy rates at the surveyed LIHTC and USDA family apartment properties ranged between 98% to 100%. In addition, several of the surveyed LIHTC and USDA-family apartment managers and management firms stated that there is still an unmet need for LIHTC supply in the Summerville market and non express a concern of their respective property coming under negative impact should the proposed subject development proceed forward.

Some relocation of family tenants in the existing LIHTC and USDA family properties could occur in any of the properties, particularly those properties absent deep subsidy rental assistance (RA) support. This is considered to be normal when a new property or newly renovated property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 50% and 60% AMI are considered to be competitively positioned within the market. In addition, they are appropriately positioned in order to attract income and age qualified Section 8 Housing Choice Voucher holders within Summerville and Dorchester County.

It is recommended that the proposed subject LIHTC/USDA net rents at 50% and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC/USDA development, and proposed subject net rents are in line with the other LIHTC and USDA developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers at 50% and 60% AMI, when taking into consideration differences in age, unit size and amenity package.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject 1BR, 2BR and 3BR net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%. However, the subject's gross rents are already closely positioned to be under Fair Market Rent for Dorchester County, while at the same time operating within a competitive environment. It is recommended that the proposed subject 1BR, 2BR and 3BR net rents not be increased, in particular when taking into consideration the subject property's income restrictions.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended.

Mitigating Risks

The subject development is very well positioned to be successful in the market place, once the rehab process has been completed. It will offer a product that will be competitive regarding: rent positioning, project design, amenity package and professional management. The major unknown mitigating risk to the development as presently configured will be the status of the local economy during 2017-2018 and beyond.

Another potential mitigating risk is the status of deep subsidy rental assistance. Presently, the subject offers 30-units that have deep subsidy rental assistance (RA). In addition, 4-units are presently occupied by tenants with a Section 8 Housing Choice voucher. The potential exists, however unlikely, that in the future the Federal government will lack funds necessary to maintain existing deep subsidy rental assistance and housing choice vouchers that serve the very low to low income population.

Rent Reconciliation Process

Six market rate properties in Summerville used as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- no adjustment was made for the floor/level of the unit in the building; the subject has 1-story and 2-story walk-up buildings and the comparable properties are either 2-story walk-up, or 3-story walk-up properties,
- no "time adjustment" was made; all of the comparable properties were surveyed in February and March, 2017,
- no "distance or neighborhood adjustment" was made; owing to the fact that comparisons are being all properties located within Summerville,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout,
- an adjustment was made for the age of the property; two of the comparables were built in the 1970's, and three of the comparables were built in the 1980's; this adjustment was made on a conservative basis in order to take into consideration the adjustment for condition of the property,

- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),
- no adjustment was made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- an adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer in the net rent, and includes trash removal. Two of the comparable properties include cold water, and sewer within the net rent, and two exclude all utilities from the net rent. An adjustment will be made for water, sewer, and trash removal.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- Concessions: None of the six comparable market rate properties offer a rent concession.
- Structure/Floors: No adjustment made.
- Year Built: Two of the comparables were built in the 1970's, and three of the comparable properties were built in the 1980's, and will differ considerably from the subject (after new construction) regarding age. The age adjustment factor utilized is: a \$.50 adjustment per year differential between the subject and the comparable property. Note: Many market analyst's use an adjustment factor of \$.75 to \$1.00 per year. However, in order to remain conservative and allow for overlap when accounting for the adjustments to condition and location, the year built adjustment was kept constant at \$.50.
- Square Feet (SF) Area: In order to allow for differences in amenity package, and the balcony/patio adjustment, the overall SF adjustment factor used is .05 per sf per month, for each bedroom type.

- Number of Baths: An adjustment was made for the subject 2BR/1b and 3BR/1b units. The adjustment is \$15 for a ½ bath and \$30 for a full bath.
- Balcony/Terrace/Patio: The subject will offer a patio/balcony with an attached storage closet. The balcony/patio adjustment resulted in a \$5 value for the balcony/patio.
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$5.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer a central laundry (CL). If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable excluded a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15 , rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers recreational space with the community building. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$15 for a tennis court and \$25 for a pool.
- Water: The subject excludes cold water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is provided by the SC State Housing Finance & Development Authority.
- Storage: The dollar value for storage is estimated to be \$5.
- Computer Room: The dollar value for a computer room (with internet service) is estimated to be \$2.

- Fitness Room: The dollar value for an equipped fitness room is estimated to be \$2.
- Clubhouse: The dollar value for a clubhouse and/or community room is estimated to be \$2.
- Location: Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location.
- Condition: Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- Trash: The subject includes trash in the net rent. Some of the comparable properties exclude trash in the net rent. An adjustment is made. Note: The source for the trash estimate by bedroom type is provided by the SC State Housing Finance & Development Authority.

Adjustment Factor Key:

SF - .05 per sf per month

Patio/balcony - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$2 (each)

Disposal - \$4

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$20 W/D Units - \$40

Pool - \$25 Tennis Court - \$15

Playground - \$5 (Na for elderly) Walking Trail - \$2

Full bath - \$30; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;
Inferior - minus \$10

Water & Sewer - 1BR - \$38; 2BR - \$46; 3BR - \$56 (Source: SC State Housing & Development Authority, 10/18/2016)

Trash Removal - \$11 (Source: SC State Housing & Development Authority, 10/18/2016)

Age - \$.50 per year (differential) Note: If difference is less than or near to 5/10 years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most cases will not be double counted/adjusted.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Summerville Villas		Bridge Pointe		Martins Creek		Somerset	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$995		\$837		\$780	
Utilities	t	t		t		w,s,t	(\$38)
Concessions		None		None		None	
Effective Rent		\$995		\$837		\$742	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2	
Year Built/Rehab	2019	2004		1986	\$16	1975	\$22
Condition	V Good	V Good		V Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	622	790	(\$8)	793	(\$9)	900	(\$14)
Balcony/Patio/Stor	N/N	Y/Y	(\$10)	Y/Y	(\$10)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	Y	(\$40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	Y/Y	(\$2)	N/N	\$2	Y/Y	(\$2)
F. Adjustments							
Net Adjustment			-\$85		-\$41		-\$24
G. Adjusted & Achievable Rent		\$910		\$796		\$718	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:		see Table	% Adv	

One Bedroom Units (NA)							
Subject		Comp # 4		Comp # 5		Comp # 6	
Summerville Villas		Treehaven		Wellington Place		Westbury Mews	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$719		\$825		\$765	
Utilities	t	t		None	\$11	None	\$11
Concessions		None		None		None	
Effective Rent		\$719		\$836		\$776	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2&3	
Year Built/Rehab	2019	1978	\$20	1980		1989	\$15
Condition	V Good	Good		Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	622	682	(\$3)	725	(\$5)	551	\$4
Balcony/Patio/Stor	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$5	Y/Y	
W/D Unit	N	N		N		Y	(\$40)
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	N/N	\$2	N/N	\$2	N/N	\$2
F. Adjustments							
Net Adjustment			-\$11		-\$43		-\$49
G. Adjusted & Achievable Rent		\$708		\$793		\$727	
Estimated Market Rent (Avg of 6 comps, rounded)		\$775	Rounded to: \$775		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Summerville Villas		Bridge Pointe		Martins Creek		Somerset	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$1090		\$955		\$850	
Utilities	t	t		t		w,s,t	(\$46)
Concessions		None		None		None	
Effective Rent		\$1090		\$955		\$804	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2	
Year Built/Rehab	2019	2004		1986	\$16	1975	\$22
Condition	V Good	V Good		V Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	1.5	(\$15)	2	(\$30)	1	
Size/SF	815	1154	(\$17)	995	(\$9)	1050	(\$12)
Balcony-Patio/Stor	N/N	Y/Y	(\$10)	Y/Y	(\$10)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	Y	(\$40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	Y/Y	(\$2)	N/N	\$2	Y/Y	(\$2)
F. Adjustments							
Net Adjustment			-\$109		-\$71		-\$22
G. Adjusted & Achievable Rent		\$981		\$884		\$782	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:	see Table	% Adv		

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Summerville Villas		Treehaven		Wellington Place		Westbury Mews	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$819		\$890		\$865	
Utilities	t	t		None	\$11	None	\$11
Concessions		None		None		None	
Effective Rent		\$819		\$901		\$876	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2&3	
Year Built/Rehab	2019	1978	\$20	1980		1989	\$15
Condition	V Good	Good		Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	1.5	(\$15)	1		1	
Size/SF	815	852	(\$2)	925	(\$6)	780	\$2
Balcony/Patio/Stor	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$5	Y/Y	
W/D Unit	N	N		N		Y	(\$40)
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	N/N	\$2	N/N	\$2	N/N	\$2
F. Adjustments							
Net Adjustment			-\$25		-\$44		-\$51
G. Adjusted & Achievable Rent		\$794		\$857		\$825	
Estimated Market Rent (Avg of 6 comps, rounded)		\$854	Rounded to: \$855		see Table	% Adv	

