



A MARKET FEASIBILITY STUDY OF

RIBAUT SENIOR VILLAGE

Located At

**West side of Ribaut Road
Beaufort, Beaufort County, South Carolina 29902**

Effective Date: February 17, 2017

Report Date: May 5, 2017

Prepared For

**Max Elbe
Principal
Lowcountry Housing
1831 Village Crossing Drive
Daniel Island, SC 29492**

Prepared By

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**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

May 5, 2017

Mr. Max Elbe
Lowcountry Housing
1831 Village Crossing Drive
Daniel Island, SC 29492

Re: Market Study for Ribaut Senior Village in Beaufort, Beaufort County, South Carolina

Dear Mr. Elbe:

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

The purpose of this market study is to assess the viability of Ribaut Senior Village, a proposed senior apartment development consisting of 49 units. The property will offer affordable rental units restricted to senior households aged 55 and above earning 50 and 60 percent or less of the Area Median Gross Income (AMI), and unrestricted market-rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

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

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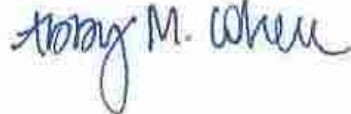
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Ribaut Senior Village, the Subject, is a proposed 49-unit apartment community for seniors aged 55 and older. Of the 49 total units, 45 will be restricted to households earning 50 and 60 percent of the AMI, or less. The remaining four units will be unrestricted market-rate units.

Targeted Tenancy: Seniors (age 55 and older).

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2016 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
				<i>50% AMI</i>			
1BR/1BA	750	5	\$487	\$142	\$629	\$629	\$820
2BR/2BA	950	5	\$567	\$188	\$755	\$755	\$949
				<i>60% AMI</i>			
1BR/1BA	750	27	\$575	\$142	\$717	\$755	\$820
2BR/2BA	950	8	\$675	\$188	\$863	\$906	\$949
				<i>Market Rate</i>			
1BR/1BA	750	2	\$604	\$0	\$604	N/A	\$820
2BR/2BA	950	2	\$709	\$0	\$709	N/A	\$949
Total		49					

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

Market Vacancy The following tables illustrate the market vacancy at the comparable properties.

OVERALL VACANCY ALL PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
123 Club Apartments	LIHTC	Family	40	0	0.0%
Cross Creek	LIHTC, Market	Family	144	0	0.0%
Laurel Hill	LIHTC	Senior	71	0	0.0%
Port Royal Apartments	LIHTC	Family	60	0	0.0%
Wilderness Cove Apartments I	LIHTC	Family	48	3	6.2%
Wilderness Cove Apartments II	LIHTC	Family	24	1	4.2%
Ashton Pointe	Market	Family	240	1	0.4%
Bay South Apartments	Market	Family	132	3	2.3%
Harborone Apartments	Market	Family	162	11	6.8%
Parc At Broad River*	Market	Family	246	44	17.9%
The Preserve At Port Royal	Market	Family	<u>400</u>	<u>22</u>	<u>5.5%</u>
Total			1,567	85	5.4%
Total Excluding Parc at Broad River			1,321	41	3.1%

*Currently in absorption

OVERALL VACANCY LIHTC PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
123 Club Apartments	LIHTC	Family	40	0	0.0%
Cross Creek	LIHTC, Market	Family	144	0	0.0%
Laurel Hill	LIHTC	Senior	71	0	0.0%
Port Royal Apartments	LIHTC	Family	60	0	0.0%
Wilderness Cove Apartments I	LIHTC	Family	48	3	6.2%
Wilderness Cove Apartments II	LIHTC	Family	<u>24</u>	<u>1</u>	<u>4.2%</u>
Total			387	4	1.0%

OVERALL VACANCY MARKET RATE PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashton Pointe	Market	Family	240	1	0.4%
Bay South Apartments	Market	Family	132	3	2.3%
Harborone Apartments	Market	Family	162	11	6.8%
Parc At Broad River*	Market	Family	246	44	17.9%
The Preserve At Port Royal	Market	Family	<u>400</u>	<u>22</u>	<u>5.5%</u>
Total			1,180	81	6.9%
Total Excluding Parc at Broad River			934	37	4.0%

*Currently in absorption

Overall vacancy in the PMA among the comparables is moderately low at 5.4 percent. Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, overall vacancy in the PMA among all the comparables is low at 3.1 percent.

Overall vacancy in the PMA among the LIHTC comparables is also low at 1.0 percent. Four of the six LIHTC comparables, including the only senior LIHTC comparable, reported zero percent vacancy. While it appears Wilderness Cove I and Wilderness Cove II have the highest vacancy rates amongst the LIHTC comparables at 6.2 percent and 4.2 percent, respectively, these properties are smaller developments with 48 and 24 units. Wilderness Cove I has only three vacant units and Wilderness Cove II has only one vacant unit. In addition, management indicated that these units became vacant just recently and are being turned.

Among the market rate properties, the vacancy rate is moderately low at 6.9 percent. As noted above, Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, the overall vacancy among the market rate properties is also low at 4.0 percent. Harborone Apartments has an elevated vacancy rate of 6.8 percent. The property was recently purchased by a new owner. Management indicated the high vacancy rate was due to a pause in leasing in January caused by the new ownership. Leasing has now resumed and several units have been leased in February. The Preserve at Port Royal has a slightly elevated vacancy rate of 5.5 percent. Management could not provide an explanation for the elevated vacancy rate; however, the current vacancy has decreased since the fourth quarter of 2016 when the property experienced a 7.0 percent vacancy rate. Therefore, it appears the vacancy issues are property-specific.

Overall, the local rental market appears to be very healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of six percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	0	76	5	6.5%
1BR at 60% AMI	0	94	27	28.7%
1BR unrestricted	0	242	2	0.8%
2BR at 50% AMI	5	39	5	12.8%
2BR at 60% AMI	19	35	8	22.6%
2BR unrestricted	0	140	2	1.4%
Overall at 50% AMI	5	116	10	8.7%
Overall at 60% AMI	19	130	35	27.0%
Overall unrestricted	0	382	4	1.0%
Overall Affordable	24	174	45	25.9%

As the analysis illustrates, the Subject’s capture rates vary from 0.8 percent to 28.7 percent with an overall capture rate of 25.9 percent for the affordable units only. It is important to note that while we recognize that the 60 percent capture rates are moderately high, this demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. Additionally, there are only four total vacant units amongst all of the LIHTC comparables, and all of the LIHTC comparables maintain waiting lists. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the capture rates are acceptable. Lastly, the Subject’s overall capture rate of 25.9 percent for the affordable units only is within SCSHFDA guidelines requirement that all developments must have an overall capture rate at or below 30 percent, and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period:

Only one comparable LIHTC property, Port Royal Apartments, was able to report absorption data, and only one market rate comparable property, Parc at Broad River, was able to report absorption data. As supplemental data, we have searched the region for LIHTC properties with recent absorption data.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Parc At Broad River	Market	Family	2016	246	20
Palmetto Station Apartments	LIHTC	Family	2014	48	24
Fairgrounds Senior Village	LIHTC	Senior	2013	42	21
Port Royal Apartments	LIHTC	Family	2012	60	30

The newest market rate property in the PMA, Parc at Broad River, opened in 2016 and is a family project. The property began leasing units in April 2016. The contact stated that construction on the last building was not completed until October of 2016. Currently, they are pre-leased at 90 percent. Based on the current occupancy, the property has experienced an absorption rate of 20 units per month. Palmetto Station Apartments, located in Sumter, opened in 2014 and is a family LIHTC project. Management at this property reported an absorption rate of 24 units per month. Fairgrounds Senior Village, located in Laurens, opened in 2013 and is a senior LIHTC project. Management at this property reported an absorption rate of 21 units per month. Management at Port Royal Apartments, a family LIHTC comparable located in the PMA, reported that they began leasing units on January 8, 2013, and the last unit was leased on March 15, 2013, indicating an absorption rate of approximately 30 units per month. These are moderate to good lease-up rates for LIHTC apartments. With the growing demographic base of seniors in the PMA and the general limited supply of affordable senior housing, we believe the Subject should be able to experience an absorption rate within the range of what other LIHTC communities have experienced. The LIHTC comparables report few vacancies and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate average to excellent capture rates and an ample number of age and income-qualified households, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of two to three months.

Market Conclusions:

Overall vacancy in the PMA among the comparables is moderately low at 5.4 percent. Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, overall vacancy in the PMA among all the comparables is low at 3.1 percent. Overall vacancy in the PMA among the LIHTC comparables is also low at 1.0 percent. Four of the six LIHTC comparables, including the only senior LIHTC comparable, reported zero percent vacancy.

In addition, management at the two LIHTC properties with vacant units indicated that these units became vacant just recently and are being turned. The six properties with LIHTC units reported four total vacancies, and all maintain waiting lists, suggesting significant demand for affordable housing and, in particular, senior affordable housing. Among the market rate properties, the vacancy rate is moderately low at 6.9 percent. As noted above, Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, the overall vacancy among the market rate properties is also low at 4.0 percent. Harborone Apartments has an elevated vacancy rate of 6.8 percent. The property was recently purchased by a new owner. Management indicated that new ownership paused leasing in January. It has resumed and several units were leased in February. The Preserve at Port Royal has a slightly elevated vacancy rate of 5.5 percent. Management could not provide an explanation for the elevated vacancy rate; however, the current vacancy has decreased since the fourth quarter of 2016 when the property experienced a 7.0 percent vacancy rate. Therefore, it appears the vacancy issues are property specific. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable and overall they are more than 35.9 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA, and the market supports the Subject development as proposed. The Subject's overall capture rate is 25.9 percent for the affordable units only, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 0.8 percent to 28.7 percent. It is important to note that while we recognize that the 60 percent capture rates are high, this demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject's residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. Additionally, there are only four total vacant units amongst all of the LIHTC comparables, and all of the LIHTC comparables maintain waiting lists. With only one senior LIHTC property

in the PMA and a growing senior household base in this market, we believe the capture rates are acceptable. Lastly, the Subject's overall capture rate of 25.9 percent for the affordable units only is within SCSHFDA guidelines requirement that all developments must have an overall capture rate at or below 30 percent, and we believe that there is ample demand for the Subject's units. The Subject site is located within 3.1 miles of most community services and facilities that seniors would utilize on a consistent basis.

There are only four vacancies among the LIHTC comparables and the market rate properties we surveyed are also performing very well, with a vacancy rate of 4.0 percent, excluding Parc at Broad River which is currently in absorption phase. The Subject's proposed LIHTC rents will have advantages of 29 to 45 percent over our estimated achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparable we surveyed.

Long Term Impact on Existing LIHTC Properties in PMA:

The comparable LIHTC units have a 1.0 percent vacancy rate, and all the LIHTC comparables maintain waiting lists. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

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

Development Name: Ribaut Senior Village Total # Units: 49
 Location: Ribaut Road, Beaufort, Beaufort County, SC # LIHTC Units: 45
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 17 miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	1,567	85	94.6%
Market-Rate Housing	5	1,180	81	93.1%
Assisted/Subsidized Housing not to include LIHTC			0	100.0%
LIHTC (All that are stabilized)*	6	387	4	99.0%
Stabilized Comps**	10	1,321	41	96.9%
Non-stabilized Comps	1	246	44	82.1%

* 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		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	1	1	750	\$487	\$880	\$1.17	44.66%	\$1,115	\$1.39
5	2	2	950	\$567	\$1,000	\$1.05	43.30%	\$1,435	\$1.20
27	1	1	750	\$575	\$880	\$1.17	34.66%	\$1,115	\$1.39
8	2	2	950	\$675	\$1,000	\$1.05	32.50%	\$1,435	\$1.20
2	1	1	750	\$604	\$880	\$1.17	31.36%	\$1,115	\$1.39
2	2	2	950	\$709	\$1,000	\$1.05	29.10%	\$1,435	\$1.20
Gross Potential Rent Monthly*				\$28,821	\$44,920		35.84%		

*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 36)

	2010		2016		2019	
Renter Households	1,694	13.8%	2,621	15.5%	2,756	15.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	500	19.1%	526	19.1%
Income-Qualified Renter HHs (MR)	N/A	N/A	1,043	39.8%	1,043	37.9%
Type of Demand	50%	60%	Market- rate	Other: __	Other: __	Overall Affordable
Renter Household Growth	15	19	51			24
Existing Households (Overburd + Substand)	120	151	411			195
Homeowner conversion (Seniors)	17	17	17			17
Other:						
Less Comparable/Competitive Supply	5	19	0			24
Net Income-qualified Renter HHs	146	167	479			212

CAPTURE RATES (found on page 57)

Targeted Population	50%	60%	Market- rate	Other: __	Other: __	Overall Affordable
Capture Rate	8.7%	27.0%	1.0%			25.9%

ABSORPTION RATE (found on page 53)

Absorption Period: 2 - 3 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
5	1 BR	\$487	\$2,435	\$880	\$4,400	
27	1 BR	\$575	\$15,525	\$880	\$23,760	
2	1 BR	\$604	\$1,208	\$880	\$1,760	
5	2 BR	\$567	\$2,835	\$1,000	\$5,000	
8	2 BR	\$675	\$5,400	\$1,000	\$8,000	
2	2 BR	\$709	\$1,418	\$1,000	\$2,000	
Totals	49		\$28,821		\$44,920	35.8%

Source: SCSHFDA, Novogradac & Company LLP, March 2017

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location: The Subject site is located on the west side of Ribaut Road in Beaufort, Beaufort County, South Carolina.

Construction Type The Subject will involve the new construction of one three-story, elevator-serviced apartment building.

Occupancy Type: Seniors (age 55+)

Target Income Group: Forty-five of the Subject’s units will target households with incomes of 50 and 60 percent AMI or less. The remaining four units will be unrestricted and will not target a specific income cohort.

Special Population Target: None.

Number of Units by Unit Type: The Subject will include 34 one-bedroom units and 15 two-bedroom units.

Number of Buildings And Stories: The Subject will be constructed in one three-story building.

Unit Size: One-bedroom units will be 750 square feet, and two-bedroom units will be 950 square feet.

Structure Type/Design: The Subject’s residential units will be contained in one, three-story, lowrise-style building.

Proposed Rents and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2016 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
				<i>50% AMI</i>			
1BR/1BA	750	5	\$487	\$142	\$629	\$629	\$820
2BR/2BA	950	5	\$567	\$188	\$755	\$755	\$949
				<i>60% AMI</i>			
1BR/1BA	750	27	\$575	\$142	\$717	\$755	\$820
2BR/2BA	950	8	\$675	\$188	\$863	\$906	\$949
				<i>Market Rate</i>			
1BR/1BA	750	2	\$604	\$0	\$604	N/A	\$820
2BR/2BA	950	2	\$709	\$0	\$709	N/A	\$949
Total		49					

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

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$142 for one-bedroom units and \$188 for two-bedroom units.

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

Community Amenities: See Subject Profile.

Unit Amenities: See Subject Profile.