Three Bedroom Units

Subject		Comp # 1		Comp # 2		Comp # 3	
Summerville Villas		Bridge Pointe		Martins Creek		Somerset	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$1320		\$1067		\$1020	
Utilities	t	t		t		w,s,t	(\$56)
Concessions		None		None		None	
Effective Rent		\$1320		\$1067		\$964	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2	
Year Built/Rehab	2019	2004		1986	\$16	1975	\$22
Condition	V Good	V Good		V Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	3	3		3		3	
# of Bathrooms	1	2.5	(\$45)	2	(\$30)	1.5	(\$15)
Size/SF	995	1491	(\$25)	1202	(\$10)	1240	(\$12)
Balcony/Patio/Stor	N/N	Y/Y	(\$10)	Y/Y	(\$10)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	Y	(\$40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	Y/Y	(\$2)	N/N	\$2	Y/Y	(\$2)
F. Adjustments							
Net Adjustment			-\$147		-\$72		-37
G. Adjusted & Achievable Rent		\$1173		\$995		\$927	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:		see Table	% Adv	

Three Bedroom Units

Subject		Comp # 4		Comp # 5		Comp # 6	
Summerville Villas		Treehaven		Wellington Place		Westbury Mews	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$929		\$980		\$1105	
Utilities	t	t		None	\$11	None	\$11
Concessions		None		None		None	
Effective Rent		\$929		\$991		\$1116	
B. Design, Location, Condition							
Structures/Stories	1&2	2		2		2&3	
Year Built/Rehab	2019	1978	\$20	1980		1989	\$15
Condition	V Good	Good		Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	3	3		3		3	
# of Bathrooms	1	2	(\$30)	1.5	(\$15)	2	(\$30)
Size/SF	995	1032	(\$2)	1079	(\$4)	1163	(\$8)
Balcony-Patio/Stor	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$5	Y/Y	
W/D Unit	N	N		N		Y	(\$40)
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y	(\$40)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	N/N	\$2	N/N	\$2	N/N	\$2
F. Adjustments							
Net Adjustment			-\$40		-\$57		-\$91
G. Adjusted & Achievable Rent		\$889		\$934		\$1025	
Estimated Market Rent (Avg of 6 comps, rounded)		\$991	Rounded to: \$990		see Table	% Adv	

SECTION J

SIGNED STATEMENT

NCHMA Certification

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

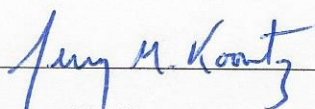
Koontz & Salinger is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Koontz & Salinger is an independent market analyst firm. No principal or employee of Koontz & Salinger has any financial interest whatsoever in the development for which this analysis has been undertaken. While the document specifies Koontz & Salinger, the certification is always signed by the individual completing the study and attesting to the certification.

SCSHDA Certification

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

CERTIFICATION

Koontz and Salinger
P O. Box 37523
Raleigh, North Carolina 27627


Date: 3/6/17
Jerry M. Koontz
Market Analyst Author
(919) 362-9085

SECTION K
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental agencies.

JERRY M. KOONTZ

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.
B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC

1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 33+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, Personal care boarding homes, motels and shopping centers.

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SECTION L

PROFILES OF COMPARABLE PROPERTIES & REPRESENTATIVE SAMPLE SURVEY OF THE COMPETITIVE ENVIRONMENT

Part I of the survey of the competitive environment focused upon the LIHTC and USDA apartment properties located within the Summerville PMA. 100% of the LIHTC-family supply was surveyed. Part II consists of a sample survey of conventional market rate apartment properties located within the Summerville PMA, in particular within near proximity to the subject site location. The analysis includes individual summaries and pictures of properties.

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information, or may have inadvertently provided incorrect information. Despite these potential problems, the compilation and synthesis of the status of the comparables (and alternatives) is considered to provide the best indication of the competitive position of the proposed subject development.

Part I - Survey of LIHTC & USDA - Family Apartments

1. Azalea Park Apartments, 527 Orangeburg Rd (844) 240-8352

Contact: Yvonne, Mgr (2/22/17)
Year Built: 2003

Type: LIHTC - fm
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
2BR/2b	32	\$575-\$650	895	\$131	0
3BR/1.5b	32	\$655-\$760	1100	\$164	0
Total	64				0

* Income targeting at 50% & 60% AMI

Typical Occupancy Rate: high 90's
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: Yes (50-60)
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Community Room	Yes	Pool	No

Project Design: 2 story walk-up

Additional Information: 30% of units are occupied by Section 8 voucher holder; stated that there would be no negative impact



2. Cambridge Apartments, 559 Orangeburg Rd

(803) 788-3800
(843) 873-2158

Contact: Boyd Management (2/23/17)
Ms Louise Neely, Mgr

Type: USDA-RD

Year Built: 1993

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Unit Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$500	\$768	594	0
2BR/1b	32	\$535	\$921	864	2
3BR/1.5b	8	\$550	\$1064	1110	0
Total	48				2

Typical Occupancy Rate: 96%

Waiting List: No

Security Deposit: \$150

Utilities Included: trash removal

Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Comm Rm	No	Pool	No

Project Design: one story and townhouse

Additional Information: 0-units have RA; 8-units have Section 8 voucher holders; expects no negative impact



3. Cedar Key Apartments, 246 Pidgeon Bay Rd (843) 695-0250
Contact: Christy, Mgr (2/22/17) **Type:** LIHTC - fm
Year Built: 2003 **Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
2BR/1b	16	\$557-\$736	915	\$174	0
3BR/2b	32	\$618-\$834	1100	\$218	0
Total	48				0

* Income targeting at 50% & 60% AMI

Typical Occupancy Rate: high 90'a **Waiting List:** Yes (3)
Security Deposit: \$300 **Concessions:** No
Utilities Included: trash removal

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Community Room	No	Computer Room	No

Project Design: 2 story walk-up

Additional Information: 25% of units are occupied by Section 8 voucher holder; expects no negative impact



4. Country Club Apartments, 43 Old Holly Ln (843) 875-5090

Contact: Ms Lanie, Mgr (2/23/17)
Year Built: 1968; rehab 1998

Type: LIHTC - fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
2BR/1b Garden	16	\$530-\$580	950	Na	0
2BR/1b TH	16	\$630	1057	Na	0
Total	32				0

* Income targeting at 50% & 60% AMI

Typical Occupancy Rate: high 90's
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: Yes (4)
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	No
Laundry Room	Yes	Storage	No
Community Room	No	Computer Room	No

Project Design: 2 story

Additional Information: 3-units are occupied by Section 8 voucher holder; expects no negative impact



5. Lake Pointe Apartments, 100 Lake Pointe Ave (843) 285-8378
 (844) 212-8590
Contact: Tracy Stevens (3/1/17) **Type:** LIHTC - fm
Year Built: 2014 **Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	8	\$450-\$500	850	\$ 91	0
2BR/2b	20	\$550-\$708	1100	\$126	0
3BR/2b	20	\$625-\$819	1250	\$161	2
4BR/2.5b	8	\$635-\$912	1400	\$189	0
Total	56				2

* Income targeting at 50% & 60% AMI

Typical Occupancy Rate: 98% **Waiting List:** No
Security Deposit: \$200 **Concessions:** No
Utilities Included: trash removal

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Fitness Room	Yes
Community Room	Yes	Computer Room	Yes

Project Design: 2 story walk-up

Additional Information: 4-5 units are occupied by Section 8 voucher holder; expects no negative impact (field picture was of poor quality; the below picture is via the internet); tenants fm city & 5-10 mile area



6. Planters Retreat Apartments, 4370 Ladson Rd (843) 832-6111

Contact: Tanya, Intermark Mgmt (2/24/17)
Year Built: 2006

Type: LIHTC - fm
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
2BR/2b	96	\$798	1082	\$139	0
3BR/2b	96	\$911	1322	\$163	5
Total	172				5

* Income targeting at 60% AMI

Typical Occupancy Rate: mid to high 90's **Waiting List:** No
Security Deposit: \$300 **Concessions:** No
Utilities Included: trash removal

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Pool	Yes
Community Room	Yes	Business Room	Yes

Project Design: 2 & 3 story walk-up

Additional Information: 75-units are occupied by Section 8 voucher holder; expects no negative impact



7. Summer Pines Apartments, 400 Diana Ct (843) 875-2519
 (770) 084-2100

Contact: Hallmark Group (2/24/17) **Type:** USDA-RD
 Ms Felcia, Mgr (Ms Angle - USDA Area Office 843-549-1822)

Year Built: 1979 **Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Unit Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$469	\$664	695	0
2BR/1b	36	\$509	\$764	928	0
3BR/1.5b	4	\$569	\$839	1035	0
Total	48				0

Typical Occupancy Rate: 99% **Waiting List:** Yes
Security Deposit: 1 month's rent
Utilities Included: trash removal **Concessions:** No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Comm Rm	No	Pool	No

Project Design: one story

Additional Information: 0-units have RA; 0-units have Section 8 voucher holders; expects no negative impact



8. Summerville Villas, 350 Luden Dr

(843) 871-6823

Contact: Estalina Saunders, Mgr (2/23/17)

Type: USDA-RD

Year Built: 1984

Condition: Fair to Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Unit Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$538	\$677	622	1
2BR/1b	24	\$569	\$708	815	1
3BR/1b	10	\$602	\$741	995	0
Total	42				2

Typical Occupancy Rate: 99%

Waiting List: Yes (17)

Security Deposit: \$250

Utilities Included: trash removal

Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Comm Rm	No	Picnic Area	Yes

Project Design: one & 2 story

Additional Information: 30-units have RA; 4-units have Section 8 voucher holders; 2BR units in greatest demand



9. Wisteria Place Apartments, 800 Sangaree Pkwy (843) 821-2261

Contact: Tanya, Mgr (2/23/17)
Year Built: 2006

Type: LIHTC - fm
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent*</u>	<u>Unit Size</u> sf	<u>Utility Allowance</u>	<u>Vacant</u>
2BR/2b	32	\$684-\$773	1082	\$141	0
3BR/2b	32	\$838-\$951	1322	\$169	0
Total	64				0

* Income targeting at 50% & 60% AMI

Typical Occupancy Rate: high 90's
Security Deposit: \$300
Utilities Included: water, sewer, trash

Waiting List: Yes (30)
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Community Room	No	Computer Room	No

Project Design: 3 story walk-up

Additional Information: 18-units are occupied by Section 8 voucher holder; expects no negative impact



Survey of the Competitive Environment-Market Rate

1. Bridge Pointe, 100 Bridge Pointe Ln

(843) 486-0440

Contact: Kenny
Year Built: 2004

Date: February 22, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	24	\$995	790	\$1.26	1
2BR/1.5b	22	\$1090	1154	\$0.94	0
2BR/2b	16	\$1100	1074	\$1.02	0
2BR/2.5b	36	\$1300	1181	\$1.10	1
3BR/2.5b	20	\$1320	1491	\$0.89	1
3BR/2.5b	12	\$1410	1668	\$0.85	0
Total	130				3

Typical Occupancy Rate: mid 90's
Security Deposit: \$200
Utilities Included: trash removal

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Business Center	Yes
Fitness Center	Yes	Pool	Yes

Project Design: 2-story

Additional Information: garage premium-\$100; rent based upon LRO



2. Farmington Village, 2100 Farm Springs Rd (843) 261-6171

Contact: Ms Kristen, Lsg Consultant
Year Built: 2007

Date: February 23, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	48	\$932	696	\$1.34	2
1BR/1b	24	\$1027	984	\$1.04	0
2BR/2b	36	\$1202	1084-1192	\$1.01-\$0.11	1
2BB/2b	104	\$1187	1133-1275	\$0.93-\$1.05	0
2BR/2b	36	\$1287	1227	\$1.05	0
3BR/2b	32	\$1382	1305-1430	\$0.97-\$1.06	0
Total	280				3

Typical Occupancy Rate: mid to high 90's
Security Deposit: \$150 to 1 month
Utilities Included: None
Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Fitness Center	Yes	Pool	Yes
Business Ctr	Yes	Car Wash Area	Yes

Project Design: 2 & story walk-up

Additional Information: rents based upon LRO system



3. Latitude @ Westcott, 9580 Old Glory Ln

(843) 851-3665

Contact: Ms Anisa, Mgr
Date Built: 2009

Date: February 23, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	70	\$1015	833	\$1.22	0
2BR/1b	60	\$1044	1122	\$0.93	0
2BR/2b	120	\$1056	1164	\$0.91	5
3BR/2b	40	\$1488	1438	\$1.03	1
Total	290				6

Typical Occupancy Rate: mid to high 90's
Utilities Included: water, sewer, trash
Security Deposit: \$100 to ½ month's rent

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	No	Business Center	Yes
Clubhouse	Yes	Recreation Area	Yes
Storage	Yes	Fitness Room	Yes

Design: 3 story

Additional Info: gated entry, garages, rent based upon Yieldstar



4. Martins Creek, 700 Martins Creek Blvd

(843) 871-9701

Contact: Ms Betty, Lsg Consultant
Year Built: 1986

Date: February 22, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	48	\$827-\$847	793	\$1.04-\$1.07	0
2BR/2b	128	\$897-\$1012	995	\$0.90-\$1.02	6
3BR/2b	24	\$1027-\$1107	1202	\$0.85-\$0.92	1
Total	200				7

Typical Occupancy Rate: mid to high 90's
Security Deposit: 1 month's rent
Utilities Included: trash removal

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Tennis Court	Yes
Clubhouse	Yes	Pool	Yes

Project Design: 2-story



5. Oakbrook Village, 111 Springview Ln

(843) 405-7885

Contact: Ms Heather Taylor, Mgr
Year Built: 2006

Date: February 25, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	24	\$832-\$892	728	\$1.14-\$1.23	0
2BR/2b	120	\$1002-\$1077	1178	\$0.85-\$0.91	0
3BR/2b	48	\$1181-\$1206	1417	\$.083-\$0.85	0
Total	192				0

Typical Occupancy Rate: mid to high 90's
Security Deposit: \$0 to 1 month's rent
Utilities Included: trash removal

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Business Center	Yes

Project Design: 3 story walk-up

Additional Information: "low turnover"; WL = 1st come / 1st serve



6. Silvana Oaks Apartments, 8439 Dorchester Rd (843) 628-0077

Contact: Ms Noelle, Lsg Consultant
Year Built: 2009

Date: February 24, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	40	\$950-\$1000	770	\$1.23-\$1.30	0
1BR/1b	40	\$1015-\$1025	850	\$1.19-\$1.21	0
2BR/2b	88	\$1055-\$1100	1100	\$0.96-\$1.00	0
3BR/2b	40	\$1200-\$1350	1200	\$1.00-\$1.13	9
Total	208				9

Typical Occupancy Rate: mid to high 90's
Security Deposit: \$150 to 1 month's rent
Utilities Included: None
Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Business Center	Yes

Project Design: 3 story walk-up

Additional Information: computer center, rent based upon LRO



7. Somerset Apartments, 1225 Boonehill Rd

(843) 873-6555

Contact: Kim, Mgr
Year Built: 1975

Date: February 23, 2017
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	50	\$780	900	\$.87	0
2BR/1b	84	\$835-\$860	1050	\$.80-\$.82	2
2BR/1.5b	84	\$890	1050	\$.85	2
3BR/1.5b	11	\$1020	1240	\$.82	0
3BR/2b	11	\$1100	1240	\$.89	0
Total	240				4

Typical Occupancy Rate: high 90's
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Business Center	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Tennis Court	No

Project Design: 2 story walk-up

Additional Information:



8. Summerville Station, 1660 Old Trolley Rd

(843) 419-7539

Contact: Alexis, Mgr

Date: February 22, 2017

Year Built: 1974 (in process of rehab)

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	48	\$814	700	\$1.16	0
2BR/2b	128	\$853	1000	\$0.83	0
3BR/2b	24	\$1093	1200	\$0.91	0
Total	200				0

Typical Occupancy Rate: high 90's

Waiting List: 1st come/1st serve

Security Deposit: \$150 to 1 month

Concessions: No

Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes (premium)	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	No	Tennis Court	Yes

Project Design: 2 story walk-up

Additional Information: rents based on Yieldstar



9. The Grove @ Oakbrook, 325 Midland Pkwy

(843) 875-1757

Contact: Lisa, Mgr
Year Built: 2002

Date: February 23, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Per SF</u>	<u>Vacant</u>
1BR/1b	24	\$990-\$1040	972	\$1.02-\$1.07	0
1BR/1b	36	\$915-\$995	888	\$1.03-\$1.12	1
2BR/2b	56	\$1045-\$1085	1080	\$0.97-\$1.00	2
2BR/2b	108	\$1100-\$1180	1235	\$0.86-\$0.96	4
3BR/2b	56	\$1250-\$1310	1292	\$0.97-\$1.01	3
Total	280				10

Typical Occupancy Rate: mid to high 90's
Security Deposit: \$250 to 1 month's rent
Utilities Included: trash

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Business Center	Yes

Project Design: 3 story walk-up

Additional Information: select units have fireplace, premiums for garage, 1st floor unit, pool view, hardwood floors



10. The Reserve @ Westcott, 4975 Westcott Blvd (843) 970-4076

Contact: Ms Brandy, Lsg Consultant
Year Built: 2004

Date: February 22, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Per SF</u>	<u>Vacant</u>
1BR/1b	104	\$910-\$1020	822	\$1.11-\$1.24	10
2BR/2b	28	\$1085-\$1100	1075	\$1.01-\$1.02	2
2BR/2b	60	\$1064-\$1126	1095	\$0.97-\$1.03	3
2BR/2b	60	\$1048-\$1146	1097	\$0.96-\$1.04	3
3BR/2b	36	\$1234-\$1331	1283	\$0.96-\$1.04	2
Total	280				20

Typical Occupancy Rate: low to mid 90's
Security Deposit: \$100 - \$500
Utilities Included: trash