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

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

Ribaut Senior Village	
Location	West Side Of Ribaut Road Beaufort, SC 29902 Beaufort County
Units	49
Type	Lowrise (age-restricted) (3 stories)
Year Built / Renovated	Proposed 2019
Tenant Characteristics	Seniors 55+



Market			
Program	@50%, @60%, Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	
Section 8 Tenants	N/A		

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Lowrise (3 stories)	5	750	\$487	\$0	@50%	n/a	N/A	N/A	yes	
1	1	Lowrise (3 stories)	27	750	\$575	\$0	@60%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	2	750	\$604	\$0	Market	n/a	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	5	950	\$567	\$0	@50%	n/a	N/A	N/A	yes	
2	2	Lowrise (3 stories)	8	950	\$675	\$0	@60%	n/a	N/A	N/A	no	
2	2	Lowrise (3 stories)	2	950	\$709	\$0	Market	n/a	N/A	N/A	N/A	

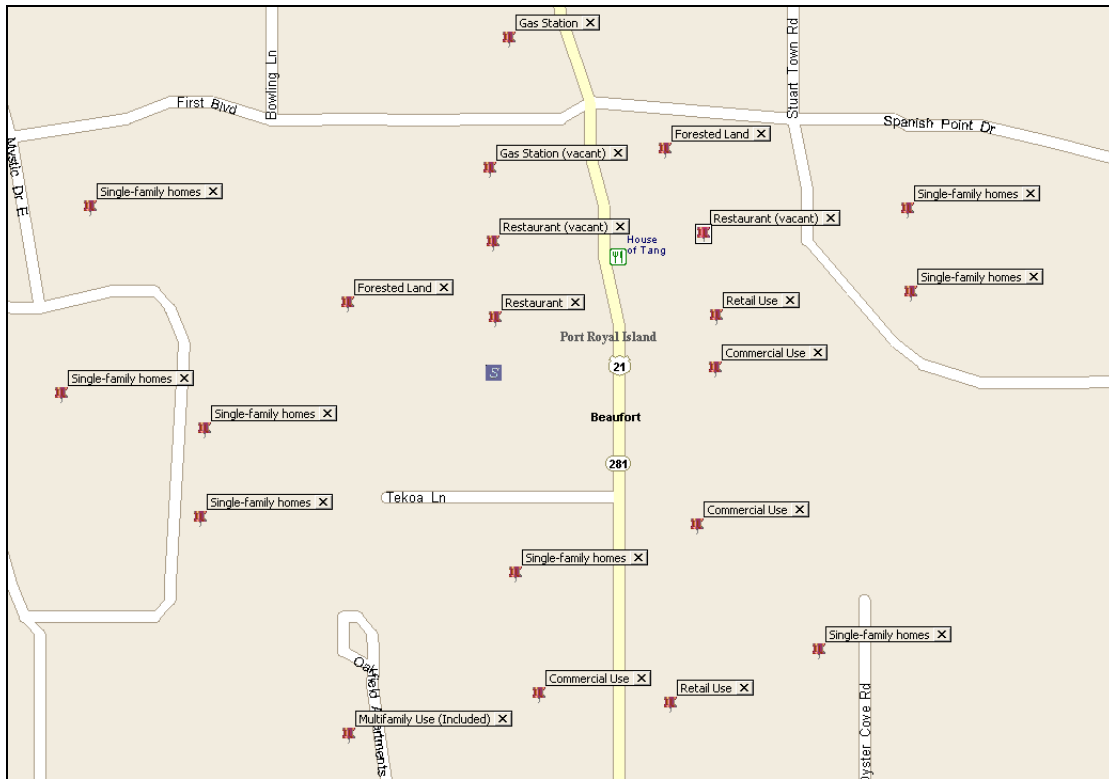
Amenities			
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Limited Access Video Surveillance
Property	Parking spaces: 61 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
Services	none	Other	Library, Craft room, Gazebo

B. SITE DESCRIPTION

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

Date of Site Visit: February 17, 2017

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



Physical Features of Site: The Subject site is located within Beaufort, South Carolina.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single-family residential and retail/commercial developments. Immediately north of the Subject site are restaurants and gas stations. Immediately east of the Subject site across Ribaut Road are commercial and retail uses. Adjacent to the south are several single-family homes. Further south of the Subject site lies Bay South Apartments, a multifamily development that is included as a comparable property. Immediately to the west of the Subject site is forested land, followed by single-family homes in good condition. Retail in the area is in generally average condition and appeared to be 75 to 80 percent occupied. The Subject’s neighborhood appears to be in transition, and vacant uses nearby do not seem to be a detriment to the neighborhood. Overall, the Subject site is considered a desirable building site for senior rental housing.

Pictures of Site and Surrounding Uses



Subject site



Building to be razed on Subject site



Building to be razed on Subject site



Building to be razed on Subject site



View south along Ribaut Road



View north along Ribaut Road



Restaurant adjacent to Subject site



Surrounding retail uses



United Way located on Ribaut Road



Surrounding uses



Surrounding uses on Ribaut Road



Surrounding uses on Ribaut Road



View of multifamily property to the south – Bay South (utilized as a comparable)



Typical single-family home in neighborhood



Typical single-family home in neighborhood



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use



Vacant use in Subject's neighborhood



Vacant use in Subject's neighborhood



Vacant use in Subject's neighborhood – former restaurant



Vacant use in Subject's neighborhood – former restaurant



Vacant use in Subject's neighborhood – former gas station



Vacant use in Subject's neighborhood



Residential use adjacent to the Subject site



Residential use adjacent to the Subject site



New fire station on Ribaut Road



New fire station on Ribaut Road



Vacant use on Ribaut Road – Former restaurant



Commercial use on Ribaut Road



Typical single-family home in neighborhood



Typical single-family home in neighborhood



Typical single-family home in neighborhood



Typical single-family home in neighborhood

Visibility/Views:

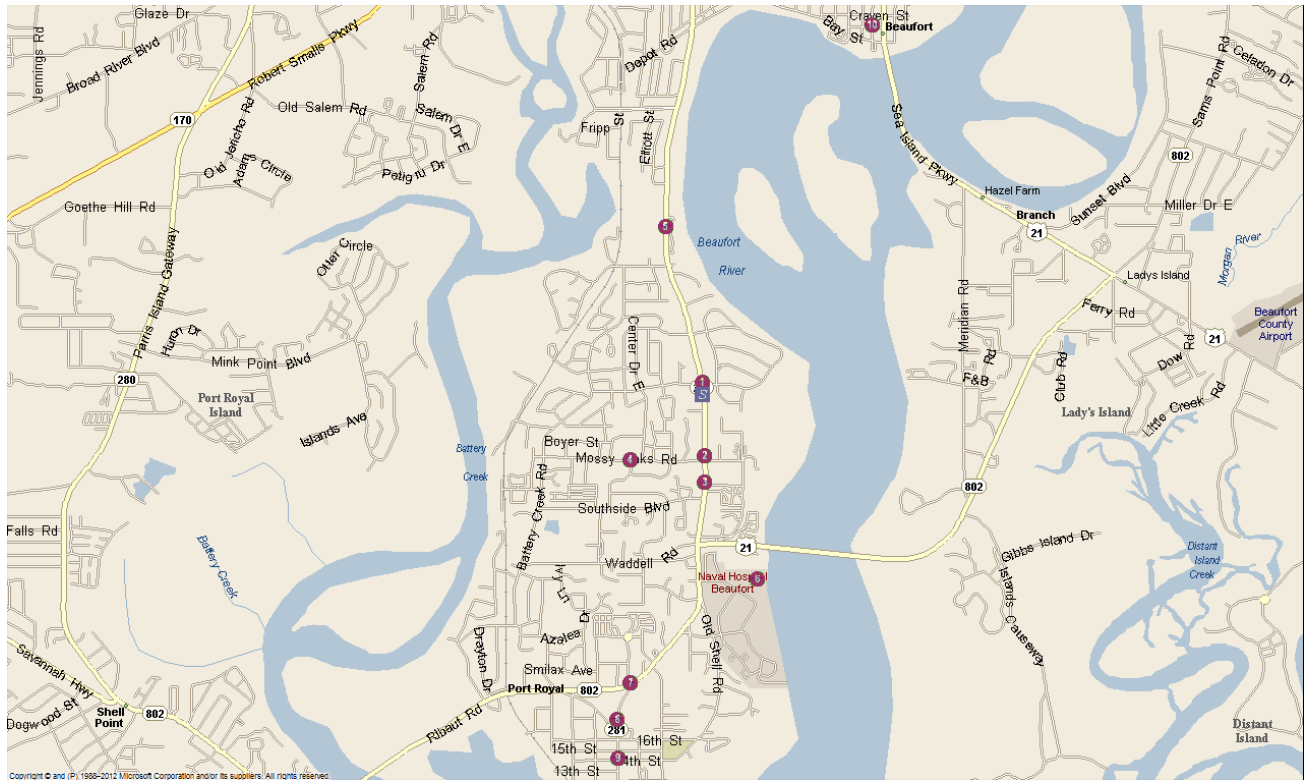
Views from the Subject site include forested land to the north and west, vacant land to the south, and medical office use to the east. Views from the site are considered good. The Subject will have good visibility from Ribaut Road to the north and south. Ribaut Road has moderate traffic flow as it is an arterial roadway. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

Detrimental Influences:

The neighborhood appears to be in transition, and vacant uses near the Subject site do not seem to be a detriment to the neighborhood. There are no other detrimental influences in the Subject's immediate neighborhood.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including retail, banks and a library. The following table details the Subject's distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table, is below.



LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	Shell Gas Station	0.2 Miles
2	Rite Aid Pharmacy	0.3 Miles
3	Piggly Wiggly	0.5 Miles
4	Beaufort Middle School	0.7 Miles
5	Beaufort Memorial Hospital	1.0 Miles
6	Navy Federal Credit Union	1.3 Miles
7	US Post Office	1.6 Miles
8	Port Royal Police Department	1.8 Miles
9	Senior Services of Beaufort	2.0 Miles
10	Beaufort County Library	3.1 Miles

Availability of Public Transportation:

Public transportation in Beaufort County is provided by Palmetto Breeze, which provides bus service in five Lowcountry counties. The Subject is located approximately 2.5 miles from the Route 702 Downtown Beaufort bus stop, which provides access to the surrounding counties. Full fares for riding the bus are \$2.50 per trip.

Road/Infrastructure Proposed Improvements:

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

Crime Rates:

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

2016 CRIME RISK INDICES

	PMA	Hilton Head Island-Bluffton-Beaufort, SC
Total Crime*	159	176
Personal Crime*	147	167
Murder	101	134
Rape	171	187
Robbery	85	85
Assault	176	206
Property Crime*	160	177
Burglary	164	170
Larceny	170	190
Motor Vehicle Theft	73	94

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

*Unweighted aggregations

The total crime risk index in the PMA is lower than the MSA, but above the national average. Additionally, total personal crime risks and total property crime risks in the PMA are below the MSA, but higher than the nation as a whole. The Subject will offer limited access and video surveillance, which appears market-oriented.

Access and Traffic Flow:

The Subject site will have access along Ribaut Road. Ribaut Road is an arterial roadway, which connects to Highway 21 about 2.5 miles to the north of the Subject. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in Beaufort, most of which are within less than 3.1 miles of the Subject site. The neighborhood appears to be in transition, and vacant uses near the Subject site do not seem to be a detriment to the neighborhood. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The proposed Subject will be a 49-unit senior new construction development in Beaufort, South Carolina. The PMA is generally defined as the Coosaw River and Morgan River to the north, Harbor River and Beach City Road to the east, Highway 278 to the south, and Robert Smalls Parkway to the west. The Subject will be among the first senior LIHTC properties in Beaufort, and as such will be able to draw from approximately a 10 to 15-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Beaufort and several other communities in Beaufort County as well as some of the smaller communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. The approximate distances from the Subject to the farthest boundaries of the PMA in each direction are as follows:

- North: 10 miles
- East: 13 miles
- South: 14 miles
- West: 17 miles

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

Census Tracts in PMA
450130005.02
450130005.03
450130006.00
450130007.00
450130008.00
450130009.01
450130009.02
450130009.03
450130010.00
450130011.01
450130011.02
450130012.00
450130022.01
450130022.02
450130105.00
450130106.00
450130107.00
450130108.00

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic

characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Beaufort area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

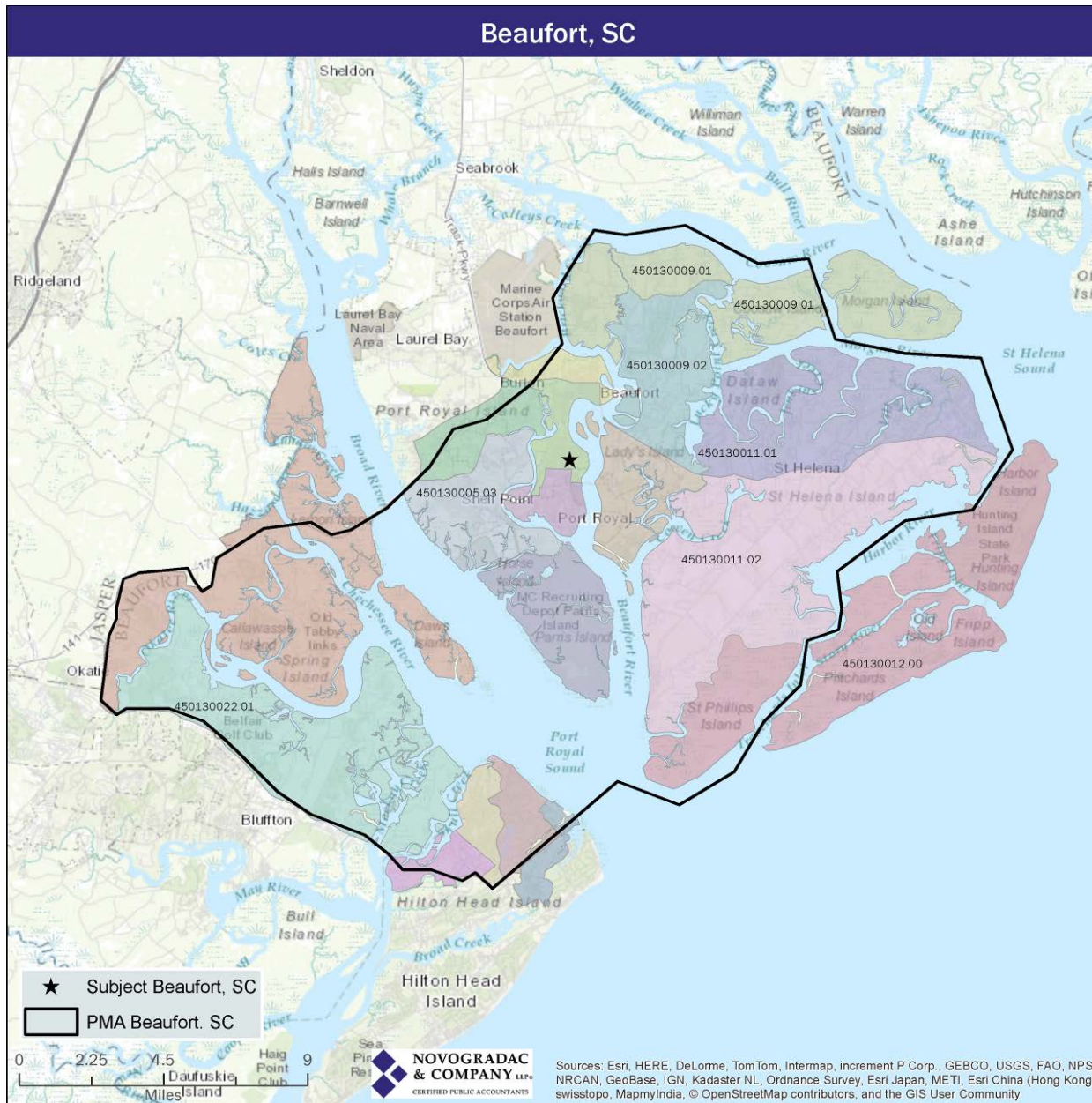
As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

POPULATION BY RACE						
	PMA		Hilton Head Island-Bluffton-Beaufort, SC		USA	
			MSA			
Total	68,564	-	187,010	-	308,745,538	-
White	49,162	71.7%	127,264	68.1%	223,553,265	72.4%
Black	14,916	21.8%	42,696	22.8%	38,929,319	12.6%
American Indian	210	0.3%	603	0.3%	2,932,248	0.9%
Asian	884	1.3%	2,065	1.1%	14,674,252	4.8%
Pacific	58	0.1%	132	0.1%	540,013	0.2%
Other	1,941	2.8%	10,565	5.6%	19,107,368	6.2%
Two or More Races	1,393	2.0%	3,685	2.0%	9,009,073	2.9%
Total Hispanic	5,143	-	23,319	-	50,477,594	-
Hispanic: White	2,599	50.5%	10,722	46.0%	26,735,713	53.0%
Hispanic: Black	255	5.0%	731	3.1%	1,243,471	2.5%
Hispanic: American Indian	42	0.8%	216	0.9%	685,150	1.4%
Hispanic: Asian	30	0.6%	74	0.3%	209,128	0.4%
Hispanic: Pacific	14	0.3%	49	0.2%	58,437	0.1%
Hispanic: Other	1,855	36.1%	10,327	44.3%	18,503,103	36.7%
Hispanic: Two or More Races	348	6.8%	1,200	5.1%	3,042,592	6.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

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

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



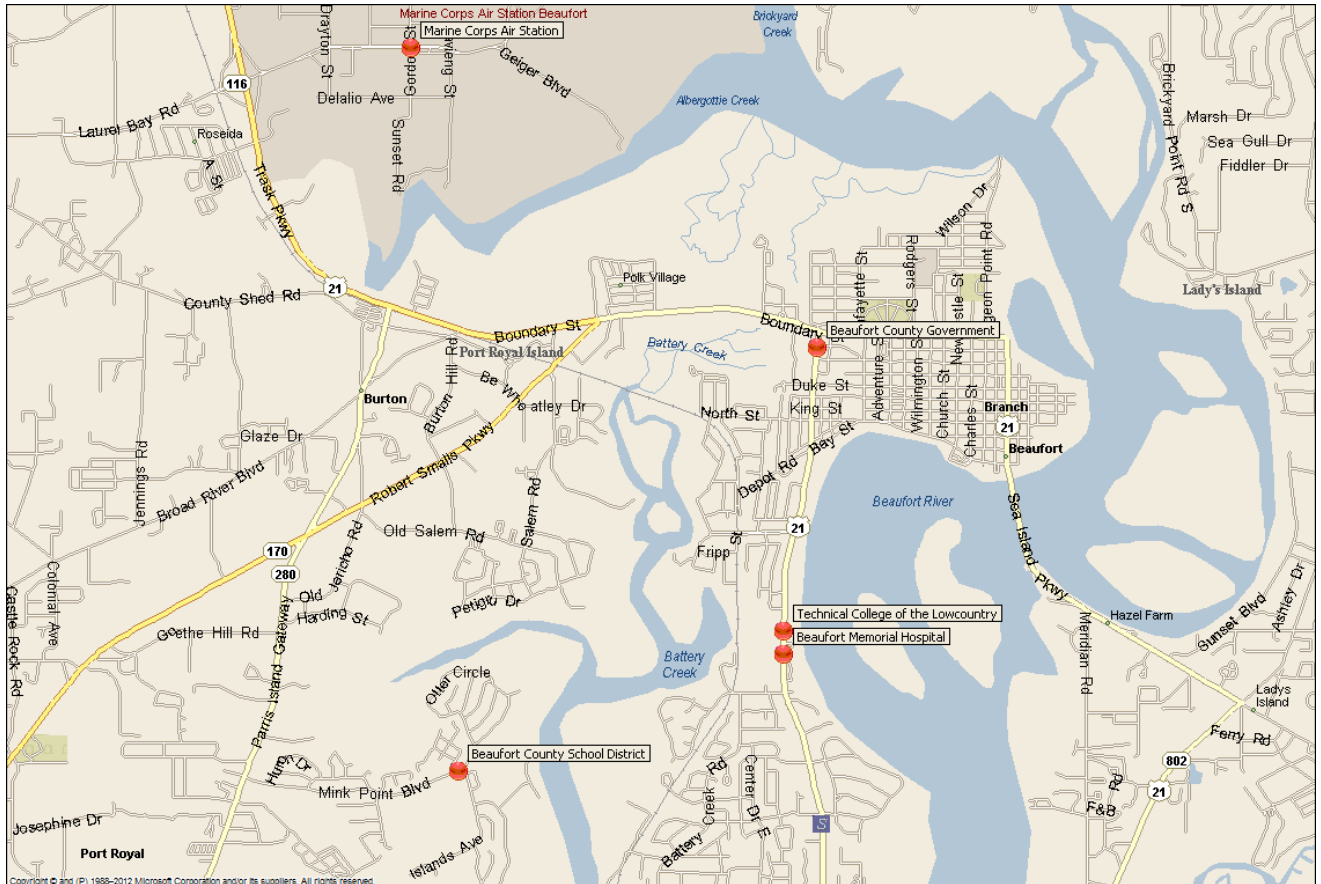
D. MARKET AREA ECONOMY

MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Employment by Industry

The following table exhibits employment by industry for the PMA.