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Business Center	Yes

Project Design: 3 story walk-up

Additional Information: select units have fireplace; premium for garage; sunrooms; walking trail



11. The Tradition @ Summerville, 325 Marymeade Dr (843) 821-4500

Contact: Ms Allison, Lsg Consultant
Year Built: 2004

Date: February 23, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Per SF</u>	<u>Vacant</u>
1BR/1b	24	\$979-\$1085	652	\$1.50-\$1.66	1
1BR/1b	40	\$973-\$1129	790	\$1.23-\$1.43	2
2BR/1b	60	\$951-\$1109	933	\$1.02-\$1.19	6
2BR/2b	98	\$1039-\$1256	1050	\$0.99-\$1.20	12
3BR/2b	12	\$1353-\$1474	1276	\$1.06-\$1.16	1
Total	232				23

Typical Occupancy Rate: low to mid 90's
Security Deposit: \$200 to 1 month's rent
Utilities Included: None
Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	No	Storage	Yes
Clubhouse	Yes	Pool	Yes
Fitness Ctr	Yes	Business Center	Yes

Project Design: 3 story walk-up

Additional Information: on-site theater, premium for garage; walking trail; rents based on Yieldstar



12. Treehaven Apartments, 400 Pinewood Dr

(843) 873-3356

Contact: Ms Kira, Mgr
Year Built: 1978

Date: February 24, 2017
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	40	\$719	682	\$1.05	0
2BR/1.5b	40	\$819	852	\$0.96	2
3BR/2b	8	\$929	1032	\$0.90	0
Total	88				2

Typical Occupancy Rate: mid 90's
Security Deposit: \$300 to 1 month
Utilities Included: trash

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Clubhouse	Yes	Pool	Yes
Fitness Ctr	No	Tennis Court	No

Project Design: 2 story walk-up

Additional Information:



13. Wellington Place Apartments, 1 Bosquet Ct

(843) 873-7071

Contact: Ms Diana, Lsg Consultant
Year Built: 1980 (recently renovated)

Date: February 23, 2017
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	25	\$825	725	\$1.14	0
1BR/1.5b	25	\$865	945	\$0.92	0
2BR/1b	20	\$890	925	\$0.96	0
2BR/1.5b	30	\$940	1050	\$0.90	0
3BR/1.5b	12	\$980	1079	\$0.91	0
3BR/1.5b	12	\$1045	1155	\$0.90	0
Total	124				0

Typical Occupancy Rate: high 90's
Security Deposit: \$200 to 1 month
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Clubhouse	Yes	Pool	Yes
Fitness Ctr	No	Tennis Court	Yes

Project Design: 2 story walk-up

Additional Information: BR mix was estimated



14. Westbury Mews Apartments, 1425 Old Trolley Rd (843) 875-2005

Contact: Ms Brenda, Mgr
Year Built: 1989

Date: February 25, 2017
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size</u> sf	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	18	\$765	551	\$1.39	0
1BR/1b	18	\$850	636	\$1.34	0
1BR/1b w/den	8	\$895	877	\$1.02	0
2BR/1b	46	\$865	780	\$1.11	1
2BR/2b	26	\$955	1007	\$0.95	0
3BR/2b	16	\$1105	1163	\$0.95	0
Total	132				1

Typical Occupancy Rate: high 90's
Security Deposit: \$300
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Recreation Area	Yes
Laundry Room	Yes	Storage	No
Clubhouse	Yes	Pool	Yes
Fitness Ctr	No	Tennis Court	No

Project Design: 2 & 3 story walk-up

Additional Information:



NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

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APPENDIX

UTILITY ALLOWANCES

RENT ROLL

PROPERTY COMPLIANCE REPORT

SCOPE OF WORK

NCHMA CERTIFICATION

UTILITY ALLOWANCES



Rural Development

September 28, 2016

Kingstree
Service Center

502 Martin Luther
King, Jr. Avenue,
Kingstree, SC 29556

GEM Management
2021 Cross Beam Drive
Charlotte NC 28217

Voice: 843.354.9613
Fax: 855.589.9003

RE: Summerville Villas Apartments

You are hereby notified that the USDA, Rural Development has reviewed the request for a change in shelter costs for the subject complex and considered all justifications provided by management. Rural Development has approved the following rent/utility rates listed below. The changes for all units will become effective on January 1, 2017.

The approved rent changes are as follows: CHANGE

<u>Unit Size</u>	<u>Present Rent</u>		<u>Approved Rent</u>	
	<u>Basic</u>	<u>Note</u>	<u>Basic</u>	<u>Note</u>
1 BR	\$528	\$667	\$538	\$677
2 BR	\$559	\$698	\$569	\$708
3 BR	\$592	\$731	\$602	\$741

The approved utility rate changes are as follows: CHANGE

<u>Unit Size</u>	<u>Present Rate</u>	<u>Approved Rate</u>
1 BR	\$118	\$113
2 BR	\$149	\$139
3 BR	\$207	\$214

Should you have any questions or concerns, please contact this office.

You must notify the tenants of Rural Development's approval of the rent changes by posting this letter in the same manner as the "NOTICE TO TENANTS OF PROPOSED RENT (OCCUPANCY CHARGE) AND/OR UTILITY ALLOWANCE CHANGE". This notification must be posted in a conspicuous place and cannot be substituted for the usual written notice to each individual tenant.

This approval does not authorize you to violate the terms of any lease you currently have with your tenants.

"USDA is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE

A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	8	528.00	667.00	0.00	50,688.00	64,032.00	0.00	118.00
2	N	24	559.00	698.00	0.00	160,992.00	201,024.00	0.00	149.00
3	N	10	592.00	731.00	0.00	71,040.00	87,720.00	0.00	207.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CURRENT RENT TOTALS:						282,720.00	352,776.00	0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 01 / 01 / 17

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
1	N	8	538.00	677.00	0.00	51,648.00	64,992.00	0.00
2	N	24	569.00	708.00	0.00	163,872.00	203,904.00	0.00
3	N	10	602.00	741.00	0.00	72,240.00	88,920.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00
PROPOSED RENT TOTALS:						287,760.00	357,816.00	0.00
						BASIC	NOTE	HUD

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 01 / 01 / 17

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	8	0.00	0.00	0.00	0.00	0.00	113.00	113.00
2	N	24	0.00	0.00	0.00	0.00	0.00	139.00	139.00
3	N	10	0.00	0.00	0.00	0.00	0.00	214.00	214.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	N	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RENT ROLL

Rent Roll

Summerville Villas (112)

Report Date: 02/2017

Building: 1

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
01	Washington, Lanisha	04/29/2016	03/31/2017	S2	\$569.00	\$154.00	569.00	720
02	Hopkin, Josenia	05/15/2014	04/30/2017	S2	\$569.00	\$19.00	19.00	720
03	Pettigrew, Candace	08/10/2015	07/31/2017	S2	\$569.00	\$279.00	279.00	720
04	Hart, Letita	11/24/2015	10/31/2017	S2	\$569.00	\$69.00	69.00	720
05	Goeckel, Matthew	02/27/2015	01/31/2018	S2	\$569.00	\$569.00	569.00	720
06	Alford, Elexus	01/31/2014	06/30/2017	S2	\$569.00	\$298.00	298.00	720
07	Sevcik, Susan	06/28/2012	12/31/2017	S2	\$569.00	\$0.00	0.00	720
08	Moore, Kayla	07/29/2010	11/30/2017	S2	\$569.00	\$569.00	569.00	720
Units in Building: 8								
Occupied Units: 8								
% Occupied: 100%								
					\$4,552.00	\$1,957.00	2,372.00	

Building: 2

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
09	Lamb, Michelle	05/08/2014	04/30/2017	S2	\$569.00	\$59.00	59.00	720
10	* VACANT * 2/1/2017 - 2/28/2017			S2	\$569.00	\$0.00	0.00	720
11	McFadden, Deandra	01/15/2015	12/31/2017	S2	\$569.00	\$0.00	569.00	720
12	Jones, Betty	07/06/2015	06/30/2017	S2	\$569.00	\$52.00	569.00	720
13	*MR Moorer, Judy	10/31/2016	02/02/2017	S2	\$41.00	\$41.00	41.00	720
13	* VACANT * 2/3/2017 - 2/28/2017			S2	\$528.00	\$0.00	0.00	720
14	Blunt, Samentha	01/31/2014	10/31/2017	S2	\$569.00	\$372.00	372.00	720
15	*MR Riley, Heather	05/19/2014	01/31/2017	S2	\$203.00	\$83.00	0.00	720
15	* VACANT * 2/11/2017 - 2/28/2017			S2	\$366.00	\$0.00	0.00	720
16	*MR Mitchell, Melissa	06/24/2013	02/02/2017	S2	\$41.00	\$21.00	21.00	720
16	* VACANT * 2/3/2017 - 2/28/2017			S2	\$528.00	\$0.00	0.00	720
Units in Building: 8								
Occupied Units: 4								
% Occupied: 50%								
					\$4,552.00	\$628.00	1,631.00	

Building: 3

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
17	Vinluan, Maiah	10/01/2015	09/30/2017	S3	\$602.00	\$237.00	237.00	950
18	Coleman, Crystal	02/12/2015	09/30/2017	S3	\$602.00	\$17.00	17.00	950

** = Expired Lease

*MR = Moved out during the report range.

Print Date & Time: 02/16/2017 10:28:24AM

Rent Roll

Summerville Villas (112)

Report Date: 02/2017
Building: 3

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units in Building:	2							
Occupied Units:	2				\$1,204.00	\$254.00	254.00	
% Occupied:	100%							

Building: 4

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
19	Stoudenmire, Tasha	06/03/2012	06/30/2017	S3	\$602.00	\$0.00	0.00	950
20	Shute, Taryn	11/05/2015	10/31/2017	S3	\$602.00	\$0.00	0.00	950
Units in Building:	2				\$1,204.00	\$0.00	0.00	
Occupied Units:	2							
% Occupied:	100%							

Building: 5

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
21	* VACANT * 2/1/2017 - 2/2/2017			S3	\$43.00	\$0.00	0.00	950
21	Mitchell, Melissa	02/03/2017	01/31/2018	S3	\$559.00	\$265.00	265.00	950
22	Jamison, Cheryl	07/19/2011	05/31/2017	S3	\$602.00	\$35.00	35.00	950
Units in Building:	2				\$1,204.00	\$300.00	300.00	
Occupied Units:	2							
% Occupied:	100%							

Building: 6

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
23	Pinckney, Belinda (HAP)	07/21/1997	12/31/2017	S3	\$602.00	\$91.00	602.00	950
24	Ilardi, Santo	12/18/2014	03/31/2017	S3	\$602.00	\$204.00	204.00	950
Units in Building:	2				\$1,204.00	\$295.00	806.00	
Occupied Units:	2							
% Occupied:	100%							

Building: 7

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
25	House, Marie	06/01/2016	05/31/2017	S1	\$538.00	\$0.00	0.00	560
26	Weatherford, Nelson	03/06/2013	02/28/2017	S1	\$538.00	\$103.00	103.00	560

** = Expired Lease

*MR = Moved out during the report range.

Print Date & Time: 02/16/2017 10:28:24AM

Rent Roll

Summerville Villas (112)

Report Date: 02/2017

Building: 7

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
27	* VACANT * 2/1/2017 - 2/28/2017			S1	\$538.00	\$0.00	0.00	560
28	Page, Gearldine	03/01/2016	02/28/2017	S1	\$538.00	\$97.00	538.00	560
29	Smith, Maryann	02/01/2015	01/31/2018	S1	\$538.00	\$10.00	538.00	560
30	Cochran, Truletta	04/19/2016	03/31/2017	S1	\$538.00	\$244.00	244.00	560
31	White, Cassandra	07/21/2014	06/30/2017	S1	\$538.00	\$174.00	174.00	560
32	*MR Smith, Carolyn	03/01/2013	02/03/2017	S1	\$58.00	\$8.00	8.00	560
32	* VACANT * 2/4/2017 - 2/28/2017			S1	\$480.00	\$0.00	0.00	560

Units in Building: 8
 Occupied Units: 6
 % Occupied: 75%

\$4,304.00 \$636.00 1,605.00

Building: 8

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
Units with Square Footage Set								
33	Cruz, Sandra	10/30/2015	09/30/2017	S2	\$569.00	\$200.00	200.00	720
34	Campbell, Sophronia	09/23/2013	08/31/2017	S2	\$569.00	\$301.00	301.00	720
35	House, Michelle	09/13/2012	08/31/2017	S2	\$569.00	\$225.00	225.00	720
36	Ladson, Kayana	01/31/2017	12/31/2017	S2	\$569.00	\$569.00	569.00	720
37	Bland, Krislynn	10/24/2016	10/31/2017	S2	\$569.00	\$194.00	194.00	720
38	Varner, Latoya	12/31/2014	11/30/2017	S2	\$569.00	\$0.00	0.00	720
39	Curlett, Kayla	03/30/2015	05/31/2017	S2	\$569.00	\$124.00	124.00	720
40	Ash, Josephine	09/30/2009	07/31/2017	S2	\$569.00	\$107.00	107.00	720

Units in Building: 8
 Occupied Units: 8
 % Occupied: 100%

\$4,552.00 \$1,720.00 1,720.00

Building: 9

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
Units with Square Footage Set								
41	Rodriguez, Ismael	07/02/2015	05/31/2017	S3	\$602.00	\$153.00	153.00	950
42	Crawford, Iashia	03/28/2014	07/31/2017	S3	\$602.00	\$29.00	29.00	950

Units in Building: 2
 Occupied Units: 2
 % Occupied: 100%

\$1,204.00 \$182.00 182.00

Total Units: 42
 Total Occupied: 36.00
 Total % Occupied: 85.71

Grand Totals:

\$23,980.00 \$5,972.00 8,870.00

** = Expired Lease

*MR = Moved out during the report range.

Print Date & Time: 02/16/2017 10:28:24AM

**PROPERTY TAX CREDIT
COMPLIANCE REPORT**

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas SC9616031 BUILDING : I.D # _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 8
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	S i z e	# of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616031	01	2	3	Washington, Lamisha	4/29/16	03/31/2017	12,655	34,020	60%	12,655	36,840	60%	154	139	415	293.00	708.00	921	Yes	
SC9616031	02	2	2	Hopkin, Josemia	5/15/14	04/30/2017	12,278	30,240	60%	12,480	30,240	60%	19	139	550	138.00	708.00	921	Yes	
SC9616031	03	2	3	Pettigrew, Candace	8/10/15	07/31/2017	12,913	34,020	60%	17,666	36,840	60%	279	139	290	418.00	708.00	921	Yes	
SC9616031	04	2	2	Harr, Letitia	11/24/15	10/31/2017	8,796	30,240	60%	8,796	32,760	60%	69	139	500	208.00	708.00	921	Yes	
SC9616031	05	2	1	Groedel, Matthew	2/27/15	01/31/2018	29,393	34,020	60%	32,183	28,680	60%	666	139	-97	805.00	708.00	921	Yes	
SC9616031	06	2	3	Alford, Elexus	1/31/14	06/30/2017	15,034	30,240	60%	19,910	36,840	60%	298	139	271	437.00	708.00	921	Yes	
SC9616031	07	2	2	Sevick, Susan	6/28/12	12/31/2017	18,720	30,240	60%	6,000	32,760	60%	-1	139	570	138.00	708.00	921	Yes	
SC9616031	08	2	2	Moore, Kavia	7/29/10	11/30/2017	13,758	26,100	60%	37,335	32,760	60%	698	139	-129	837.00	708.00	921	Yes	

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas SC9616032 BUILDING : I.D.# _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 8
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	S # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616032	09	2 2	Lamb, Michelle	5/8/14	04/30/2017	8,652	30,240	60%	8,796	30,240	60%	59	139	510	198.00	708.00	921	Yes	
SC9616032	10	2 3	Hyman, Yonnie	2/23/17	01/31/2018	23,937	36,840	60%	23,937	36,840	60%	436	139	133	575.00	708.00	921	Yes	
SC9616032	11	2 3	McFadden, Deandrea	1/15/15	12/31/2017	20,566	30,240	60%	18,803	36,840	60%	0	139	569	139.00	708.00	921	Yes	
SC9616032	12	2 2	Jones, Betty	7/6/15	12/31/2017	9,044	26,460	60%	9,044	28,680	60%	62	139	507	201.00	708.00	717	Yes	
SC9616032	13	2	VACANT																
SC9616032	14	2 3	Blunt, Sumantha	1/31/14	10/31/2017	10,606	34,020	60%	21,405	36,840	60%	569	139	0	708.00	708.00	921	Yes	
SC9616032	15	2	VACANT																
SC9616032	16	2	VACANT																

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas SC9616033 BUILDING : I.D # _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 2
 COUNTY/MSA : DORCHESTER/SUMMERYIL # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	Siz e	# of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616033	17	3	4	Vinhuan, Minhah	10/1/15	09/30/2017	17,024	37,800	60%	22,880	40,920	60%	237	214	365	451.00	816.00	1,064	Yes	
SC9616033	18	3	3	Coleman, Crystal	2/12/15	09/30/2017	24,508	37,800	60%	10,584	36,840	60%	17	214	585	231.00	816.00	1,064	Yes	

* Tenant has an expired lease.

** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas
PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217
COUNTY/MSA : DORCHESTER/SUMMERSVILLE
DATE : 03/02/2017

BUILDING : I.D # SC9616034
TOTAL # : 2
OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
% OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN :

BIN	Unit #	S # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616034	19	3 4	Stoudermire, Tisha	6/3/12	06/30/2017	8,276	37,860	60%	8,796	40,920	60%	-18	214	620	816.00	1,023	Yes	
SC9616034	20	3 6	Shute, Taryn	11/5/15	10/31/2017	19,458	40,860	60%	7,200	47,520	60%	-82	214	684	816.00	1,064	Yes	

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTY NAME : Summerville Villas SC9616035 BUILDING : I.D # _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 2
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	S # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616035	21	3 4	Mitchell, Melissa	2/3/17	01/31/2018	20,872	40,920	60%	20,872	40,920	60%	286	214	316	500.00	816.00	1,064	Yes	
SC9616035	22	3 3	Jamison, Cheryl	7/19/11	05/31/2017	5,148	33,540	60%	10,843	36,840	60%	35	214	567	249.00	816.00	1,064	Yes	

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTY NAME : Summerville Villas
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE
 DATE : 03/02/2017

BUILDING : I.D.# SC9616036

TOTAL # : 2

OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0

% OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN :

BIN	Unit #	S # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616036	23	3 2	Pinehuesy, Belinda (HEAD)	7/21/97	12/31/2017	11,618	18,960	60%	8,822	28,680	60%	0	214	602	214,00	816,00	717	Yes	
SC9616036	24	3 4	Ilardi, Santo	12/18/14	03/31/2017	21,328	37,800	60%	20,147	37,800	60%	204	214	398	418,00	816,00	1,064	Yes	

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE
 DATE : 03/02/2017

BUILDING : ID # SC9616037

TOTAL # : 8

OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0

% OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN :

BIN	Unit #	S # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616037	25	1	House, Marie	6/1/16	05/31/2017	4,368	28,680	60%	4,368	28,680	60%	-	113	542	109.00	651.00	768	Yes	
SC9616037	26	1	Weatherford, Nelson	3/6/13	02/28/2018	8,761	26,460	60%	9,060	28,680	60%	104	113	434	217.00	651.00	768	Yes	
SC9616037	27	1	VACANT																
SC9616037	28	1	Page, Ceardine	3/1/16	02/28/2018	9,455	26,460	60%	9,482	28,680	60%	107	113	431	220.00	651.00	768	Yes	
SC9616037	29	1	Smith, Maryann	2/1/15	01/31/2018	9,046	26,460	60%	9,070	28,680	60%	10	113	528	123.00	651.00	768	Yes	
SC9616037	30	1	Cochran, Truletta	4/19/16	03/31/2017	14,275	26,460	60%	14,275	26,460	60%	244	113	294	357.00	651.00	768	Yes	
SC9616037	31	1	White, Cassandra	7/21/14	06/30/2017	11,681	26,460	60%	11,879	28,680	60%	174	113	364	287.00	651.00	768	Yes	
SC9616037	32	1	VACANT																

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Summerville Villas SC9616038 BUILDING : I.D.# _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 8
 COUNTY/MSA : DORCHESTER/SUMMERVIL # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	S # of Occ	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616038	33	2 5	Cruz, Sandra	10/30/15	09/30/2017	16,702	37,800	60%	16,166	44,220	60%	200	139	369	339.00	708.00	921	Yes	
SC9616038	34	2 2	Campbell, Sophia	9/23/13	08/31/2017	16,365	30,240	60%	18,000	32,760	60%	301	139	268	440.00	708.00	921	Yes	
SC9616038	35	2 2	Hesse, Michelle	9/13/12	08/31/2017	13,229	26,460	60%	15,600	32,760	60%	225	139	344	364.00	708.00	921	Yes	
SC9616038	36	2 2	Lindson, Kayana	1/31/17	12/31/2017	10,585	32,760	60%	10,585	32,760	60%	569	139	0	708.00	708.00	921	Yes	
SC9616038	37	2 2	Bland, Krishynn	10/24/16	09/30/2017	13,800	32,760	60%	13,800	32,760	60%	569	139	0	708.00	708.00	921	Yes	
SC9616038	38	2 3	Vanner, Latoya	12/31/14	11/30/2017	11,098	34,020	60%	6,000	36,840	60%	-13	139	582	126.00	708.00	921	Yes	
SC9616038	39	2 3	Cunlett, Kayla	3/30/15	05/31/2017	20,462	30,240	60%	10,995	36,840	60%	124	139	445	263.00	708.00	921	Yes	
SC9616038	40	2 2	Ash, Josephine	9/30/09	07/31/2017	14,081	28,920	60%	10,721	32,760	60%	107	139	462	246.00	708.00	921	Yes	

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTY NAME : Summerville Villas SC9616039 BUILDING : I.D # _____
 PROPERTY LOCATION : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 2
 COUNTY/MSA : DORCHESTER/SUMMERSVILLE # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 0
 DATE : 03/02/2017 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : _____

BIN	Unit #	Siz e	# of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA + Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
SC9616039	41	3	3	Rodriguez, Ismael	7/2/15	05/31/2017	15,080	34,020	60%	15,080	36,840	60%	153	214	449	367.00	1,064	Yes	
SC9616039	42	3	5	Crawford, Inshia	3/28/14	07/31/2017	19,821	40,860	60%	11,637	44,220	60%	29	214	573	243.00	1,064	Yes	

Set Aside Description Name
 OTHER
 VACANT/EMPTY
Total Number of Units:

Number of Units
 37
 5
42

** Number of Units Required
 42
42

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

SCOPE OF WORK

SUMMERVILLE VILLAS WORK WRITE-UP

3.6.17

SITE IMPROVEMENTS:

A. Postal Shelter:

1. Construct a new **Postal Shelter** over the existing postal box located in front of the Office/Laundry Building (see Site Plan for location and details) consisting of (4) 6 x 6 treated wood corner posts, aluminum-wrapped, set in 16" x 16" x 30" deep concrete footings located at the four corners of the existing concrete slab, two beams, consisting of two-treated wood 2 x 8's, aluminum wrapped, extending along the two sides of , and anchored to, the corner posts with beam hangers, 4:12 pitch wood trusses anchored to the top of the beams (include hurricane clips) at 2'-0" oc, and roofing consisting of 5/8" OSB sheathing, 15# roofing felt, and 30 year warranty architectural shingle (see Specifications), 1 x 6 treated wood fascia, aluminum-wrapped, and perforated vinyl soffit and ceiling. (See Specifications).

B. New Recycling Bin:

1. Install new **Recycling Bin** on 5' x 8' x 4" thick reinforced concrete pad (see Site Plan for location and details).

C. Camera Video Security System:

1. Provide a minimum **(8) Camera Video Security System** (see Specifications) with at least one (1) camera monitoring all of the following areas: front of buildings, back of buildings, all levels of breezeways, community room, computer room, rental office, all site entrance/exit roadways, and parking area(s).

D. Existing Playground:

1. Regrade playground area level (within 2% each way).
2. Move Kiddie Play Equipment over to the main Playground.
3. Install 4 x 4 treated wood landscape timber around perimeter of designated Playground area.
4. Install 4" mulch over designated Play Area.
5. Prepare and paint existing play equipment.
6. Provide (1) bench adjacent to Playground area (see Site Plan for location).

E. Covered Picnic Shelter:

1. Wrap all exposed wood components of the existing Picnic Shelter with vinyl.
2. Provide Energy Star-rated exterior-rated ceiling fan with light. Provide exterior light switch to switch each separately.

F. Grading/Infill:

1. Backfill along all sidewalks and concrete landings where the existing grade has settled below the elevation of these surfaces bringing the finished grade level with the surfaces. Tamp backfill to prevent further settling and install grass seed (see Specifications) in these areas.
2. Where the settled grade along the sidewalk/landing is within planting area, mulch (see Specifications) may be used to bring grade back to level with the surfaces.
3. Regrade around perimeter of existing buildings as needed to provide a minimum 6 inches between weep holes at brick areas and between bottom of siding at sided areas and finish grade or mulch.
4. Regrade around perimeter of existing buildings as needed to provide a minimum 5% slope away from foundation walls. Slope shall continue for a minimum of 10 feet from building.
5. All regrading shall include removal of grass and plant material, and preparation for and seeding of regraded area.

G. Dumpster Screens:

1. Remove existing wood screen from (2) dumpster sites and dispose of material legally. Install **new 6' Solid Vinyl Fencing** (see Specifications) along three sides of the two existing dumpster areas (see Site Plan for locations), anchoring the fencing to new 6x 6 treated wood posts set at the corners of the screening and at 6'-0" oc along the three sides of the screening wood posts.
2. Dumpster near HC apartments shall be designated HC accessible. (see Site Plan for plan and details).

H. Landscaping:

1. Prune and trim all existing plant material, tree, and vegetation as needed, removing any dead plant material.
2. Apply 4" mulch to all existing planting beds and around existing trees.

I. Drip Irrigation System:

1. Install a **Drip Irrigation System** to serve all existing landscaped areas. The system shall include all tubing, terminal ends, and timers.

J. New Walking Trail:

1. Grade as needed and install new 4' wide x 1,250 lined foot **ADA-Accessible Asphalt-Paved Walking Path** (see Specifications) as indicated and detailed on the Site Plan.
2. Install (1) new bench midway along trail as indicated on Site Plan (see Specifications).