2016 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Retail Trade	3,293	13.1%	17,169,304	11.3%
Health Care/Social Assistance	3,111	12.4%	21,304,508	14.1%
Construction	2,780	11.1%	9,342,539	6.2%
Educational Services	2,474	9.9%	14,359,370	9.5%
Public Administration	1,856	7.4%	7,093,689	4.7%
Accommodation/Food Services	1,838	7.3%	11,574,403	7.6%
Prof/Scientific/Tech Services	1,471	5.9%	10,269,978	6.8%
Other Services (excl Publ Adm)	1,147	4.6%	7,463,834	4.9%
Arts/Entertainment/Recreation	1,071	4.3%	3,416,474	2.3%
Real Estate/Rental/Leasing	1,044	4.2%	2,946,196	1.9%
Admin/Support/Waste Mgmt Srvc	1,006	4.0%	6,511,707	4.3%
Finance/Insurance	1,000	4.0%	6,942,986	4.6%
Manufacturing	721	2.9%	15,499,826	10.2%
Information	655	2.6%	2,862,063	1.9%
Wholesale Trade	574	2.3%	4,066,471	2.7%
Transportation/Warehousing	560	2.2%	6,128,217	4.0%
Utilities	252	1.0%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	251	1.0%	2,253,044	1.5%
Mining	6	0.0%	749,242	0.5%
Mgmt of Companies/Enterprises	1	0.0%	89,612	0.1%
Total Employment	25,111	100.0%	151,387,682	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, February 2017

Employment within the PMA is concentrated in the retail trade, healthcare/social assistance, and construction sectors. These sectors make up 36.6 percent of the total employment in the PMA. Compared to the nation, the PMA is underrepresented in the manufacturing, and transportation/warehousing sectors. Sectors that are overrepresented in the PMA compared to the nation include the construction, retail trade, real estate/rental/leasing, arts/entertainment/recreation, and public administration sectors.

The following table illustrates the changes in employment by industry from 2000 to 2016, in the Subject’s PMA.

2000-2016 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2016		2000-2016	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Prof/Scientific/Tech Services	1,050	4.8%	1,471	5.9%	26	2.5%
Admin/Support/Waste Mgmt Svcs	732	3.4%	1,006	4.0%	17	2.3%
Health Care/Social Assistance	2,369	10.9%	3,111	12.4%	46	2.0%
Arts/Entertainment/Recreation	871	4.0%	1,071	4.3%	13	1.4%
Finance/Insurance	824	3.8%	1,000	4.0%	11	1.3%
Public Administration	1,535	7.0%	1,856	7.4%	20	1.3%
Real Estate/Rental/Leasing	864	4.0%	1,044	4.2%	11	1.3%
Construction	2,400	11.0%	2,780	11.1%	24	1.0%
Agric/Forestry/Fishing/Hunting	218	1.0%	251	1.0%	2	0.9%
Information	571	2.6%	655	2.6%	5	0.9%
Educational Services	2,187	10.0%	2,474	9.9%	18	0.8%
Retail Trade	2,985	13.7%	3,293	13.1%	19	0.6%
Transportation/Warehousing	519	2.4%	560	2.2%	3	0.5%
Accommodation/Food Services	1,777	8.1%	1,838	7.3%	4	0.2%
Mining	6	0.0%	6	0.0%	0	0.0%
Mgmt of Companies/Enterprises	0	0.0%	1	0.0%	0	0.0%
Other Services (excl Publ Adm)	1,151	5.3%	1,147	4.6%	0	0.0%
Utilities	260	1.2%	252	1.0%	-1	-0.2%
Wholesale Trade	614	2.8%	574	2.3%	-3	-0.4%
Manufacturing	882	4.0%	721	2.9%	-10	-1.1%
Total Employment	21,815	100.0%	25,111	100.0%	206	0.9%

Source: Esri Demographics 2010, Novogradac & Company LLP, February 2017

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

*Industry data current as of 2010. Other projections current as of 2016.

As illustrated, three of the industries in the table above experienced a decrease in employment from 2000 to 2016. The largest percent decreases were among the manufacturing and wholesale trade sectors. The smallest decrease was in the utilities sector. The healthcare/social services sector experienced the largest annualized employment increase over the past 16 years, recording an increase of approximately 46 employees, or approximately 2.0 percent each year.

Major Employers

The following table details the major employers in Beaufort County as of the 2nd quarter of 2016 (the most recent available).

BEAUFORT COUNTY MAJOR EMPLOYERS

Employer	Industry
Atlantic Personnel Inc	Administrative and Support Services
Beaufort County School District	Education
Beaufort Memorial Hospital	Healthcare
Bilo LLC	Retail
Carecore National LLC	Healthcare
County of Beaufort	Public Administration
Cypress Club Inc	Healthcare and Social Assistance
Department of Defense	Public Administration
Hargray Communications Group Inc	Information
LFC Agricultural Services Inc	Agriculture
Lowe's Home Centers Inc	Retail
Marine Corps Community Services Inc	Public Administration
Marriott resort Hosp Corp	Accommodation and Food Services
Montage Hotels and Resorts LLC	Accommodation and Food Services
Publix Super Markets Inc	Retail
Sea Pines Resort LLC	Accommodation and Food Services
Technical College of the Lowcountry	Education
Tenet Physician Services of Hilton Head	Healthcare
The Greenery Inc	Land Scaping Services
Wal-mart Associates Inc	Retail

Source: South Carolina Department of Employment & Workforce, 2Q 2016

The largest employers in Beaufort County are in sectors including education, public administration healthcare, accommodation and food services, and retail. Some of these sectors, such as healthcare and education, are less susceptible to economic cycles.

Expansions/Contractions

The following table illustrates the contractions to the Beaufort, SC economy provided by the South Carolina Department of Employment and Workforce between 2013 and 2017.

2013-2017 WARN NOTICES; BEAUFORT, SC

Employer	Industry	Jobs Affected	Date
Tyonek Services Group	Transportation/Warehousing	11	3/31/2015
Total		11	

Source: SC Department of Employment and Workforce, February 2017

As the table depicts, there were only 11 layoffs/closures in Beaufort that took effect between 2013 and 2017. The majority of these layoffs were in the transportation/warehousing sector.

Beaufort County experienced the following business expansions in the last several years:

- Harris Pillow Supply, a family-run pillow manufacturer, will expand its operations to a new facility at 5 Parker Drive in early 2017, creating 22 new jobs and bringing \$2.1 million in new capital investment to the Beaufort area in the next five years.
- Parker’s, a Savannah-based convenience store chain, expanded into Beaufort County and opened nine new area gas stations between 2015 and 2016. Parker’s is expected to grow from a \$500 million company into a \$1 billion company in the next five years.
- EviCore healthcare, an information technology healthcare company, is expanding its existing headquarters in Beaufort County and is projected to bring more than \$1.6 million in new capital investment and create 35 new jobs in the Beaufort area. The headquarters facility is located at 400 Buckwalter Place Boulevard in Bluffton.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Hilton Head Island-Bluffton-Beaufort, SC MSA. As such, the following table details employment and unemployment trends for the Hilton Head Island-Bluffton-Beaufort, SC MSA from 2002 to 2016.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Hilton Head Island-Bluffton-Beaufort, SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	60,257	-	4.2%	-	136,933,000	-	4.7%	-
2003	62,471	3.7%	5.1%	0.9%	136,485,000	-0.3%	5.8%	1.1%
2004	65,493	4.8%	5.0%	0.0%	137,736,000	0.9%	6.0%	0.2%
2005	68,166	4.1%	4.9%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2006	69,548	2.0%	4.8%	-0.1%	141,730,000	1.8%	5.1%	-0.4%
2007	70,720	1.7%	4.4%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2008	69,809	-1.3%	5.4%	1.0%	146,047,000	1.1%	4.6%	0.0%
2009	66,451	-4.8%	9.0%	3.6%	145,362,000	-0.5%	5.8%	1.2%
2010	69,509	4.6%	8.9%	-0.1%	139,877,000	-3.8%	9.3%	3.5%
2011	69,682	0.2%	8.9%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2012	70,899	1.7%	7.7%	-1.2%	139,869,000	0.6%	8.9%	-0.7%
2013	73,309	3.4%	6.5%	-1.2%	142,469,000	1.9%	8.1%	-0.8%
2014	76,082	3.8%	5.7%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2015	78,600	3.3%	5.4%	-0.3%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	81,360	3.5%	4.7%	-0.7%	151,372,417	3.5%	4.9%	-1.3%
Dec-2015	77,859	-	4.7%	-	149,703,000	-	4.8%	-
Dec-2016	80,133	2.9%	3.9%	-0.8%	151,037,000	0.9%	4.5%	-0.3%

Source: U.S. Bureau of Labor Statistics February 2017

*2016 data is through Mar

Between 2002 and 2007, total employment in the Hilton Head Island-Bluffton-Beaufort, SC MSA exhibited positive growth, reaching a peak of 70,720 in 2007. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2008 and 2009. Total employment in the MSA began to increase again in 2010, one year prior to the nation as a whole. Employment growth in the MSA from 2010 to 2016 has been stronger than the nation as a whole on a percentage point basis. Total employment in the 12 month period prior to December 2016 has indicated growth in employment of 2.9 percent. This is higher than the national growth rate of 0.9 percent over the same time period. Total employment surpassed the pre-recession peak in 2012.

In terms of unemployment rates, the rate in the MSA has historically been similar that of the nation. While the national unemployment rate increased sharply from 5.8 percent in 2009 to 9.3 percent in 2010, the MSA also saw unemployment rise from 2008 through 2009 and reached a peak unemployment rate of 9.0 percent in 2009 and decreased through 2016. The unemployment rate has

trended downward over the past several years, and remains below the national average. The change in unemployment rate in the MSA in the 12 month period prior to December 2016 has decreased approximately 0.5 percentage points more than the nation.

Housing and Economy

There are 11 family LIHTC properties in Beaufort and no senior properties. Therefore, the availability of housing for low to very low income senior renters is considered limited.

The most recent national recession has impacted Beaufort’s single-family housing market. According to RealtyTrac’s December 2016 estimates, the city experienced a foreclosure rate of one in every 2,244 housing units. Beaufort County experienced a higher foreclosure rate compared to the city, which had a foreclosure rate of one in every 2,539 housing units in December 2016. The state of South Carolina had a foreclosure rate of one in every 1,212 housing units, a rate lower than Beaufort and Beaufort County. Note that since the Subject will target senior seeking a maintenance-free lifestyle, foreclosure rates and home sales and rentals in the area will have minimal impact on the Subject project and its potential residents.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 25 minutes. Approximately 59.6 percent of households have commute times of less than 20 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,712	6.8%
Travel Time 5-9 min	3,785	15.0%
Travel Time 10-14 min	4,741	18.8%
Travel Time 15-19 min	4,786	19.0%
Travel Time 20-24 min	3,482	13.8%
Travel Time 25-29 min	842	3.3%
Travel Time 30-34 min	2,021	8.0%
Travel Time 35-39 min	294	1.2%
Travel Time 40-44 min	265	1.1%
Travel Time 45-59 min	1,236	4.9%
Travel Time 60-89 min	887	3.5%
Travel Time 90+ min	1,136	4.5%
Average Travel Time (minutes)	25	-

Source: US Census 2000, Novogradac & Company, LLP, February 2017

Conclusions

Overall, it appears the area was impacted by the most recent national recession, but has recovered. Total employment in the MSA exceeded pre-recession levels as of 2012. Between December 2015 and December 2016, total employment in the MSA increased 2.9 percent, while unemployment from the same period declined 0.8 percent. The MSA’s year-to-date unemployment rate as was 0.2 percentage points below the nation’s unemployment rate. However, with its reliance on the retail trade industry the local economy will remain susceptible to employment losses and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

TOTAL POPULATION						
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	58,026	-	141,497	-	281,421,906	-
2010	68,563	1.8%	187,010	3.2%	308,745,538	1.0%
2016	75,506	1.6%	210,291	2.0%	323,580,626	0.8%
Projected Mkt Entry February 2019	79,618	2.1%	222,713	2.3%	330,682,464	0.8%
2021	83,465	2.1%	234,334	2.3%	337,326,118	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

Since the Subject is age-restricted to seniors age 55 and older, we have provided demographic data in this section that specifically details numbers and percentages for seniors age 55 and older.

TOTAL SENIOR POPULATION (55+)						
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	15,411	-	35,504	-	59,266,437	-
2010	23,549	5.3%	60,688	7.1%	76,750,713	3.0%
2016	28,096	3.1%	73,610	3.4%	90,114,303	2.8%
Projected Mkt Entry February 2019	30,416	3.2%	79,928	3.3%	95,536,970	2.3%
2021	32,586	3.2%	85,838	3.3%	100,609,788	2.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2016	Projected Mkt Entry February 2019	2021
0-4	3,578	4,241	4,323	4,490	4,646
5-9	3,616	3,907	4,272	4,409	4,537
10-14	3,705	3,698	4,168	4,433	4,681
15-19	5,072	5,020	5,163	5,415	5,650
20-24	4,725	5,261	5,302	5,429	5,547
25-29	3,739	4,192	4,411	4,522	4,625
30-34	3,413	3,326	4,081	4,262	4,432
35-39	3,870	3,466	3,633	4,024	4,390
40-44	3,829	3,504	3,673	3,821	3,959
45-49	3,569	4,100	3,868	3,947	4,021
50-54	3,499	4,299	4,515	4,452	4,393
55-59	3,109	4,494	4,985	5,007	5,027
60-64	2,929	5,164	5,331	5,496	5,651
65-69	2,911	4,789	5,946	6,062	6,171
70-74	2,641	3,263	4,758	5,523	6,238
75-79	1,943	2,480	3,096	3,823	4,503
80-84	1,103	1,764	2,077	2,397	2,696
85+	775	1,595	1,903	2,108	2,300
Total	58,026	68,563	75,505	79,619	83,467

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

The total population in the PMA increased at an annual rate of 1.6 percent from 2010 to 2016, a lower rate compared to the SMA and higher than the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2021 at 2.1 percent per annum, a rate that will remain below the SMA and above the nation. The total senior population in the PMA increased at an annual rate of 3.1 percent from 2010 to 2016, a slower rate than the SMA and higher rate than the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2021 at 3.2 percent per annum, a rate that will be similar to the growth rate for the SMA and above the nation.

The population in the PMA in 2016 was concentrated most heavily in the age groups of 65 to 69 and 60 to 64, with these ages representing 15 percent of the total population in the PMA. Through market entry these age groups will still have the two of the highest representations in the PMA.