K. Sidewalks:

1. Remove existing concrete sidewalks where noted on Site Plan because of excessive cross slopes or deteriorated conditions, approximately xxx sf. Install new 4" thick reinforced concrete walks, matching the width of adjacent walks. Install new walks with maximum 2% cross slope.
2. Remove concrete walks where new ADA compliant curb cuts are to be installed in relation to H/C parking areas and their associated access lanes, as noted on the Site Plan. Install new curb cuts as detailed on the Site Plan.
3. Install new concrete accessible walk from 1-Bedroom Apartment Building to the new Picnic Shelter, approximately 5' x 225'.
4. Extend accessible walk from in front of the former Kiddie Playground to the Office Building, approximately 5' x 40'.

L. Parking Lot:

1. Repair any cracks in existing asphalt pavement.
2. Apply 1-1/4" asphalt top coat to entire surface of all the Site's parking areas, approximately xxx sf.
3. Restripe parking areas to provide parking spaces as listed on the Site Plan.

M. Entrance Sign:

1. Remove existing entrance sign and related supports and dispose of materials legally.
2. Install new 6'-0" wide by 4'-0" high **Entrance Sign** (see Specifications), anchoring it two 16" x 16" x 6'-0" high brick piers each constructed on 32" x 32" x 12" thick concrete footings. Sign shall be located where indicated on the Site Plan.

BUILDING EXTERIOR:

A. Siding and Trim:

1. On all seven (9) apartment buildings and the one -story Office/Laundry Building, remove all existing siding (window areas and breezeways) trim (fascia, eaves), soffit material (eaves, breezeway ceilings). Dispose of all materials legally.
2. Install new **0.44" Solid Vinyl Siding and Trim and Vented Ceiling/ Soffit Material** (see Specifications) in place of all existing siding, trim and ceiling/soffit material per manufacturer's recommendations. Caulk all joints between new vinyl components and adjacent non-vinyl surfaces. Vinyl colors shall be as selected by Owner.
3. Install new 5/4 x 6 prefinished (aluminum or vinyl covered) fascia.

B. Windows:

1. Remove all existing windows from the seven (9) Apartment Buildings and the Office/Laundry Building (approximate 186 single-hung windows). Contractor shall donate the windows to local charity or non-profit agency.
 - a) (Install new **Energy Star-rated solid vinyl single window units with Low E insulated glass**, screens, integral trim (see Specifications) per manufacturer's recommendations, in original openings. New units shall match the original window sizes. No reduction in window sizes will be permitted. Flash new window installations per the window manufacturer's recommendation. Caulk all joints between the windows' trim and the adjacent surfaces as recommended by the window manufacturer. Patch any interior surfaces disturbed or damaged during the installation.

C. Roofing, Gutters, and Downspouts:

1. Remove existing asphalt shingles, roofing felt, drip edges, ridge vents, and aluminum gutters and downspouts from all buildings and dispose of material legally.
2. Repair or replace all damaged sheathing, rafters, or trusses. Replace any 3/8" sheathing with a minimum 7/16" sheathing.
3. Install **30 year warranty Architectural-style Anti-Fungal Roof Shingles** (see Specifications). Shingles are to be nailed (not stapled) per manufacturer's instructions.
4. Installation shall include new roofing felt, continuous aluminum drip edges, and continuous aluminum or vinyl 'shingle-over' ridge vents. Install roof shingles over continuous ridge vents to match roof shingles.

5. Install Ice Dam Membrane extending from roof's eave edge to a point 24 inches inside the exterior wall of building, and along all roof valleys extending 24" up each side of valley.
6. After installation of new prefinished fascia, install seamless prefinished aluminum gutters and downspouts (see Specifications).
 - a. Stamped downspout cut-outs in new gutters shall match the size of the new downspouts. An alternate is to install properly sized boots in the gutters to receive the downspouts.
 - b. Connect downspouts to underground leaders where they exist, or to concrete splash blocks.

D. Additional Attic Insulation:

1. Install sufficient blown-in cellulose insulation (see Specifications) to existing attic insulation in all seven (9) Apartment Building attics, in the existing Office/Laundry Building attic, and in the new Community Building addition attic to achieve **R-38**.

E. Stairs, Handrails/Guardrails at Breezeway Stairs:

- 1) Remove existing handrails and guardrails and existing wall-mounted handrails at all breezeway stairs and landings.
- 2) Remove existing metal stairs at the four two story apartment building breezeways.
- 3) Install new treated wood stairs with code-compliant treads and risers.
- 4) Install new solid vinyl, code-compliant railing and guard railing and wall mounted railing on new stairs, on existing breezeway walls, and on existing landings.

F. Exterior Entry Doors:

1. Prepare and paint all exposed surfaces of all existing front entry doors to apartments and the Community Building and exterior Storage Room doors.
2. If any entry door is damaged/deteriorated beyond repair, notify the Architect immediately. These doors shall be replaced.
3. Remove existing latchsets and locksets and replace with new levered latchsets, keyed function and new lockset. Lockset shall be master-keyed. Finish of latchset/lockset shall match the finish of the original equipment.

G. Building Signs:

1. Remove all existing apartment building numbers (approximately 9), apartment numbers (approximately 42), and Office/Laundry Building numbers. Install new building signs (see Specifications). Install new

apartment and Office/Laundry Building numbers to the right of each entry door. All entry numbers shall include braille lettering.

H. Exterior Entry Lighting:

1. Remove existing entry lighting at each apartment entry, and Office/Laundry entries (approximate count 45). Contractor shall donate the light fixtures to local charity or non-profit agency.
2. Install (approximately) 45 **wall-mounted** exterior **Energy Star rated LED light fixtures** (see Specifications) at all apartment entries, and Office/Laundry and new Community Building entries. Installations shall include re-use of existing electrical rough-in boxes, reuse of existing wiring, and installation of new fixtures per manufacturer's recommendations and Electrical Code regulations.
3. Install new lights in the breezeways of the four two story buildings (approximately 16)

APARTMENT INTERIORS:

A. Typical One Bedroom Apartments:

The following description applies to (7) apartments (see Drawings; Site Plan for location and Floor Plans for layout):

1. Window Blinds:
 - a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).
2. Electrical switches, receptacles:
 - a. Contractor shall confirm that all receptacles and switches are functioning, replacing those that are not. Replace all switch and receptacle plates.
3. Entry:
 - a. Remove existing flooring and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
 - b. Verify that existing entry door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
 - c. Install new keyed levered latchset and lockset.
 - d. Remove existing ceiling fixture and install new **Energy Star-rated surface mounted LED Ceiling Light Fixture** (see Specifications).
 - e. Prepare and paint walls, ceiling, door, and trim (see Specifications).

4. Coat Closet:

- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
- b. Install new levered latchset, Passage function.
- c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

5. Hall:

- a. Remove existing flooring and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing ceiling fixture and install new **Energy Star-rated surface mounted LED Ceiling Light Fixture** (see Specifications).
- c. Remove existing smoke detector in Hall and install new **Smoke Detector** hard wired to smoke detectors in Bedroom (see Specifications) tied together in same electrical circuit.
- d. Prepare and paint walls, ceiling, door, and trim (see Specifications).

7. Kitchen/Dining:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixtures. Contractor shall donate all of the above to local charity or non-profit agency.
- b. Remove existing sheet vinyl flooring from Kitchen/Dining areas and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install new **LVT flooring** (see Specifications) over these areas per manufacturer's recommendations.
- d. Replace the existing 4 receptacles with GFCI receptacles and new plates. Install one additional new GFCI receptacle to left of Range location.
- e. **Replace all water supply valves to the Kitchen fixtures within each apartment.**
- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings. The Kitchen cabinets will meet ANSI/KCMA A161.1 performance and construction standards and will bear a KCMA Seal.
 - 1) 36" sink base.
 - 2) 18" drawer base.

- 3) 30" base cabinet.
- 4) 1026 wall cabinet.
- 5) 4016 wall cabinet.
- 6) 2610 wall cabinet.
- 7) 2626 wall cabinet.
- 8) 2026 wall cabinet.
- 9) 10'-0" lf of counter with integral backsplashes.
- g. Install new Kitchen Appliances (see Specifications):
 - 1) 30" electric range
 - 2) **30" Microwave/Range Hood combo** with recirculating fan. Install (2) **Range Queen** units in each range hood unit.
 - 3) **Energy Star rated 18.0 cu. Ft. refrigerator with ice maker**
- h. Install new **double bowl** stainless steel sink with levered faucet.
- a. Install new **Energy Star-rated surface mounted fluorescent light fixture** in Kitchen and new **Energy Star- rated surface mounted LED Ceiling Light Fixture** (see Specifications) in the Dining area.
- i. Provide and install a 5 lb. ABC rated dry chemical fire extinguisher mounter within the Kitchen area readily accessible to the tenant.
- j. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).