Household Trends

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

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	21,761	-	52,529	-	105,480,101	-
2010	27,213	2.5%	73,462	4.0%	116,716,292	1.1%
2016	29,914	1.6%	82,038	1.9%	121,786,233	0.7%
Projected Mkt Entry February 2019	31,536	2.1%	86,744	2.2%	124,322,051	0.8%
2021	33,053	2.1%	91,146	2.2%	126,694,268	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

TOTAL NUMBER OF HOUSEHOLDS 55+						
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	9,209	-	21,436	-	36,459,822	-
2010	12,296	3.4%	33,994	5.9%	45,892,195	2.6%
2016	16,935	6.0%	44,400	4.9%	54,372,574	3.0%
Projected Mkt Entry February 2019	17,941	2.3%	47,484	2.7%	57,256,981	2.1%
2021	18,881	2.3%	50,368	2.7%	59,955,298	2.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.45	-	2.54	-	2.59	-
2010	2.36	-0.4%	2.45	-0.3%	2.58	-0.1%
2016	2.39	0.2%	2.48	0.2%	2.59	0.1%
Projected Mkt Entry February 2019	2.40	0.1%	2.49	0.1%	2.59	0.1%
2021	2.40	0.1%	2.50	0.1%	2.60	0.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

POPULATION IN GROUP QUARTERS				
Year	PMA		Hilton Head Island-Bluffton-Beaufort, SC MSA	
	Number	Annual Change	Number	Annual Change
2000	4,604	-	7,956	-
2016	4,016	-0.8%	6,460	-1.2%
2021	4,016	0.0%	6,460	0.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

The total number of households in the PMA increased at 1.6 percent per annum between 2010 and 2016, a slower rate than the SMA and a higher rate compared to the nation over the same time period. Through market entry date and 2021, the total number of households in the PMA is expected to increase by 2.1 percent annually, which is similar to the growth rate of the SMA and higher than that of the nation. The senior households age 55 and older increased by 6.0 percent annually in the PMA between 2010 and 2016, and this growth in the PMA is expected to be 2.3 percent annually over the next five years. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters decreased slightly in the PMA and MSA between 2000 and 2016; however, no growth is expected in these categories from 2016 through 2021.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	16,312	75.0%	5,449	25.0%
2010	19,257	70.8%	7,956	29.2%
2016	20,559	68.7%	9,355	31.3%
Projected Mkt Entry				
February 2019	21,668	68.7%	9,868	31.3%
2021	22,706	68.7%	10,347	31.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,316	90.3%	893	9.7%
2010	10,602	86.2%	1,694	13.8%
2016	14,315	84.5%	2,621	15.5%
Projected Mkt Entry				
February 2019	15,184	84.6%	2,756	15.4%
2021	15,998	84.7%	2,883	15.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

The PMA is dominated by owner-occupied housing units. In 2016, there were approximately 9,355 renter-occupied households in the PMA, equaling 31.3 percent of households in the PMA. In 2016 approximately 84.5 percent of senior households were owner-occupied, while 15.5 percent were renter-occupied. Through market entry and 2021, the percentage of renter households is expected to remain stable among seniors and for households of all ages.

Household Income

The following table depicts senior household income in the PMA from 2010 to 2021.

HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA								
Income Cohort	2010		2016		Projected Mkt Entry February 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	802	6.5%	997	5.9%	1,038	5.8%	1,077	5.7%
\$10,000-19,999	1,296	10.5%	1,400	8.3%	1,434	8.0%	1,465	7.8%
\$20,000-29,999	1,212	9.9%	1,649	9.7%	1,704	9.5%	1,756	9.3%
\$30,000-39,999	1,103	9.0%	1,541	9.1%	1,607	9.0%	1,669	8.8%
\$40,000-49,999	1,067	8.7%	1,185	7.0%	1,269	7.1%	1,347	7.1%
\$50,000-59,999	964	7.8%	1,288	7.6%	1,335	7.4%	1,378	7.3%
\$60,000-74,999	1,403	11.4%	1,457	8.6%	1,551	8.6%	1,639	8.7%
\$75,000-99,999	1,528	12.4%	2,493	14.7%	2,644	14.7%	2,785	14.7%
\$100,000-124,999	1,047	8.5%	1,677	9.9%	1,811	10.1%	1,936	10.3%
\$125,000-149,999	678	5.5%	974	5.8%	1,053	5.9%	1,128	6.0%
\$150,000-199,999	549	4.5%	1,071	6.3%	1,164	6.5%	1,250	6.6%
\$200,000+	646	5.3%	1,203	7.1%	1,332	7.4%	1,451	7.7%
Total	12,296	100.0%	16,935	100.0%	17,941	100.0%	18,881	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2017

The Subject’s LIHTC units will target senior households earning between \$18,210 and \$32,220. As the table above depicts, approximately 27.1 percent of households in the PMA earned between \$10,000 and \$39,999 in 2016. Some households within these income cohorts will provide support for the Subject.

Household Income by Tenure

The following tables depict senior renter household incomes in the PMA in 2010, 2016, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA								
Income Cohort	2010		2016		Projected Mkt Entry February 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	225	13.3%	290	11.1%	305	11.1%	320	11.1%
\$10,000-19,999	284	16.8%	398	15.2%	396	14.4%	393	13.6%
\$20,000-29,999	178	10.5%	250	9.5%	253	9.2%	255	8.9%
\$30,000-39,999	150	8.9%	260	9.9%	269	9.8%	278	9.6%
\$40,000-49,999	115	6.8%	159	6.1%	172	6.3%	185	6.4%
\$50,000-59,999	146	8.6%	195	7.4%	203	7.4%	211	7.3%
\$60,000-74,999	104	6.1%	143	5.4%	151	5.5%	160	5.5%
\$75,000-99,999	216	12.8%	369	14.1%	393	14.3%	416	14.4%
\$100,000-124,999	86	5.1%	160	6.1%	167	6.1%	174	6.0%
\$125,000-149,999	69	4.1%	128	4.9%	147	5.3%	165	5.7%
\$150,000-199,999	75	4.4%	160	6.1%	171	6.2%	182	6.3%
\$200,000+	45	2.7%	109	4.1%	127	4.6%	144	5.0%
Total	1,694	100.0%	2,621	100.0%	2,756	100.0%	2,883	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2017

Senior renter households with incomes between \$10,000 and \$39,999 represent 34.6 percent of the senior renter households in the PMA in 2016, and this share is expected to remain near this level through market entry.

Renter Households by Number of Persons in the Household

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA

	2010		2016		Projected Mkt Entry February 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	921	54.4%	1,422	54.2%	1,512	54.9%	1,596	55.4%
With 2 Persons	404	23.9%	650	24.8%	689	25.0%	725	25.2%
With 3 Persons	101	6.0%	175	6.7%	179	6.5%	182	6.3%
With 4 Persons	185	10.9%	249	9.5%	253	9.2%	257	8.9%
With 5+ Persons	82	4.9%	124	4.7%	123	4.5%	122	4.2%
Total Renter Households	1,694	100.0%	2,621	100.0%	2,756	100.0%	2,883	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2017

Approximately 79.1 percent of senior renter households resided in a one to two-person household in the PMA in 2016. Over the next five years, this percentage is projected to increase slightly.

Conclusion

The senior population 55+ in the PMA increased at an annual rate of 3.1 percent from 2010 to 2016, and is expected to increase at a 3.2 percent annually through 2021, a rate that will exceed the growth rate nationally and remain similar to the MSA. The senior 55+ population growth occurring in the PMA is outpacing total population growth. The same trend is the case for the senior 55+ population in the SMA. Between 2016 and market entry, senior 55+ households are expected to increase by 1.1 percent annually in the PMA. Senior renter households with incomes between \$10,000 and \$39,999 represent 34.6 percent of the senior renter households in the PMA in 2016, and this share is expected to remain near this level through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

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

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For senior properties we typically assume a maximum of one person per bedroom with a maximum household size of two persons; however, given the projected growth in demand among the targeted demographic, the strength of the conventional housing market, and the limited supply of senior-specific affordable rental choices for seniors, the agency has allowed us to consider a three-person household maximum income for the two-bedroom units for this proposed development.

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

The maximum income levels for the LIHTC units are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website. Maximum income for market-rate units is assumed to be the Beaufort County Area Median Income (\$67,100).

2. Affordability

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

3. Minimum and Maximum Income Levels

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

INCOME COHORTS

Unit Type	Minimum Income	Maximum Income
1BR 50%	\$18,870	\$23,500
2BR 50%	\$22,650	\$30,200
1BR 60%	\$21,510	\$28,200
2BR 60%	\$25,890	\$36,240
1BR Market	\$18,120	\$67,100
2BR Market	\$21,270	\$67,100
Overall	\$18,870	\$36,240

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2016 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2019. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand from existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. The Subject is rural and generally could typically attract as much as five percent or more of its support from homeowners seeking to downsize into a rental unit. We have considered the typical shares of support from homeowners in our calculations, while also being conservative in our projection so as not to overstate demand. We have used a nominal support figure from senior homeowners in our demand calculation, which limits this component to less than 20 percent of the overall demand for the Subject in all calculations. A higher percentage of support from homeowners may be possible for the Subject, given the limited supply of LIHTC Senior options in the PMA. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2016 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. We have identified the following developments which have been accounted for in the demand analysis.

- Marsh Pointe is a proposed family LIHTC project allocated in 2016 located approximately 0.9 miles south of the Subject near Ribaut Road and Pinckney Boulevard in Port Royal, South Carolina. This project will include 48 two and three-bedroom units targeting family renter households with incomes at 50 and 60 percent AMI. The new construction project is expected to open in late 2017 early 2018. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis.

4 and 5. Method - Capture Rates

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

Renter Household Income Distribution 2016-2021							
Ribaut Senior Village							
PMA							
	2016		Projected Mkt Entry February 2019		2021		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	290	11.1%	305	11.1%	320	11.1%	9.2%
\$10,000-19,999	398	15.2%	396	14.4%	393	13.6%	-1.2%
\$20,000-29,999	250	9.5%	253	9.2%	255	8.9%	2.0%
\$30,000-39,999	260	9.9%	269	9.8%	278	9.6%	6.7%
\$40,000-49,999	159	6.1%	172	6.3%	185	6.4%	13.9%
\$50,000-59,999	195	7.4%	203	7.4%	211	7.3%	7.5%
\$60,000-74,999	143	5.4%	151	5.5%	160	5.5%	10.8%
\$75,000-99,999	369	14.1%	393	14.3%	416	14.4%	11.3%
\$100,000-124,999	160	6.1%	167	6.1%	174	6.0%	8.2%
\$125,000-149,999	128	4.9%	147	5.3%	165	5.7%	22.3%
\$150,000-199,999	160	6.1%	171	6.2%	182	6.3%	11.9%
\$200,000+	109	4.1%	127	4.6%	144	5.0%	24.6%
Total	2,621	100.0%	2,756	100.0%	2,883	100.0%	9.1%

Households by Tenure Projected Mkt Entry February 2019		
	Number	Percentage
Renter	2,756	15.4%
Owner	15,184	84.6%
Total	17,941	100.0%

Renter Household Size for Projected Mkt Entry February 2019		
Size	Number	Percentage
1	1,512	54.85%
2	689	25.00%
3	179	6.48%
4	253	9.20%
5+	123	4.47%
Total	2,756	100%

50% AMI Demand

Tenure Prj Mrkt Entry February 2019	
Renter	15.4%
Owner	84.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry February 2019		
Size	Number	Percentage
1 Person	1,512	54.9%
2 Person	689	25.0%
3 Person	179	6.5%
4 Person	253	9.2%
5+ Person	123	4.5%
Total	2,756	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,558	28.6%
2 Person	1,595	29.3%
3 Person	1,130	20.7%
4 Person	704	12.9%
5+ Person	462	8.5%
Total	5,449	100.0%

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

Percent of AMI Level		50%	
Minimum Income Limit		\$18,870	
Maximum Income Limit		\$30,200	3
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry February 2019	Income Brackets	Renter Households within Bracket
\$0-9,999	15.00		0
\$10,000-19,999	19.42		2
\$20,000-29,999	12.42	1,129	12
\$30,000-39,999	13.21		0
\$40,000-49,999	8.46	200	0
\$50,000-59,999	9.97		0
\$60,000-74,999	7.44		0
\$75,000-99,999	19.32		0
\$100,000-124,999	8.22		0
\$125,000-149,999	7.23		0
\$150,000-199,999	8.40		0
\$200,000+	6.24		0
	135		15
Percent of renter households within limits versus total number of renter households			10.99%

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

Percent of AMI Level		50%	
Minimum Income Limit		\$18,870	
Maximum Income Limit		\$30,200	3
Income Category	Total Renter Households PMA Prj Mrkt Entry February 2019	Income Brackets	Households within Bracket
\$0-9,999	305		0
\$10,000-19,999	396	\$1,129	45
\$20,000-29,999	253	\$9,999	253
\$30,000-39,999	269	\$200	5
\$40,000-49,999	172		0
\$50,000-59,999	203		0
\$60,000-74,999	151		0
\$75,000-99,999	393		0
\$100,000-124,999	167		0
\$125,000-149,999	147		0
\$150,000-199,999	171		0
\$200,000+	127		0
	2,756		303
Percent of renter households within limits versus total number of renter households			10.99%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry February 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,806		
\$56,902		
\$10,096		
21.6%		
3.6%		
3.6%	Two year adjustment	1.0000
\$30,200		
\$30,200		
3		
50%		
\$629		
\$629.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	5%	95%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry February 2019

Income Target Population		50%
New Renter Households PMA		135
Percent Income Qualified		11.0%
New Renter Income Qualified Households		15

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		2,756
Income Qualified		11.0%
Income Qualified Renter Households		303
Percent Rent Overburdened Prj Mrkt Entry February 2019		39.2%
Rent Overburdened Households		119

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		303
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		1

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		15184
Rural Versus Urban	0.11%	
Senior Demand Converting from Homeownership		17

Total Demand

Total Demand from Existing Households		136
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		136
Total New Demand		15
Total Demand (New Plus Existing Households)		151

Demand from Seniors Who Convert from Homeownership		17
Percent of Total Demand From Homeownership Conversion		11.1%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	54.9%	83
Two Persons	25.0%	38
Three Persons	6.5%	10
Total	100.0%	151

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	75
Of two-person households in 1BR units	5%	2
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	8
Of two-person households in 2BR units	95%	36
Of three-person households in 2BR units	60%	6
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0

Total Demand		151
Check		OK

Total Demand by Bedroom		50%
1 BR		76
2 BR		44
Total Demand		121

Additions To Supply 2016 to Prj Mrkt Entry February 2019		50%
1 BR		0
2 BR		5
Total		5

Net Demand		50%
1 BR		76
2 BR		39
Total		116

Net Demand		50%
1 BR		76
2 BR		39
Total		116

Developer's Unit Mix		50%
1 BR		5
2 BR		5
Total		10

Capture Rate Analysis		50%
1 BR		6.5%
2 BR		12.8%
Total		8.7%

60% AMI Demand

Tenure Prj Mrkt Entry February 2019	
Renter	15.4%
Owner	84.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry February 2019		
Size	Number	Percentage
1 Person	1,512	54.9%
2 Person	689	25.0%
3 Person	179	6.5%
4 Person	253	9.2%
5+ Person	123	4.5%
Total	2,756	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,558	28.6%
2 Person	1,595	29.3%
3 Person	1,130	20.7%
4 Person	704	12.9%
5+ Person	462	8.5%
Total	5,449	100.0%

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

Percent of AMI Level		60%	
Minimum Income Limit		\$21,510	
Maximum Income Limit		\$36,240	3
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry February 2019	Income Brackets	Renter Households within Bracket
\$0-9,999	15.00		0
\$10,000-19,999	19.42		0
\$20,000-29,999	12.42	8,489	11
\$30,000-39,999	13.21	6,240	8
\$40,000-49,999	8.46		0
\$50,000-59,999	9.97		0
\$60,000-74,999	7.44		0
\$75,000-99,999	19.32		0
\$100,000-124,999	8.22		0
\$125,000-149,999	7.23		0
\$150,000-199,999	8.40		0
\$200,000+	6.24		0
	135		19
Percent of renter households within limits versus total number of renter households			13.88%

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

Percent of AMI Level		60%	
Minimum Income Limit		\$21,510	
Maximum Income Limit		\$36,240	3
Income Category	Total Renter Households PMA Prj Mrkt Entry February 2019	Income Brackets	Households within Bracket
\$0-9,999	305		0
\$10,000-19,999	396		0
\$20,000-29,999	253	\$8,489	215
\$30,000-39,999	269	\$6,240	168
\$40,000-49,999	172		0
\$50,000-59,999	203		0
\$60,000-74,999	151		0
\$75,000-99,999	393		0
\$100,000-124,999	167		0
\$125,000-149,999	147		0
\$150,000-199,999	171		0
\$200,000+	127		0
	2,756		383
Percent of renter households within limits versus total number of renter households			13.88%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry February 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No	
Senior	
Urban	
40%	
\$46,806	
\$56,902	
\$10,096	
21.6%	
3.6%	
3.6%	Two year adjustment 1.0000
\$36,240	
\$36,240	
3	
60%	
\$717	
\$717.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	5%	95%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry February 2019

Income Target Population		60%
New Renter Households PMA		135
Percent Income Qualified		13.9%
New Renter Income Qualified Households		19

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		2,756
Income Qualified		13.9%
Income Qualified Renter Households		383
Percent Rent Overburdened Prj Mrkt Entry February 2019		39.2%
Rent Overburdened Households		150

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		383
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		1

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		15184
Rural Versus Urban	0.11%	
Senior Demand Converting from Homeownership		17

Total Demand

Total Demand from Existing Households		167
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		167
Total New Demand		19
Total Demand (New Plus Existing Households)		186

Demand from Seniors Who Convert from Homeownership		17
Percent of Total Demand From Homeownership Conversion		9.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	54.9%	102
Two Persons	25.0%	47
Three Persons	6.5%	12
Four Persons	9.2%	17
Five Persons	4.5%	8
Total	100.0%	186

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	92
Of two-person households in 1BR units	5%	2
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	10
Of two-person households in 2BR units	95%	44
Of three-person households in 2BR units	60%	7
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		156
Check		OK

Total Demand by Bedroom	60%
1 BR	94
2 BR	54
Total Demand	149

Additions To Supply 2016 to Prj Mrkt Entry February 2019	60%
1 BR	0
2 BR	19
Total	19

Net Demand	60%
1 BR	94
2 BR	35
Total	130

Net Demand	60%
1 BR	94
2 BR	35
Total	130

Developer's Unit Mix	60%
1 BR	27
2 BR	8
Total	35

Capture Rate Analysis	60%
1 BR	28.7%
2 BR	22.6%
Total	27.0%

Market Demand

Tenure Prj Mrkt Entry February 2019	
Renter	15.4%
Owner	84.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry February 2019		
Size	Number	Percentage
1 Person	1,512	54.9%
2 Person	689	25.0%
3 Person	179	6.5%
4 Person	253	9.2%
5+ Person	123	4.5%
Total	2,756	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,558	28.6%
2 Person	1,595	29.3%
3 Person	1,130	20.7%
4 Person	704	12.9%
5+ Person	462	8.5%
Total	5,449	100.0%

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

Percent of AMI Level		Market Rate		
Minimum Income Limit		\$18,120		
Maximum Income Limit		\$67,100	3	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry February 2019	Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	15.00		0.0%	0
\$10,000-19,999	19.42	1,879	18.8%	4
\$20,000-29,999	12.42	9,999	100.0%	12
\$30,000-39,999	13.21	9,999	100.0%	13
\$40,000-49,999	8.46	9,999	100.0%	8
\$50,000-59,999	9.97	\$9,999	100.0%	10
\$60,000-74,999	7.44	\$7,100	47.3%	4
\$75,000-99,999	19.32		0.0%	0
\$100,000-124,999	8.22		0.0%	0
\$125,000-149,999	7.23		0.0%	0
\$150,000-199,999	8.40		0.0%	0
\$200,000+	6.24		0.0%	0
	135		100.0%	51
Percent of renter households within limits versus total number of renter households				37.86%

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

Percent of AMI Level		Market Rate		
Minimum Income Limit		\$18,120		
Maximum Income Limit		\$67,100	3	
Income Category	Total Renter Households PMA Prj Mrkt Entry February 2019	Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	305		0.0%	0
\$10,000-19,999	396	\$1,879	18.8%	74
\$20,000-29,999	253	\$9,999	100.0%	253
\$30,000-39,999	269	\$9,999	100.0%	269
\$40,000-49,999	172	\$9,999	100.0%	172
\$50,000-59,999	203	\$9,999	100.0%	203
\$60,000-74,999	151	\$7,100	47.3%	72
\$75,000-99,999	393		0.0%	0
\$100,000-124,999	167		0.0%	0
\$125,000-149,999	147		0.0%	0
\$150,000-199,999	171		0.0%	0
\$200,000+	127		0.0%	0
	2,756		100.0%	1,043
Percent of renter households within limits versus total number of renter households				37.86%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,806		
\$56,902		
\$10,096		
21.6%		
3.6%		
3.6%	Two year adjustment	1.0000
\$67,100		
\$67,100		
53		
Market Rate		
\$604		
\$604.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	5%	95%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry February 2019

	Market Rate
Income Target Population	
New Renter Households PMA	135
Percent Income Qualified	37.9%
New Renter Income Qualified Households	51

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	2,756
Income Qualified	37.9%
Income Qualified Renter Households	1,043
Percent Rent Overburdened Prj Mrkt Entry February 2019	39.2%
Rent Overburdened Households	409

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,043
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	2

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

Senior Households Converting from Homeownership

	Market Rate
Income Target Population	
Total Senior Homeowners	15184
Rural Versus Urban	0.11%
Senior Demand Converting from Homeownership	17

Total Demand

Total Demand from Existing Households		428
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		428
Total New Demand		51
Total Demand (New Plus Existing Households)		479

Demand from Seniors Who Convert from Homeownership	17
Percent of Total Demand From Homeownership Conversion	3.5%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	54.9%	263
Two Persons	25.0%	120
Three Persons	6.5%	31
Four Persons	9.2%	44
Five Persons	4.5%	21
Total	100.0%	479

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	236
Of two-person households in 1BR units	5%	6
Of one-person households in 2BR units	10%	26
Of two-person households in 2BR units	95%	114
Of three-person households in 2BR units	60%	19
Total Demand		479
Check		OK

Total Demand by Bedroom	Market Rate
1 BR	242
2 BR	140
Total Demand	382

Additions To Supply 2016 to Prj Mrkt Entry February 2019	Market Rate
1 BR	0
2 BR	0
Total	0

Net Demand	Market Rate
1 BR	242
2 BR	140
Total	382

Net Demand	Market Rate
1 BR	242
2 BR	140
Total	382

Developer's Unit Mix	Market Rate
1 BR	2
2 BR	2
Total	4

Capture Rate Analysis	Market Rate
1 BR	0.8%
2 BR	1.4%
Total	1.0%

Overall Affordable Demand

Tenure Prj Mrkt Entry February 2019	
Renter	15.4%
Owner	84.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry February 2019		
Size	Number	Percentage
1 Person	1,512	54.9%
2 Person	689	25.0%
3 Person	179	6.5%
4 Person	253	9.2%
5+ Person	123	4.5%
Total	2,756	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,558	28.6%
2 Person	1,595	29.3%
3 Person	1,130	20.7%
4 Person	704	12.9%
5+ Person	462	8.5%
Total	5,449	100.0%

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

Percent of AMI Level		Overall		
Minimum Income Limit		\$18,120		
Maximum Income Limit		\$36,240		3
	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry February 2019			Renter Households within Bracket
Income Category		Income Brackets	Percent within Cohort	
\$0-9,999	15.00		0.0%	0
\$10,000-19,999	19.42	1,879	18.8%	4
\$20,000-29,999	12.42	9,999	100.0%	12
\$30,000-39,999	13.21	6,240	62.4%	8
\$40,000-49,999	8.46		0.0%	0
\$50,000-59,999	9.97		0.0%	0
\$60,000-74,999	7.44		0.0%	0
\$75,000-99,999	19.32		0.0%	0
\$100,000-124,999	8.22		0.0%	0
\$125,000-149,999	7.23		0.0%	0
\$150,000-199,999	8.40		0.0%	0
\$200,000+	6.24		0.0%	0
	135		100.0%	24
Percent of renter households within limits versus total number of renter households				17.97%

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

Percent of AMI Level		Overall		
Minimum Income Limit		\$18,120		
Maximum Income Limit		\$36,240		3
	Total Renter Households PMA Prj Mrkt Entry February 2019			Households within Bracket
Income Category		Income Brackets	Percent within Cohort	
\$0-9,999	305		0.0%	0
\$10,000-19,999	396	\$1,879	18.8%	74
\$20,000-29,999	253	\$9,999	100.0%	253
\$30,000-39,999	269	\$6,240	62.4%	168
\$40,000-49,999	172		0.0%	0
\$50,000-59,999	203		0.0%	0
\$60,000-74,999	151		0.0%	0
\$75,000-99,999	393		0.0%	0
\$100,000-124,999	167		0.0%	0
\$125,000-149,999	147		0.0%	0
\$150,000-199,999	171		0.0%	0
\$200,000+	127		0.0%	0
	2,756		100.0%	495
Percent of renter households within limits versus total number of renter households				17.97%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry February 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
	40%	
	\$46,806	
	\$56,902	
	\$10,096	
	21.6%	
	3.6%	
	3.6%	Two year adjustment
	\$36,240	
	\$36,240	
	3	
	Overall	
	\$604	
	\$604.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	5%	95%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry February 2019

	Overall
Income Target Population	
New Renter Households PMA	135
Percent Income Qualified	18.0%
New Renter Income Qualified Households	24

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	2,756
Income Qualified	18.0%
Income Qualified Renter Households	495
Percent Rent Overburdened Prj Mrkt Entry February 2019	39.2%
Rent Overburdened Households	194

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	495
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	1

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	15184
Rural Versus Urban	0.1%
Senior Demand Converting from Homeownership	17

Total Demand

Total Demand from Existing Households		212
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		212
Total New Demand		24
Total Demand (New Plus Existing Households)		236

Demand from Seniors Who Convert from Homeownership	17
Percent of Total Demand From Homeownership Conversion	7.1%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	54.9%	129
Two Persons	25.0%	59
Three Persons	6.5%	15
Total	100.0%	236

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	117
Of two-person households in 1BR units	5%	3
Of one-person households in 2BR units	10%	13
Of two-person households in 2BR units	95%	56
Of three-person households in 2BR units	60%	9
Total Demand		236
Check		OK

Total Demand by Bedroom	Overall
1 BR	119
2 BR	78
Total Demand	198

Additions To Supply 2016 to Prj Mrkt Entry February 2019	Overall
1 BR	0
2 BR	24
Total	24

Net Demand	Overall
1 BR	119
2 BR	54
Total	174

Net Demand	Overall
1 BR	119
2 BR	54
Total	174

Developer's Unit Mix	Overall
1 BR	32
2 BR	13
Total	45

Capture Rate Analysis	Overall
1 BR	26.8%
2 BR	24.0%
Total	25.9%

Conclusions

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

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

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

Demand and Net Demand

	HH at 50% AMI (\$18,870 to \$30,200)	HH at 60% AMI (\$21,510 to \$36,240)	HH at Market Rate (\$18,120 to \$67,100)	All Affordable Households (\$18,870 to \$36,240)
Demand from New Households (age and income appropriate)	15	19	51	24
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	1	2	1
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	119	150	409	194
=				
Sub Total	134	170	462	219
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	17	17	17	17
Equals Total Demand	151	186	479	236
Less	-	-	-	-
New Supply	5	19	0	24
Equals Net Demand	146	167	479	212

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	76	0	76	5	6.5%
1BR at 60% AMI	94	0	94	27	28.7%
1BR unrestricted	242	0	242	2	0.8%
2BR at 50% AMI	44	5	39	5	12.8%
2BR at 60% AMI	54	19	35	8	22.6%
2BR unrestricted	140	0	140	2	1.4%
Overall at 50% AMI	121	5	116	10	8.7%
Overall at 60% AMI	149	19	130	35	27.0%
Overall unrestricted	382	0	382	4	1.0%
Overall Affordable	198	24	174	45	25.9%

As the analysis illustrates, the Subject’s capture rates vary from 0.8 percent to 28.7 percent with an overall capture rate of 25.9 percent. It is important to note that while we recognize that the 60 percent capture rates are high, this demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. Additionally, there are only four total vacant units amongst all of the LIHTC comparables, and all of the LIHTC comparables maintain waiting lists. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the capture rates are acceptable. Lastly, the Subject’s overall capture rate of 25.9 percent is within SCSHFDA guidelines requirement that all developments must have an overall capture rate at or below 30 percent, and we believe that there is ample demand for the Subject’s units.

Absorption Rate

Only one comparable LIHTC property, Port Royal Apartments, was able to report absorption data, and only one market rate comparable property, Parc at Broad River, was able to report absorption data. As supplemental data, we have searched the region for LIHTC properties with recent absorption data.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Parc At Broad River	Market	Family	2016	246	20
Palmetto Station Apartments	LIHTC	Family	2014	48	24
Fairgrounds Senior Village	LIHTC	Senior	2013	42	21
Port Royal Apartments	LIHTC	Family	2012	60	30

The newest market rate property in the PMA, Parc at Broad River, opened in 2016 and is a family project. The property began leasing units in April 2016. The contact stated that construction on the last building was not completed until October of 2016. Currently, they are pre-leased at 90 percent. Based on the current occupancy, the property has experienced an absorption rate of 20 units per month. Palmetto Station Apartments, located in Sumter, opened in 2014 and is a family LIHTC project. Management at this property reported an absorption rate of 24 units per month. Fairgrounds

Senior Village, located in Laurens, opened in 2013 and is a senior LIHTC project. Management at this property reported an absorption rate of 21 units per month. Management at Port Royal Apartments, a family LIHTC comparable located in the PMA, reported that they began leasing units on January 8, 2013, and the last unit was leased on March 15, 2013, indicating an absorption rate of approximately 30 units per month. These are moderate to good lease-up rates for LIHTC apartments. With the growing demographic base of seniors in the PMA and the general limited supply of affordable senior housing, we believe the Subject should be able to experience an absorption rate within the range of what other LIHTC communities have experienced. The LIHTC comparables report few vacancies and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate average to excellent capture rates and an ample number of age and income-qualified households, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of two to three months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Subsidized properties were excluded due to differing rent structures from the Subject without a subsidy.

The following table illustrates the excluded properties and the vacancy rates, where they were available, for the excluded properties.

EXCLUDED PROPERTIES						
Property Name	City	Program	Tenancy	Reason for Exclusion	No. of Units	2017 Vacancy Rate
Magnolia Park Apartments	Beaufort	LIHTC	Family	Dissimilar tenancy	56	0%
Shell Pointe	Beaufort	LIHTC	Family	Dissimilar tenancy	72	0%
Mossy Oaks Village Townhouses	Beaufort	LIHTC	Family	Dissimilar tenancy	96	0%
Sea Pointe	Beaufort	LIHTC	Family	Unable to contact	56	N/A
Lady's Pointe	Beaufort	LIHTC/Rural Development	Family	Subsidized rents	48	2%
Spanish Trace	Beaufort	LIHTC/ Section 8	Family	Subsidized rents	87	0%
Parkview Apartments	Beaufort	Section 8	Family	Subsidized rents	60	0%
Fairfield Estates	Beaufort	Market	Family	Differing unit types	55	7.3
Stuart Towne Apartments	Beaufort	Market	Family	Dissimilar age	94	4%
The Oaks At Broad River Landing	Beaufort	Market	Family	Dissimilar size	248	3.2%
Total LIHTC Only					359	2%
Total Assisted					195	2%
Total All Affordable					419	2%

LIHTC Competition

Marsh Pointe is a proposed family LIHTC project allocated in 2016 located approximately 0.9 miles south of the Subject near Ribaut Road and Pinckney Boulevard in Port Royal, SC. This project will include 24 two and three-bedroom units targeting family renter households with incomes at 50 and 60 percent AMI. The new construction project is expected to open in late 2017 to early 2018.

Sea Pointe, located 3.4 miles northeast of the Subject, offers 28 two-bedroom and 28 three-bedroom units. This project was allocated in 2014 and completed in 2015 and targets family households earning up to 50 and 60 percent AMI.

Pipeline Construction

As mentioned previously, Marsh Pointe is a planned LIHTC project near Beaufort in Port Royal. This project is expected to be completed in 2017 to early 2018. In total, this project will feature 24 two-bedroom units and 24 three-bedroom units targeting households earning up to 50 and 60 percent AMI. This planned project will not compete directly with the Subject for senior households, and as such have been included in demand calculations as new comparable supply. There are no other new developments in the construction pipeline within the PMA based on our interviews with planning or community development departments in Beaufort County.