8. Living Room:

- a. Remove existing carpet and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- b. Install new **Energy Star rated surface mounted Ceiling Fan with LED Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box suitable for installation of the ceiling fan. Separate switching for the fan and the light shall be provided.
- c. Contractor shall confirm that the Living Room has a high speed (broadband) Internet hook-up/connection port.
- d. Prepare and paint walls, ceiling, door, and trim (see Specifications).

9. Bathroom/Dressing Area:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall-mounted light, bath tub/tub surround/bath fixtures, and bath accessories.
- c. Verify that existing Bathroom door functions properly. Repair or replace any hinges, door unit, door frame, or door trim as needed.

- d. Install new levered latchset, Privacy function.
- e. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. **Replace water supply valves to all Bathroom fixtures.**
- g. Install new **30" wide x 20" deep Vanity Cabinet** with one piece synthetic marble top (see Specifications) and **WaterSense-labeled low flow faucet** (see Specifications). The Vanity cabinets will meet ANSI/KCMA A161.1 performance and construction standards and will bear a KCMA Seal.
- h. Install **Water Sense-labeled low flow water closet** (see Specifications).
- i. **Install WaterSense-labeled low flow Shower Head** (see Specifications).
- j. **Install new 3-piece tub to include new surround on three sides and new bath fixture.** Installation will include new tub/shower control and diverter equipped with anti-scald capabilities.
- k. Install new **Energy Star-rated wall mounted LED light and Bath Exhaust Fan** (see Specifications) in Bathroom.
- l. Install new **Energy Star-rated ceiling-mounted LED light** in Dressing area.
- m. Install new Bathroom accessories to include toilet paper holder, towel bar, recessed mirrored medicine cabinet, and shower rod (see Specifications).
- n. Prepare and paint walls, ceiling, trim, and door (see Specifications).

10. Linen Closet:

- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
- b. Install new levered latchset, Passage function.
- c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

11. Storage Closet:

- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
- b. Install new levered latchset, Passage function.
- c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

12. Mechanical:

- a. Remove existing surface mounted ceiling light fixture and install new **LED Surface Mounted Ceiling Fixture** (see Specifications).
- b. Install new levered latchset, Keyed function.
- c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over these areas per manufacturer's recommendations.
- d. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- e. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in room and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch. Note: Replace all existing ceiling and wall diffusers and return air diffuser.
- f. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines and a drain pan with drain piping routed to the outside.
- g. Insulate all exposed water lines.
- h. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

13. Bedroom and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing Closet bifold doors. Frame in for and install a prehung 3068 door assembly, patching adjacent wall surfaces as needed.
- c. Verify that existing Bedroom door functions properly. Repair or replace any hinges, door unit, door frame, or door trim as needed.
- d. Install new levered latchsets, Privacy function on the Bedroom door and Passage function on the Closet door.
- e. Install new **Energy Star rated surface mounted Ceiling Fan with LED Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box

- suitable for installation of the ceiling fan. Separate switching for the fan and the light shall be provided.
- f. Remove existing smoke detector in Bedroom and install new **Smoke Detector** hard wired to smoke detector in Hall (see Specifications) tied together in same electrical circuit.
 - g. Contractor shall confirm that the Bedroom has a **high speed (broadband) Internet** hook-up/connection port.
 - h. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

B. Typical Two Bedroom Apartments:

The following description applies to (24) apartments (see Drawings; Site Plan for location and Floor Plans for layout):

1. Window Blinds:
 - a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).
2. Electrical switches, receptacles:
 - a. Contractor shall confirm that all receptacles and switches are functioning, replacing those that are not. Replace all switch and receptacle plates.
3. Entry:
 - a. Remove existing flooring and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
 - b. Verify that existing entry door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
 - c. Install new keyed levered latchset and lockset.
 - d. Remove existing ceiling fixture and install new **Energy Star-rated surface mounted LED Ceiling Light Fixture** (see Specifications).
 - e. Prepare and paint walls, ceiling, door, and trim (see Specifications).
4. Coat Closet:
 - a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
 - b. Install new levered latchset, Passage function.
 - c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.

- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

5. Hall:

- a. Remove existing flooring and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing ceiling fixture and install new **Energy Star-rated surface mounted LED Ceiling Light Fixture** (see Specifications).
- c. Remove existing smoke detector in Hall and install new **Smoke Detector** hard wired to smoke detectors in Bedrooms (see Specifications) tied together in same electrical circuit.
6. Prepare and paint walls, ceiling, door, and trim (see Specifications).

7. Kitchen:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixtures. Contractor shall donate all of the above to local charity or non-profit agency.
- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install new **LVT flooring** (see Specifications) over these areas per manufacturer's recommendations.
- d. Replace the existing 4 receptacles with GFCI receptacles and new plates. Install one additional new GFCI receptacle to left of Range location.
- e. **Replace all water supply valves to the Kitchen fixtures within each apartment.**
- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings. The Kitchen cabinets will meet ANSI/KCMA A161.1 performance and construction standards and will bear a KCMA Seal.
 - 1) 36" sink base.
 - 2) 18" drawer base.
 - 3) 30" base cabinet.
 - 4) 1026 wall cabinet.
 - 5) 4016 wall cabinet.
 - 6) 2610 wall cabinet.
 - 7) 2626 wall cabinet.
 - 8) 2026 wall cabinet.
 - 9) 10'-0" lf of counter with integral backsplashes.
- g. Install new Kitchen Appliances (see Specifications):

- 1) 30" electric range
 - 2) **30" Microwave/Range Hood combo** with recirculating fan. Install (2) **Range Queen** units in each range hood unit.
 - 3) **Energy Star rated 18.0 cu. Ft. refrigerator with ice maker**
 - h. Install new **double bowl** stainless steel sink with levered faucet.
 - i. Install new **Energy Star-rated surface mounted fluorescent light fixture** in Kitchen.
 - j. Provide and install a 5 lb. ABC rated dry chemical fire extinguisher mounted within the Kitchen area readily accessible to the tenant.
 - k. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).
8. Pantry Closet:
- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
 - b. Install new levered latchset, Passage function.
 - c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
 - d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).
9. Storage 2:
- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
 - b. Install new levered latchset, Passage function.
 - c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
 - d. Prepare and paint walls, ceiling, trim, door, and shelves.
10. Dining Room:
- a. Remove existing flooring and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
 - b. Install new **Energy Star- rated surface mounted LED Ceiling Light Fixture** (see Specifications).
 - c. Prepare and paint walls, ceiling, door, and trim (see Specifications).

11. Living Room:

- a. Remove existing carpet and dispose of material legally. Install new **LVT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- b. Install new **Energy Star rated surface mounted Ceiling Fan with LED Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box suitable for installation of the ceiling fan. Separate switching for the fan and the light shall be provided.
- c. Contractor shall confirm that the Living Room has a high speed (broadband) Internet hook-up/connection port.
- d. Prepare and paint walls, ceiling, door, and trim (see Specifications).

12. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall-mounted light, bath tub/tub surround/bath fixtures, and bath accessories.
- c. Verify that existing Bathroom and door functions properly. Repair or replace any hinges, door unit, door frame, or door trim as needed.
- d. Install new levered latchset, Privacy function.
- e. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. **Replace water supply valves to all Bathroom fixtures.**
- g. Install new **30" wide x 20" deep Vanity Cabinet** with one piece synthetic marble top (see Specifications) and **WaterSense-labeled low flow faucet** (see Specifications). The Vanity cabinets will meet ANSI/KCMA A161.1 performance and construction standards and will bear a KCMA Seal. Install **Water Sense-labeled low flow water closet** (see Specifications). **Install WaterSense-labeled low flow Shower Head** (see Specifications). **Install new 3-piece tub to include new surround on three sides and new bath fixture.** Installation will include new tub/shower control and diverter equipped with anti-scald capabilities.
Install new **Energy Star-rated wall mounted LED light and Bath Exhaust Fan/CFL Light** (see Specifications).
Install new Bathroom accessories to include toilet paper holder, towel bar, recessed mirrored medicine cabinet, and shower rod (see Specifications).
Prepare and paint walls, ceiling, trim, and door (see Specifications).

13. Storage 1:

- a. Remove existing bifold door. Frame in for and install a prehung 3068 door assembly, patching adjacent wall surfaces as needed.
- b. Install new levered latchset, Passage function.
- c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

14. Linen Closet:

- a. Verify that existing door functions properly. Repair or replace any hinges, door units, door frames, or door trim as needed.
- b. Install new levered latchset, Passage function.
- c. Remove existing flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over this area per manufacturer's recommendations.
- d. Prepare and paint walls, ceiling, trim, door, and shelves (see Specifications).

15. Mechanical:

- a. Remove existing surface mounted ceiling light fixture and install new **LED Surface Mounted Ceiling Fixture** (see Specifications).
- b. Install new levered latchset, Keyed function.
- c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new **LVT flooring** (see Specifications) over these areas per manufacturer's recommendations.
- d. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- e. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in room and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch. Note: Replace all existing ceiling and wall diffusers and return air diffuser.

NCHMA CERTIFICATION

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Thomas Amdur
Executive Director, NH&RA