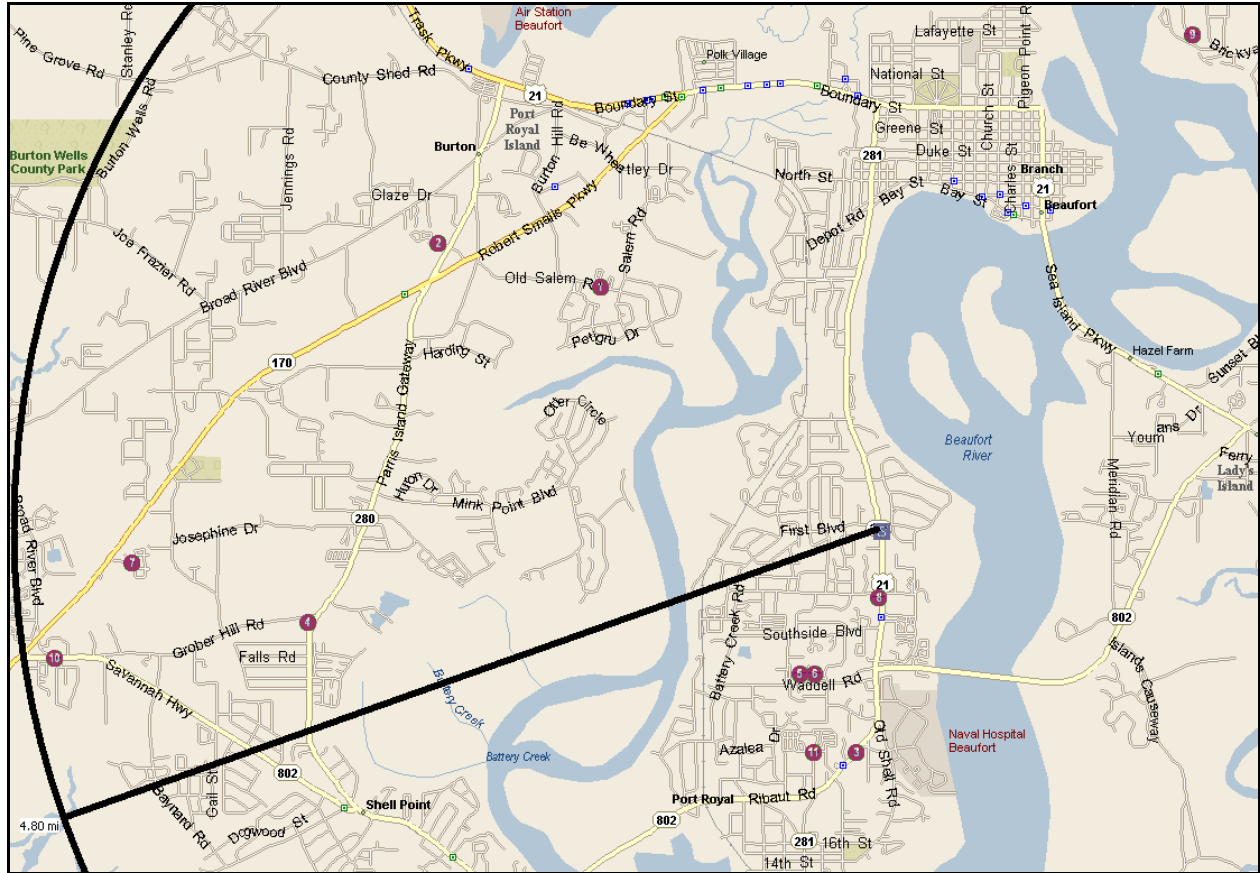
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 11 comparable properties containing 1,567 units.

The availability of senior LIHTC data in the PMA is limited. We have included one senior LIHTC property. We also included five family LIHTC/market rate comparables located in the PMA offering similar unit mixes to the Subject. Therefore, these five properties have been included as comparables. Senior market rate data was also very limited; therefore, we have included five conventional family properties located in the PMA. The market rate comparables were constructed or renovated between 2003 and 2016. Overall, the availability of LIHTC and market rate data is considered adequate to support our conclusions.

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

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	123 Club Apartments	Beaufort	Family	LIHTC	2.1 miles
2	Cross Creek	Beaufort	Family	LIHTC, Market	3.0 miles
3	Laurel Hill	Port Royal	Senior	LIHTC	1.3 miles
4	Port Royal Apartments	Beaufort	Family	LIHTC	3.5 miles
5	Wilderness Cove Apartments I	Beaufort	Family	LIHTC	1.0 miles
6	Wilderness Cove Apartments II	Beaufort	Family	LIHTC	1.0 miles
7	Ashton Pointe	Beaufort	Family	Market	4.3 miles
8	Bay South Apartments	Beaufort	Family	Market	0.4 miles
9	Harborone Apartments	Beaufort	Family	Market	3.0 miles
10	Parc At Broad River	Beaufort	Family	Market	4.8 miles
11	The Preserve At Port Royal	Port Royal	Family	Market	1.4 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	Ribaut Senior Village West Side Of Ribaut Road Beaufort, SC 29902 Beaufort County	n/a	Lowrise (age- 3 stories) 2019 / n/a	@50%, @60% Market	1BR / 1BA	5	10.2%	@50%	\$487	750	yes		N/A	N/A					
					1BR / 1BA	27	55.1%	@60%	\$575	750	no		N/A	N/A					
					1BR / 1BA	2	4.1%	Market	\$604	750	n/a		N/A	N/A					
					2BR / 2BA	5	10.2%	@50%	\$567	950	yes		N/A	N/A					
					2BR / 2BA	8	16.3%	@60%	\$675	950	no		N/A	N/A					
					2BR / 2BA	2	4.1%	Market	\$709	950	n/a		N/A	N/A					
					49	100.0%							N/A	N/A					
1	123 Club Apartments 123 Old Salem Road Beaufort, SC 29902 Beaufort County	2.1 miles	Garden (3 stories) 1995 / n/a	@45%, @60%	2BR / 1.5BA	N/A	N/A	@45%	\$537	800	no	Yes	0	N/A					
					2BR / 1.5BA	N/A	N/A	@60%	\$651	800	no	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@45%	\$600	1,000	no	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@60%	\$721	1,000	no	Yes	0	N/A					
										40	100.0%						0	0.0%	
2	Cross Creek 325 Ambrose Run Beaufort, SC 29906 Beaufort County	3 miles	Garden (3 stories) 2009 / n/a	@60%, Market	1BR / 1BA	19	13.2%	@60%	\$630	733	yes	Yes	0	0.0%					
					1BR / 1BA	5	3.5%	Market	\$730	733	n/a	No	0	0.0%					
					2BR / 2BA	36	25.0%	@60%	\$748	933	yes	No	0	0.0%					
					2BR / 2BA	24	16.7%	Market	\$858	933	n/a	No	0	0.0%					
					3BR / 2BA	33	22.9%	@60%	\$800	1,149	yes	No	0	0.0%					
					3BR / 2BA	27	18.8%	Market	\$900	1,149	n/a	No	0	0.0%					
										144	100.0%							0	0.0%
3	Laurel Hill 1640 Ribaut Road Port Royal, SC 29935 Beaufort County	1.3 miles	Midrise (age- 4 stories) 2005 / n/a	@50%, @60%	1BR / 1BA	14	19.7%	@50%	\$500	663	yes	Yes	0	0.0%					
					1BR / 1BA	39	54.9%	@60%	\$579	663	yes	Yes	0	0.0%					
					2BR / 2BA	1	1.4%	@50%	\$591	901	yes	Yes	0	0.0%					
					2BR / 2BA	17	23.9%	@60%	\$665	901	yes	Yes	0	0.0%					
										71	100.0%						0	0.0%	
4	Port Royal Apartments 11 Grober Hill Rd Beaufort, SC 29906 Beaufort County	3.5 miles	Garden (2 stories) 2012 / n/a	@50%, @60%	2BR / 2BA	N/A	N/A	@50%	\$499	1,039	yes	Yes	0	N/A					
					2BR / 2BA	N/A	N/A	@60%	\$499	1,039	yes	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@50%	\$569	1,215	yes	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@60%	\$569	1,215	yes	Yes	0	N/A					
										60	100.0%						0	0.0%	
5	Wilderness Cove Apartments I 1305 Talbird Road Beaufort, SC 29902 Beaufort County	1 miles	Garden (2 stories) 2005 / n/a	@50%, @60%	2BR / 1BA	24	50.0%	@50%	\$519	670	no	Yes	1	4.2%					
					2BR / 1BA	24	50.0%	@60%	\$535	670	no	Yes	2	8.3%					
										48	100.0%					3	6.2%		
6	Wilderness Cove Apartments II 1305 Talbird Road Beaufort, SC 29902 Beaufort County	1 miles	Garden (2 stories) 2006 / n/a	@50%, @60%	2BR / 1BA	12	50.0%	@50%	\$519	670	no	Yes	0	0.0%					
					2BR / 1BA	12	50.0%	@60%	\$535	670	no	Yes	1	8.3%					
										24	100.0%					1	4.2%		
7	Ashton Pointe 100 Ashton Pointe Boulevard Beaufort, SC 29906 Beaufort County	4.3 miles	Garden (3 stories) 2009 / n/a	Market	1BR / 1BA	88	36.7%	Market	\$1,019	699	n/a	No	1	1.1%					
					2BR / 1BA	20	8.3%	Market	\$1,217	931	n/a	No	0	0.0%					
					2BR / 2BA	132	55.0%	Market	\$1,254	1,075	n/a	No	0	0.0%					
										240	100.0%					1	0.4%		
8	Bay South Apartments 2201 Mossy Oaks Road Beaufort, SC 29902 Beaufort County	0.4 miles	Garden (3 stories) 1984 / 2011	Market	1BR / 1BA	36	27.3%	Market	\$818	660	n/a	No	0	0.0%					
					1BR / 1BA	N/A	N/A	Market	\$838	660	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$798	660	n/a	No	N/A	N/A					
					2BR / 1BA	48	36.4%	Market	\$860	860	n/a	No	3	6.2%					
					2BR / 1BA	N/A	N/A	Market	\$880	860	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$840	860	n/a	No	N/A	N/A					
					2BR / 2BA	48	36.4%	Market	\$905	960	n/a	No	0	0.0%					
					2BR / 2BA	N/A	N/A	Market	\$915	960	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$895	960	n/a	No	N/A	N/A					
										132	100.0%						3	2.3%	
9	Harborone Apartments 22 Colony Gardens West Beaufort, SC 29907 Beaufort County	3 miles	Garden (2 stories) 1997 / 2014	Market	2BR / 2BA	69	42.6%	Market	\$982	990	n/a	No	N/A	N/A					
					3BR / 2BA	77	47.5%	Market	\$1,021	1,189	n/a	No	N/A	N/A					
					3BR / 2BA	16	9.9%	Market	\$1,011	1,235	n/a	No	N/A	N/A					
										162	100.0%					11	6.8%		
10	Parc At Broad River 337 Savannah Highway Beaufort, SC 29906 Beaufort County	4.8 miles	Garden (3 stories) 2016 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$1,113	802	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,129	802	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$1,098	792	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,419	1,197	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,449	1,197	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$1,389	1,197	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,556	1,362	n/a	No	N/A	N/A					
										246	100.0%						44	17.9%	
					11	The Preserve At Port Royal 1 Preserve Avenue West Port Royal, SC 29935 Beaufort County	1.4 miles	Garden (3 stories) Ph. 1 - 2003 Ph. II 2006 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$888	720	n/a	No	N/A	N/A
										1BR / 1BA	N/A	N/A	Market	\$908	744	n/a	No	N/A	N/A
1BR / 1BA	N/A	N/A	Market	\$948						830	n/a	No	N/A	N/A					
1BR / 1BA	N/A	N/A	Market	\$962						850	n/a	No	N/A	N/A					
1BR / 1BA	N/A	N/A	Market	\$948						693	n/a	No	N/A	N/A					
2BR / 1BA	N/A	N/A	Market	\$1,025						1,017	n/a	No	N/A	N/A					
2BR / 1BA	N/A	N/A	Market	\$1,035						1,050	n/a	No	N/A	N/A					
2BR / 2BA	N/A	N/A	Market	\$1,055						1,110	n/a	No	N/A	N/A					
					400	100.0%						22	5.5%						

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		Mar-17	Units Surveyed:		1567	Weighted Occupancy:	94.60%
			Market Rate		1180	Market Rate	93.10%
			Tax Credit		387	Tax Credit	99.00%
One Bedroom One Bath			Two Bedrooms Two Bath				
	Property	Average	Property	Average	Property	Average	
RENT	Parc At Broad River	\$1,129	Parc At Broad River	\$1,449			
	Parc At Broad River	\$1,113	Parc At Broad River	\$1,419			
	Parc At Broad River	\$1,098	Parc At Broad River	\$1,389			
	Ashton Pointe	\$1,019	Ashton Pointe	\$1,254			
	The Preserve At Port Royal	\$962	The Preserve At Port Royal	\$1,095			
	The Preserve At Port Royal	\$948	The Preserve At Port Royal	\$1,055			
	The Preserve At Port Royal	\$948	Harborone Apartments	\$982			
	The Preserve At Port Royal	\$908	Bay South Apartments	\$915			
	The Preserve At Port Royal	\$888	Bay South Apartments	\$905			
	Bay South Apartments	\$838	Bay South Apartments	\$895			
	Bay South Apartments	\$818	Cross Creek * (M)	\$858			
	Bay South Apartments	\$798	Cross Creek * (60%)	\$748			
	Cross Creek * (M)	\$730	Ribaut Senior Village * (M)	\$709			
	Cross Creek * (60%)	\$630	Ribaut Senior Village * (60%)	\$675			
	Ribaut Senior Village * (M)	\$604	Laurel Hill * (60%)	\$665			
	Laurel Hill * (60%)	\$579	123 Club Apartments * (1.5BA 60%)	\$651			
	Ribaut Senior Village * (60%)	\$575	Laurel Hill * (50%)	\$591			
	Laurel Hill * (50%)	\$500	Ribaut Senior Village * (50%)	\$567			
	Ribaut Senior Village * (50%)	\$487	123 Club Apartments * (1.5BA 45%)	\$537			
			Wilderness Cove Apartments I * (IBA 60%)	\$535			
			Wilderness Cove Apartments II * (IBA 60%)	\$535			
			Wilderness Cove Apartments I * (IBA 50%)	\$519			
			Wilderness Cove Apartments II * (IBA 50%)	\$519			
			Port Royal Apartments * (50%)	\$499			
		Port Royal Apartments * (60%)	\$499				
SQUARE FOOTAGE	The Preserve At Port Royal	850	Parc At Broad River	1,197			
	The Preserve At Port Royal	830	Parc At Broad River	1,197			
	Parc At Broad River	802	Parc At Broad River	1,197			
	Parc At Broad River	802	The Preserve At Port Royal	1,151			
	Parc At Broad River	792	The Preserve At Port Royal	1,110			
	Ribaut Senior Village * (50%)	750	Ashton Pointe	1,075			
	Ribaut Senior Village * (60%)	750	Port Royal Apartments * (50%)	1,039			
	Ribaut Senior Village * (M)	750	Port Royal Apartments * (60%)	1,039			
	The Preserve At Port Royal	744	Harborone Apartments	990			
	Cross Creek * (60%)	733	Bay South Apartments	960			
	Cross Creek * (M)	733	Bay South Apartments	960			
	The Preserve At Port Royal	720	Bay South Apartments	960			
	Ashton Pointe	699	Ribaut Senior Village * (50%)	950			
	The Preserve At Port Royal	693	Ribaut Senior Village * (60%)	950			
	Laurel Hill * (50%)	663	Ribaut Senior Village * (M)	950			
	Laurel Hill * (60%)	663	Cross Creek * (60%)	933			
	Bay South Apartments	660	Cross Creek * (M)	933			
	Bay South Apartments	660	Laurel Hill * (50%)	901			
	Bay South Apartments	660	Laurel Hill * (60%)	901			
			123 Club Apartments * (1.5BA 45%)	800			
			123 Club Apartments * (1.5BA 60%)	800			
			Wilderness Cove Apartments I * (IBA 50%)	670			
			Wilderness Cove Apartments I * (IBA 60%)	670			
			Wilderness Cove Apartments II * (IBA 50%)	670			
		Wilderness Cove Apartments II * (IBA 60%)	670				
RENT PER SQUARE FOOT	Ashton Pointe	\$1.46	Parc At Broad River	\$1.21			
	Parc At Broad River	\$1.41	Parc At Broad River	\$1.19			
	Parc At Broad River	\$1.39	Ashton Pointe	\$1.17			
	Parc At Broad River	\$1.39	Parc At Broad River	\$1.16			
	The Preserve At Port Royal	\$1.37	Harborone Apartments	\$0.99			
	Bay South Apartments	\$1.27	Bay South Apartments	\$0.95			
	Bay South Apartments	\$1.24	The Preserve At Port Royal	\$0.95			
	The Preserve At Port Royal	\$1.23	The Preserve At Port Royal	\$0.95			
	The Preserve At Port Royal	\$1.22	Bay South Apartments	\$0.94			
	Bay South Apartments	\$1.21	Bay South Apartments	\$0.93			
	The Preserve At Port Royal	\$1.14	Cross Creek * (M)	\$0.92			
	The Preserve At Port Royal	\$1.13	123 Club Apartments * (1.5BA 60%)	\$0.81			
	Cross Creek * (M)	\$1.00	Cross Creek * (60%)	\$0.80			
	Laurel Hill * (60%)	\$0.87	Wilderness Cove Apartments I * (IBA 60%)	\$0.80			
			Wilderness Cove Apartments II * (IBA 60%)	\$0.80			
			Wilderness Cove Apartments I * (IBA 50%)	\$0.77			
			Wilderness Cove Apartments II * (IBA 50%)	\$0.77			
			Ribaut Senior Village * (M)	\$0.75			
			Laurel Hill * (60%)	\$0.74			
			Ribaut Senior Village * (60%)	\$0.71			
			123 Club Apartments * (1.5BA 45%)	\$0.67			
			Laurel Hill * (50%)	\$0.66			
			Ribaut Senior Village * (50%)	\$0.60			
			Port Royal Apartments * (50%)	\$0.48			
		Port Royal Apartments * (60%)	\$0.48				

UNIT MATRIX REPORT

	Ribaut Senior Village	123 Club Apartments	Cross Creek	Laurel Hill	Port Royal Apartments	Wilderness Cove	Wilderness Cove	Ashton Pointe	Bay South Apartments	Harborone Apartments	Parc At Broad River	The Preserve At Port Royal
	Subject	1	2	3	4	5	6	7	8	9	10	11
Property Information												
Property Type	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Garden (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2019 / n/a	1995 / n/a	2009 / n/a	2005 / n/a	2012 / n/a	2005 / n/a	2006 / n/a	2009 / n/a	1984 / 2011	1997 / 2014	2016	Ph. I - 2003 Ph. II 2006 / n/a
Market (Conv.)/Subsidy Type	@50%, @60%, Market	@45%, @60%	@60%, Market	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	Market	Market	Market	Market	Market
Utility Adjustments												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	yes	yes	yes	yes	no	no	yes	no	yes
Sewer	no	yes	yes	yes	yes	yes	yes	no	no	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes
In-Unit Amenities												
Balcony/Patio	no	no	yes	yes	no	no	yes	yes	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	no	yes	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	yes	yes	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Dishwasher	yes	no	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	yes	no	no	no	yes	no	no	yes	yes
Ceiling Fan	yes	no	yes	yes	no	no	yes	yes	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	no	no	no	yes
Garbage Disposal	yes	no	yes	yes	no	no	no	yes	yes	yes	yes	yes
Microwave	yes	no	no	yes	no	no	yes	yes	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	no	no	yes	no	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	yes	yes	yes	yes	no	no	no	no	yes	yes	yes	no
Washer/Dryer	no	no	yes	no	no	no	yes	yes	yes	no	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Property Amenities												
Basketball Court	no	yes	no	no	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	no	no	yes	yes	yes	yes	no	no	yes	yes
Car Wash	no	no	no	no	no	no	no	yes	no	no	no	yes
Clubhouse/Meeting Room/Community Room	yes	no	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Elevators	yes	no	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	yes	no	yes	no	yes	no	no	yes	no	yes	yes	yes
Garage	no	no	no	no	no	no	no	yes	no	no	yes	yes
Jacuzzi	no	no	no	no	no	no	no	no	no	yes	no	no
Central Laundry	yes	yes	no	yes	yes	yes	yes	no	no	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	yes	yes	no	yes	yes	no	yes	no	no	yes
Playground	no	yes	yes	no	no	yes	yes	no	no	yes	no	yes
Recreation Areas	no	no	no	no	no	no	no	yes	no	no	no	yes
Swimming Pool	no	no	no	no	no	no	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes	no	no
Wi-Fi	no	no	no	no	no	no	no	no	yes	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$130.00	N/A	N/A	N/A	\$75.00
Services												
Security												
Limited Access	yes	no	no	no	no	no	no	no	no	no	yes	no
Patrol	no	no	yes	no	no	no	no	no	no	yes	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no	no	no	yes	no
Video Surveillance	yes	no	yes	no	no	yes	yes	no	no	no	no	no
Premium Amenities												
Other Amenities												
Other	Library, Craft room, Gazebo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PROPERTY PROFILE REPORT

123 Club Apartments

Effective Rent Date	2/01/2017
Location	123 Old Salem Road Beaufort, SC 29902 Beaufort County
Distance	2.1 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1995 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed local area tenancy, mostly working in manual labor, clerical, and services industries
Contact Name	Kristie
Phone	843-982-0101



Market Information

Program	@45%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	N/A	800	\$586	\$0	@45%	Yes	0	N/A	no	None
2	1.5	Garden (2 stories)	N/A	800	\$700	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,000	\$679	\$0	@45%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,000	\$800	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$586	\$0	\$586	-\$49	\$537	2BR / 1.5BA	\$700	\$0	\$700	-\$49	\$651
3BR / 2BA	\$679	\$0	\$679	-\$79	\$600	3BR / 2BA	\$800	\$0	\$800	-\$79	\$721

123 Club Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Off-Street Parking
Playground

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

There are 10 applicants on the waiting list at this time. The contact estimated that 10 percent of tenants are seniors. The contact did not provide an explanation for why maximum rents are not being achieved.

Photos



PROPERTY PROFILE REPORT

Cross Creek

Effective Rent Date	2/02/2017
Location	325 Ambrose Run Beaufort, SC 29906 Beaufort County
Distance	3 miles
Units	144
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	6/01/2010
Last Unit Leased	1/31/2010
Major Competitors	Ashton Pointe, Preserve at Port Royal
Tenant Characteristics	Military, state and federal government are major employers
Contact Name	Denissa
Phone	843-982-6381



Market Information

Program	@60%, Market
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	21%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased two percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	19	733	\$665	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	5	733	\$765	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	933	\$797	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	24	933	\$907	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	33	1,149	\$879	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	27	1,149	\$979	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$665	\$0	\$665	-\$35	\$630	1BR / 1BA	\$765	\$0	\$765	-\$35	\$730
2BR / 2BA	\$797	\$0	\$797	-\$49	\$748	2BR / 2BA	\$907	\$0	\$907	-\$49	\$858
3BR / 2BA	\$879	\$0	\$879	-\$79	\$800	3BR / 2BA	\$979	\$0	\$979	-\$79	\$900

Cross Creek, continued

Amenities

In-Unit

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

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

Security

Patrol
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Exercise Facility
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact stated that majority of the affordable housing units in the area were mostly occupied. There is a 30 to 90 day waiting list for the one-bedroom income restricted units. Senior demand info could not be provided.

Photos



PROPERTY PROFILE REPORT

Laurel Hill

Effective Rent Date 2/01/2017
Location 1640 Ribaut Road
 Port Royal, SC 29935
 Beaufort County
Distance 1.3 miles
Units 71
Vacant Units 0
Vacancy Rate 0.0%
Type Midrise (age-restricted) (4 stories)
Year Built/Renovated 2005 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Shell Pointe, Mossy Oaks
Tenant Characteristics Seniors aged 55+
Contact Name Tonya - Leasing Associate
Phone 843-524-2568



Market Information

Program @50%, @60%
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace Within three days
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	14	663	\$535	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	39	663	\$614	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	1	901	\$640	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	17	901	\$714	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$535	\$0	\$535	-\$35	\$500	1BR / 1BA	\$614	\$0	\$614	-\$35	\$579
2BR / 2BA	\$640	\$0	\$640	-\$49	\$591	2BR / 2BA	\$714	\$0	\$714	-\$49	\$665

Laurel Hill, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Pull Cords
Walk-In Closet

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management

Elevators
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

There is a waiting list of approximately 10 prospective tenants. The property could not provide additional senior demand information, such as the average age of tenants or whether the majority are previous homeowners.

Photos



PROPERTY PROFILE REPORT

Port Royal Apartments

Effective Rent Date	2/03/2017
Location	11 Grober Hill Rd Beaufort, SC 29906 Beaufort County
Distance	3.5 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	1/08/2013
Last Unit Leased	3/15/2013
Major Competitors	N/A
Tenant Characteristics	Single parent households, families, and 20 percent seniors
Contact Name	Janette
Phone	843-379-0315



Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	30
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	N/A	1,039	\$548	\$0	@50%	Yes	0	N/A	yes	None
2	2	Garden (2 stories)	N/A	1,039	\$548	\$0	@60%	Yes	0	N/A	yes	None
3	2	Garden (2 stories)	N/A	1,215	\$648	\$0	@50%	Yes	0	N/A	yes	None
3	2	Garden (2 stories)	N/A	1,215	\$648	\$0	@60%	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$548	\$0	\$548	-\$49	\$499	2BR / 2BA	\$548	\$0	\$548	-\$49	\$499
3BR / 2BA	\$648	\$0	\$648	-\$79	\$569	3BR / 2BA	\$648	\$0	\$648	-\$79	\$569

Port Royal Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Refrigerator

Carpeting
Coat Closet
Oven

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact mentioned that the demand for affordable housing in the area is strong. Currently, there are 37 households on the property's waiting list.

Photos



PROPERTY PROFILE REPORT

Wilderness Cove Apartments I

Effective Rent Date	2/01/2017
Location	1305 Talbird Road Beaufort, SC 29902 Beaufort County
Distance	1 mile
Units	48
Vacant Units	3
Vacancy Rate	6.2%
Type	Garden (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly seniors; families and individuals make up the rest.
Contact Name	Monica
Phone	843-522-9500



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	24	670	\$568	\$0	@50%	Yes	1	4.2%	no	None
2	1	Garden (2 stories)	24	670	\$584	\$0	@60%	Yes	2	8.3%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$568	\$0	\$568	-\$49	\$519	2BR / 1BA	\$584	\$0	\$584	-\$49	\$535

Amenities

In-Unit

Blinds
Central A/C
Oven
Washer/Dryer hookup

Carpeting
Coat Closet
Refrigerator

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Wilderness Cove Apartments I, continued

Comments

Wilderness Cove Apartments I and II are operated by the same on-site management office and share the same common area amenities. Management reported housing choice vouchers are accepted. The property contact maintains one waiting list for both phases, which is generally three to 12 months long. Vacant units are being turned around. The contact noted that there is strong demand for affordable housing for families in the area.

Wilderness Cove Apartments I, continued

Photos



PROPERTY PROFILE REPORT

Wilderness Cove Apartments II

Effective Rent Date	2/01/2017
Location	1305 Talbird Road Beaufort, SC 29902 Beaufort County
Distance	1 mile
Units	24
Vacant Units	1
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Most are seniors; families and individuals make up the rest.
Contact Name	Monica
Phone	843-522-9500



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Up to one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	12	670	\$568	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	12	670	\$584	\$0	@60%	Yes	1	8.3%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$568	\$0	\$568	-\$49	\$519	2BR / 1BA	\$584	\$0	\$584	-\$49	\$535

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Oven
Washer/Dryer

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Wilderness Cove Apartments II, continued

Comments

Wilderness Cove Apartments I and II are operated by the same on-site management office and share the same common area amenities. Management reported housing choice vouchers are accepted. The property contact maintains one waiting list for both phases, which is generally three to 12 months long. Vacant units are being turned around. The contact noted that there is strong demand for affordable housing for families in the area.

Wilderness Cove Apartments II, continued

Photos



PROPERTY PROFILE REPORT

Ashton Pointe

Effective Rent Date	2/02/2017
Location	100 Ashton Pointe Boulevard Beaufort, SC 29906 Beaufort County
Distance	4.3 miles
Units	240
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	11/01/2008
Last Unit Leased	N/A
Major Competitors	The Preserve at Port Royal, Parc at Broad River
Tenant Characteristics	Families and young couples.
Contact Name	Julie
Phone	843-379-5110



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased three percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	88	699	\$1,005	\$0	Market	No	1	1.1%	N/A	None
2	1	Garden (3 stories)	20	931	\$1,203	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	132	1,075	\$1,240	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,005	\$0	\$1,005	\$14	\$1,019
2BR / 1BA	\$1,203	\$0	\$1,203	\$14	\$1,217
2BR / 2BA	\$1,240	\$0	\$1,240	\$14	\$1,254

Ashton Pointe, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Washer/Dryer

Security

None

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
On-Site Management
Swimming Pool

Car Wash
Exercise Facility
Off-Street Parking
Recreation Areas

Premium

None

Other

None

Comments

The contact stated that the demand for market rate housing in the area is strong. Typical tenants are families making up over 50 percent of residents. The contact estimated 12 percent of tenants are seniors.

Ashton Pointe, continued

Photos



PROPERTY PROFILE REPORT

Bay South Apartments

Effective Rent Date	2/03/2017
Location	2201 Mossy Oaks Road Beaufort, SC 29902 Beaufort County Intersection: Ribaut Rd/Mossy Oaks Rd.
Distance	0.4 miles
Units	132
Vacant Units	3
Vacancy Rate	2.3%
Type	Garden (3 stories)
Year Built/Renovated	1984 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Preserve at Port Royal, Ashton Pointe.
Tenant Characteristics	Mostly military, service to military, government and medical employees.
Contact Name	Paige
Phone	843-521-4411



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased five percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	660	\$818	\$0	Market	No	0	0.0%	N/A	AVG
1	1	Garden (3 stories)	N/A	660	\$838	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	660	\$798	\$0	Market	No	N/A	N/A	N/A	LOW
2	1	Garden (3 stories)	48	860	\$860	\$0	Market	No	3	6.2%	N/A	AVG
2	1	Garden (3 stories)	N/A	860	\$880	\$0	Market	No	N/A	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	860	\$840	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	48	960	\$905	\$0	Market	No	0	0.0%	N/A	AVG
2	2	Garden (3 stories)	N/A	960	\$915	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	960	\$895	\$0	Market	No	N/A	N/A	N/A	LOW

Bay South Apartments, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$798 - \$838	\$0	\$798 - \$838	\$0	\$798 - \$838
2BR / 1BA	\$840 - \$880	\$0	\$840 - \$880	\$0	\$840 - \$880
2BR / 2BA	\$895 - \$915	\$0	\$895 - \$915	\$0	\$895 - \$915

Amenities

In-Unit

Blinds	Carpet/Hardwood
Central A/C	Dishwasher
Garbage Disposal	Microwave
Oven	Refrigerator
Washer/Dryer	Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting	Off-Street Parking
On-Site Management	Picnic Area
Swimming Pool	Wi-Fi

Premium

None

Other

None

Comments

The unit mix ranges in rent price due to varying square footage. As such, the rent used for each unit is based on an average. Management reported that one-bedroom units have washers and dryers in the unit. The property manager could not provide information regarding senior demand.

Photos



PROPERTY PROFILE REPORT

Harborone Apartments

Effective Rent Date	2/01/2017
Location	22 Colony Gardens Road Beaufort, SC 29907 Beaufort County
Distance	3 miles
Units	162
Vacant Units	11
Vacancy Rate	6.8%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Shell Pointe and Wilderness Cove Apartments
Tenant Characteristics	Mixed tenancy with a large number employed in military.
Contact Name	Anna
Phone	843-770-0380



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increase of roughly 8%
Concession	See Comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	69	990	\$1,031	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	77	1,189	\$1,100	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	16	1,235	\$1,090	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$1,031	\$0	\$1,031	-\$49	\$982
3BR / 2BA	\$1,090 - \$1,100	\$0	\$1,090 - \$1,100	-\$79	\$1,011 - \$1,021

Harborone Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Vaulted Ceilings
Washer/Dryer hookup

Cable/Satellite/Internet
Coat Closet
Garbage Disposal
Refrigerator
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Jacuzzi
Off-Street Parking
Playground
Tennis Court

Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property was recently purchased by a new owner. The contact indicated the high vacancy rate was due to the new ownership, and leasing was paused during January and has just resumed. The property is offering a concession of \$100 off the standard \$300 deposit. Senior info could not be provided by the contact.

Harborone Apartments, continued

Photos



PROPERTY PROFILE REPORT

Parc At Broad River

Effective Rent Date 2/02/2017
Location 337 Savannah Highway
 Beaufort, SC 29906
 Beaufort County
Distance 4.8 miles
Units 246
Vacant Units 44
Vacancy Rate 17.9%
Type Garden (3 stories)
Year Built/Renovated 2016 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashton Pointe Apartments
Tenant Characteristics 25% Senior
Contact Name DeDe Carr
Phone (843) 371-3771 or (843) 776-1012



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed 20
HCV Tenants 0%
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	802	\$1,099	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	802	\$1,115	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	792	\$1,084	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,197	\$1,405	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,197	\$1,435	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,197	\$1,375	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,362	\$1,540	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,084 - \$1,115	\$0	\$1,084 - \$1,115	\$14	\$1,098 - \$1,129
2BR / 2BA	\$1,375 - \$1,435	\$0	\$1,375 - \$1,435	\$14	\$1,389 - \$1,449
3BR / 2BA	\$1,540	\$0	\$1,540	\$16	\$1,556

Parc At Broad River, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Security

Limited Access
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Garage
On-Site Management

Premium

None

Other

None

Comments

The property does not maintain a waiting list. The property is brand new and began leasing units in April 2016. The contact stated that construction on the last building was not completed until October of 2016. Currently, they are released at 90 percent. Based on the current occupancy, the property has experienced an absorption rate of 20 units per month.

Photos



PROPERTY PROFILE REPORT

The Preserve At Port Royal

Effective Rent Date	2/01/2017
Location	1 Preserve Avenue West Port Royal, SC 29935 Beaufort County
Distance	1.4 miles
Units	400
Vacant Units	22
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	Ph. I - 2003 Ph. II 2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Pointe
Tenant Characteristics	Mixture of families and young couples.
Contact Name	Kade
Phone	843-525-9999



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	720	\$923	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	744	\$943	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	830	\$983	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	850	\$997	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	693	\$983	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,017	\$1,074	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,050	\$1,084	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,110	\$1,104	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,151	\$1,144	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$923 - \$997	\$0	\$923 - \$997	-\$35	\$888 - \$962
2BR / 1BA	\$1,074 - \$1,084	\$0	\$1,074 - \$1,084	-\$49	\$1,025 - \$1,035
2BR / 2BA	\$1,104 - \$1,144	\$0	\$1,104 - \$1,144	-\$49	\$1,055 - \$1,095

The Preserve At Port Royal, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Fireplace
Oven
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Recreation Areas

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground
Swimming Pool

Premium

None

Other

None

Comments

Management does not accept Housing Choice Vouchers. The variation in price comes from changes in amenities depending on the unit. The more expensive units include microwaves, have better views, and have hardwood floors. The contact could not provide an explanation for the high vacancy rate or any senior demand information.

The Preserve At Port Royal, continued

Photos



Comparable Property Analysis

Vacancy

The following tables illustrate the market vacancy at the comparable properties.

OVERALL VACANCY ALL PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
123 Club Apartments	LIHTC	Family	40	0	0.0%
Cross Creek	LIHTC, Market	Family	144	0	0.0%
Laurel Hill	LIHTC	Senior	71	0	0.0%
Port Royal Apartments	LIHTC	Family	60	0	0.0%
Wilderness Cove Apartments I	LIHTC	Family	48	3	6.2%
Wilderness Cove Apartments II	LIHTC	Family	24	1	4.2%
Ashton Pointe	Market	Family	240	1	0.4%
Bay South Apartments	Market	Family	132	3	2.3%
Harborone Apartments	Market	Family	162	11	6.8%
Parc At Broad River*	Market	Family	246	44	17.9%
The Preserve At Port Royal	Market	Family	<u>400</u>	<u>22</u>	<u>5.5%</u>
Total			1,567	85	5.4%
Total Excluding Parc at Broad River			1,321	41	3.1%

*Currently in absorption

OVERALL VACANCY LIHTC PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
123 Club Apartments	LIHTC	Family	40	0	0.0%
Cross Creek	LIHTC, Market	Family	144	0	0.0%
Laurel Hill	LIHTC	Senior	71	0	0.0%
Port Royal Apartments	LIHTC	Family	60	0	0.0%
Wilderness Cove Apartments I	LIHTC	Family	48	3	6.2%
Wilderness Cove Apartments II	LIHTC	Family	<u>24</u>	<u>1</u>	<u>4.2%</u>
Total			387	4	1.0%

OVERALL VACANCY MARKET RATE PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashton Pointe	Market	Family	240	1	0.4%
Bay South Apartments	Market	Family	132	3	2.3%
Harborone Apartments	Market	Family	162	11	6.8%
Parc At Broad River*	Market	Family	246	44	17.9%
The Preserve At Port Royal	Market	Family	<u>400</u>	<u>22</u>	<u>5.5%</u>
Total			1,180	81	6.9%
Total Excluding Parc at Broad River			934	37	4.0%

*Currently in absorption

Overall vacancy in the PMA among the comparables is moderately low at 5.4 percent. Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, overall vacancy in the PMA among all the comparables is low at 3.1 percent.

Overall vacancy in the PMA among the LIHTC comparables is also low at 1.0 percent. Four of the six LIHTC comparables, including the only senior LIHTC comparable, reported zero percent vacancy. While it appears Wilderness Cove I and Wilderness Cove II have the highest vacancy rates amongst the LIHTC comparables at 6.2 percent and 4.2 percent, respectively, these properties are smaller developments with 48 and 24 units. Wilderness Cove I has only three vacant units and Wilderness Cove II has only one vacant unit. In addition, management indicated that these units became vacant just recently and are being turned around.

Among the market rate properties, the vacancy rate is moderately low at 6.9 percent. As noted above, Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, the overall vacancy among the market rate properties is also low at 4.0 percent. Harborone Apartments has an elevated vacancy rate of 6.8 percent. The property was recently purchased by a new owner. Management indicated the high vacancy rate was due to the new ownership, and leasing was paused during January and has just resumed. The Preserve at Port Royal has a slightly elevated vacancy rate of 5.5 percent. Management could not provide an explanation for the elevated vacancy rate; however, the current vacancy has decreased since the fourth quarter of 2016 when the property experienced a 7.0 percent vacancy rate. Therefore, it appears the vacancy issues are property specific.

Overall, the local rental market appears to be very healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of three percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 387 total LIHTC units in the PMA that we included in this comparable analysis. There are four vacancies among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

Reasonability of Rents

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the Beaufort County Housing Authority's Utility Allowances effective May 1, 2016, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

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

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Ribaut Senior Village (Subject)	\$487	\$567
2016 LIHTC Maximum (Net)	\$487	\$567
LIHTC Maximum (Net) (2012 Hold Harmless)	\$513	\$598
123 Club Apartments	-	\$537
Laurel Hill	\$500	\$591
Port Royal Apartments	-	\$499
Wilderness Cove Apartments I	-	\$519
Wilderness Cove Apartments II	-	\$519
Average (excluding Subject)	\$500	\$533
Novoco Achievable Rent	\$487	\$567

The Subject’s proposed 50 percent AMI rents are set at the maximum allowable 2016 rents for the MSA. The average one-bedroom 50 percent AMI rents at the comparables are above the proposed rents at the Subject, while the average two-bedroom 50 percent AMI rents at the comparables are below the proposed rents at the Subject. Only one of the comparables with 50 percent AMI units, Laurel Hill, reported rents at maximum allowable levels. This comparable property is 100 percent occupied with a waiting list. Although management at 123 Club Apartments reported rents below maximum allowable levels, this property is also 100 percent occupied with a waiting list. This indicates that the rents at this property are well accepted in the market and that higher rents are likely achievable. The Subject is most similar to Laurel Hill, the only senior LIHTC comparable property. Laurel Hill has one and two-bedroom units at 50 percent AMI levels similar to the Subject. Laurel Hill was constructed in 2005 and is in slightly inferior condition relative to the Subject. Laurel Hill offers generally superior in-unit amenities and generally similar property amenities relative to the Subject. As noted above, management at Laurel Hill reported achieving maximum allowable rents as well as being 100 percent occupied with a waiting list. The Subject will be generally similar to this property. Based on the above, we believe the maximum allowable LIHTC rents at this level are achievable, or **\$487** and **\$567** for its one and two-bedroom units, respectively.

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

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Ribaut Senior Village (Subject)	\$575	\$675
LIHTC Maximum (Net)	\$613	\$718
LIHTC Maximum (Net) (2012 Hold Harmless)	\$644	\$755
123 Club Apartments		\$651
Cross Creek	\$630	\$748
Laurel Hill	\$579	\$665
Port Royal Apartments		\$499
Wilderness Cove Apartments I		\$535
Wilderness Cove Apartments II		\$535
Average (excluding Subject)	\$605	\$606
Novoco Achievable Rent	\$575	\$675

The Subject’s proposed 60 percent AMI rents are set below the maximum allowable 2016 rents for the MSA. The average one-bedroom 60 percent AMI rents at the comparables are above the proposed rents at the Subject, while the average two-bedroom 60 percent AMI rents at the comparables are below the proposed rents at the Subject. One of the comparable properties with 60 percent AMI units, Cross Creek, reported rents at maximum allowable levels. This property is 100 percent occupied with a waiting list. Although management at 123 Club Apartments reported rents below maximum allowable levels, this property is also 100 percent occupied with a waiting list. This indicates that the rents at this property are well accepted in the market and that higher rents are likely achievable. The Subject is most similar to Laurel Hill, the only senior LIHTC comparable property. Laurel Hill has one and two-bedroom units at 60 percent AMI levels similar to the Subject. Laurel Hill was constructed in 2005 and is in slightly inferior condition relative to the Subject. Laurel Hill offers generally superior in-unit amenities and generally similar property amenities relative to the Subject. As noted above, management at Laurel Hill reported achieving maximum allowable rents as well as being 100 percent occupied with a waiting list. The Subject will be generally similar to this property and should be able to achieve rents similar to Laurel Hill. Based on the above, we believe the Subject’s proposed LIHTC rents at this level are achievable, or \$575 and \$675 for its one and two-bedroom units, respectively.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are well below the achievable market rates for the Subject’s area. The following table shows both market rent comparisons and achievable market rents.

Subject Comparison to Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR@50%	\$487	\$730	\$1,129	\$938	\$880	45%
2 BR@50%	\$567	\$840	\$1,449	\$1,063	\$1,000	43%
1 BR@60%	\$575	\$730	\$1,129	\$938	\$880	35%
2 BR@60%	\$675	\$840	\$1,449	\$1,063	\$1,000	33%
1 BR at market rate	\$604	\$730	\$1,129	\$938	\$880	31%
2 BR at market rate	\$709	\$840	\$1,449	\$1,063	\$1,000	29%

All of the market rate properties were built or renovated between 1984 and 2016 and are in generally similar to slightly inferior condition to the Subject. In addition, the majority of the market rate properties are located in generally similar locations relative to the Subject. All of the market rate comparables, with the exception of Harborone Apartments, are located in neighborhoods with generally similar median household incomes and median gross rents relative to the Subject’s neighborhood. Harborone Apartments is located in a neighborhood with slightly superior median household income and median gross rent relative to the Subject’s neighborhood. The comparable market rate properties have slightly inferior to superior unit and property amenities relative to the Subject. Bay South Apartments and The Preserve at Port Royal are considered the most comparable to the Subject based on location, unit mix, and/or condition. Bay South Apartments, located 0.4 miles from the Subject, was built in 1984 and renovated in 2011 and is in slightly inferior condition relative to the Subject’s proposed excellent condition. The property offers one and two-bedroom units. The property offers inferior one-bedroom unit sizes to the Subject and similar two-bedroom unit sizes to the Subject. The property offers slightly superior in-unit amenities and slightly inferior property amenities. Based on the above, we believe the Subject can achieve market rents slightly higher than this comparable. The Preserve at Port Royal, located approximately 1.4 miles from the

Subject, was built between 2003 and 2006 and is in slightly inferior condition relative to the Subject’s proposed excellent condition. The property also offers one and two-bedroom units. The property offers generally slightly inferior to superior one-bedroom unit sizes relative to the Subject and superior two-bedroom unit sizes to the Subject. The property offers slightly superior in-unit and property amenities relative to the Subject. Based on the above, we believe the Subject can achieve market rents slightly lower than this comparable. We have concluded to achievable market rent of **\$880** and **\$1,000** for the Subject’s one and two-bedroom units, respectively.

Unit Type	Subject Achievable Market Rent	Square Feet	Bay South Apartments Rent	Square Feet
1 BR	\$880	750	\$798- \$838	660
2 BR	\$1,000	950	\$840 - \$915	960

Unit Type	Subject Achievable Market Rent	Square Feet	The Preserve at Port Royal Rent	Square Feet
1 BR	\$880	750	\$888 - \$948	693 to 850
2 BR	\$1,000	950	\$1,025 - \$1,095	1,110 to 1,150

The achievable market rents we determined are slightly below the average market rents based on the Subject unit sizes and amenities. The Subject’s proposed LIHTC rents will have advantages of 29 to 45 percent over our achievable market rents.

There is an adequate supply of conventional market rate apartments in the PMA for which to measure the proposed Subject’s rents and features. As a result, for the senior project, we have not considered area single-family rental options or mobile homes. Most seniors seeking housing in a senior apartment community would be less likely to consider moving into a single-family rental home or a mobile home.

Cost and Availability of Homeownership

The Subject site will target seniors, who generally would not consider a home purchase. Conversely, most seniors may be considering downsizing from homeownership and moving into a rental community such as the Subject. We expect some of this type of support to occur at the Subject. Therefore, we have not performed an analysis of local for sale home prices compared to rental costs at the Subject.

Impact of Subject on Other Affordable Units in Market

There are four total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is a moderate supply of LIHTC units in the PMA and a limited supply of senior LIHTC units in the PMA. All but four of the LIHTC units we surveyed are occupied. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic growth of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

Summary Evaluation of the Proposed Project

Overall vacancy in the PMA among the comparables is moderately low at 5.4 percent. Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, overall vacancy in the PMA among all the comparables is low at 3.1 percent. Overall vacancy in the PMA among the LIHTC comparables is also low at 1.0 percent. Four of the six LIHTC comparables, including the only senior LIHTC comparable, reported zero percent vacancy. In addition, management at the two LIHTC properties with vacant units indicated that these units became vacant just recently and are being turned around. The six properties with LIHTC units reported four total vacancies, and all maintain waiting lists, suggesting significant latent demand for affordable housing and, in particular, senior affordable housing. Among the market rate properties, the vacancy rate is moderately low at 6.9 percent. As noted above, Parc at Broad River skews the average as it is currently in absorption. Excluding Parc at Broad River, the overall vacancy among the market rate properties is also low at 4.0 percent. Harborone Apartments has an elevated vacancy rate of 6.8 percent. The property was recently purchased by a new owner. Management indicated the high vacancy rate was due to the new ownership, and leasing was paused during January and has just resumed. The Preserve at Port Royal has a slightly elevated vacancy rate of 5.5 percent. Management could not provide an explanation for the elevated vacancy rate; however, the current vacancy has decreased since the fourth quarter of 2016 when the property experienced a 7.0 percent vacancy rate. Therefore, it appears the vacancy issues are property specific. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable and overall they are more than 29 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We spoke to Lauren Kelly, project development planner with the City of Beaufort Planning Department (843-525-7011). Ms. Kelly was aware of one proposed market rate multifamily development, Pine Court Apartments, within the city of Beaufort. Ms. Kelly was unable to report the specific location of this development. One LIHTC property within the PMA received LIHTC allocation in 2016. Details of this project are as follows.

- Marsh Pointe is a proposed family LIHTC project allocated in 2016 located approximately 0.9 miles south of the Subject near Ribaut Road and Pinckney Boulevard in Port Royal, SC. This project will include 48 two and three-bedroom units targeting family renter households with incomes at 50 and 60 percent AMI. The new construction project is expected to open in late 2017 early 2018. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis.

Section 8/Public Housing

We spoke with Ms. Angela Childers, Executive Director of the Beaufort Housing Authority (843-525-7059). Ms. Childers indicated that the authority is authorized to distribute Housing Choice Vouchers, and estimated that approximately 200 vouchers were issued in 2016. The Housing Authority maintains a waiting list which is currently closed and not set to reopen in the near future. There are 850 households on the waiting list as of February 9, 2017. Ms. Childers stated that there is high demand for affordable housing in the area especially for one-bedroom units. Furthermore, Mr. Childers expressed concerns regarding changes to the HOME program. She indicated that the state housing authority has said developments can no longer use HOME funds because the County has been designated as a participating jurisdiction. Mr. Childers explained that this could significantly impact affordable housing development throughout Beaufort County, as funding available for affordable housing development will become more constrained. The voucher payment standards are provided in the table below.

PAYMENT STANDARDS, BEAUFORT COUNTY

Unit Type	Payment Standards
1BR	\$986
2BR	\$1,137

Source: Beaufort Housing Authority, February 2017

The Subject’s projected rents at 50 and 60 percent AMI are below these payment standards, indicating tenants utilizing vouchers can reside in the Subject’s 50 and 60 percent AMI units without paying additional rent out of pocket.

Property Managers

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

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA, and the market supports the Subject development as proposed. The Subject's overall capture rate is 25.9 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 0.8 percent to 28.7 percent. It is important to note that while we recognize that the 60 percent capture rates are high, this demand analysis does not measure the PMA's or Subject's ability to attract additional demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject's residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. Additionally, there are only four total vacant units amongst all of the LIHTC comparables, and all of the LIHTC comparables maintain waiting lists. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the capture rates are acceptable. Lastly, the Subject's overall capture rate of 25.9 percent is within SCSHFDA guidelines requirement that all developments must have an overall capture rate at or below 30 percent, and we believe that there is ample demand for the Subject's units. The Subject site is located within 3.1 miles of most community services and facilities that seniors would utilize on a consistent basis.

There are only four vacancies among the LIHTC comparables and the market rate properties we surveyed are also performing very well, with a vacancy rate of 4.0 percent, excluding Parc at Broad River which is currently in absorption phase. The Subject's proposed LIHTC rents will have advantages of 29 to 45 percent over our estimated achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparable we surveyed.

J. SIGNED STATEMENT REQUIREMENTS

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

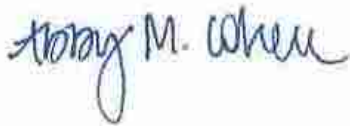
Respectfully submitted,
Novogradac & Company LLP

May 5, 2017

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner



Abby M. Cohen
Principal
SC State Certified Appraiser #7487
Abby.Cohen@novoco.com
(240) 235-1705

ADDENDA

ADDENDUM A
Qualifications of Analysts

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as

if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Candidate for Designation in the Appraisal Institute
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update, January 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.