

Market Feasibility Analysis

Marion Commons
108 Lance Avenue
Lake City, Florence County, South Carolina 29560

Prepared For

Mr. Mark Richardson
Greenway Residential Development, LLC
14120 Ballantyne Corporate Place, Suite 575
Charlotte, North Carolina 28277

Effective Date

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Job Reference Number

18-173 JW



155 E. Columbus Street, Suite 220
Pickerington, Ohio 43147
Phone: (614) 833-9300
Bowennational.com

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2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Marion Commons	Total # Units:	45
Location:	108 Lance Ave., Lake City, SC 29660	# LIHTC Units:	45
PMA Boundary:	Lynches River, McAllister Mill Road, State Road S-21-488, Coward town limits, State Road S-21-46, State Road S-21-34, State Road S-21-360 and the Pamplico town limits to the north; State Route 51, State Road S-21-86 and State Road S-21-57 to the east; Florence County boundary, Dewey Cox Road, County Road S-45-504, State Route 512, Green Road and New Zion Road to the south; and Florence County boundary and U.S. Highway 378 to the west.		
Development Type:	___ Family ___X___ Older Persons		Farthest Boundary Distance to Subject: 19.0 miles

RENTAL HOUSING STOCK (found on page H-1 & 11)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	15	668	0	100.0%
Market-Rate Housing	1	24	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	8	421	0	100.0%
LIHTC (All that are stabilized)*	6	223	0	100.0%
Stabilized Comps**	2	104	0	100.0%
Non-stabilized Comps	0	-	-	-

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	One	1.0	775	\$386	\$775	\$1.00	50.19%	\$895	\$1.14
8	One	1.0	775	\$500	\$775	\$1.00	35.48%	\$895	\$1.14
3	Two	1.75	1,001	\$492	\$850	\$0.85	42.12%	\$1,125	\$1.00
28	Two	1.75	1,001	\$585	\$850	\$0.85	31.18%	\$1,125	\$1.00
Gross Potential Rent Monthly*				\$24,172	\$37,200		35.02%		

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

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

	2000	2017		2020	
Renter Households (55+)		1,134	20.9%	1,250	22.1%
Income-Qualified Renter HHs (LIHTC)		286	25.2%	293	23.4%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	3	6				7
Existing Households (Overburd + Substand)	97	65				119
Homeowner conversion (Seniors)	25	17				31
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	125	88				157

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	7.2%	40.9%				28.7%

ABSORPTION RATE (found on page G-6)

Absorption Period: 6 months

2018 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
6	1 BR	\$386	\$2,316	\$775	\$4,650	
8	1 BR	\$500	\$4,000	\$775	\$6,200	
	2 BR		\$0		\$0	
3	2 BR	\$492	\$1,476	\$850	\$2,550	
28	2 BR	\$585	\$16,380	\$850	\$23,800	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	45		\$24,172		\$37,200	35.02%

B. Project Description

The subject project involves the new construction of the 45-unit Marion Commons rental community on an approximate 1.9-acre site at 108 Lance Avenue in Lake City, South Carolina. The project will offer 14 one-bedroom and 31 two-bedroom garden-style units within one (1) three-story, elevator-served residential building with community spaces integrated throughout. Marion Commons will be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income senior households age 55 and older earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$386 to \$585, depending on unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by March 2020. Additional details of the subject project are as follows:

- A. PROPERTY LOCATION:** 108 Lance Avenue
Lake City, South Carolina 29560
(Florence County)
- B. CONSTRUCTION TYPE:** New Construction
- C. OCCUPANCY TYPE:** Senior Households Age 55+
- D. TARGET INCOME GROUP:** 50% and 60% AMHI
- E. SPECIAL NEEDS POPULATION:** None
- F. AND H. TO J. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
6	One-Br.	1.0	Garden	775	50%	\$386	\$89	\$475	\$523
8	One-Br.	1.0	Garden	775	60%	\$500	\$89	\$589	\$628
3	Two-Br.	1.75	Garden	1,001	50%	\$492	\$116	\$608	\$628
28	Two-Br.	1.75	Garden	1,001	60%	\$585	\$116	\$701	\$754
45	Total								

Source: Greenway Residential Development, LLC
AMHI – Area Median Household Income (Florence, SC HUD Metro FMR Area; 2017)

- G. NUMBER OF STORIES/BUILDINGS:** One (1) three-story, elevator-served residential building with community spaces integrated throughout.

K. PROJECT-BASED RENTAL ASSISTANCE (EXISTING OR PROPOSED):

None

L. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Community Room
- Laundry Facility
- Elevator
- Computer/Business Center
- Fitness Center

M. UNIT AMENITIES:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Washer/Dryer Hookups
- Vinyl Plank Flooring & Carpet
- Window Blinds
- Central Air Conditioning

N. PARKING:

There will be an unassigned surface parking lot with 45 spaces available at no additional cost to the residents.

O. RENOVATIONS AND CURRENT OCCUPANCY:

Not Applicable; New Construction

P. UTILITY RESPONSIBILITY:

The costs of cold water, sewer and trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

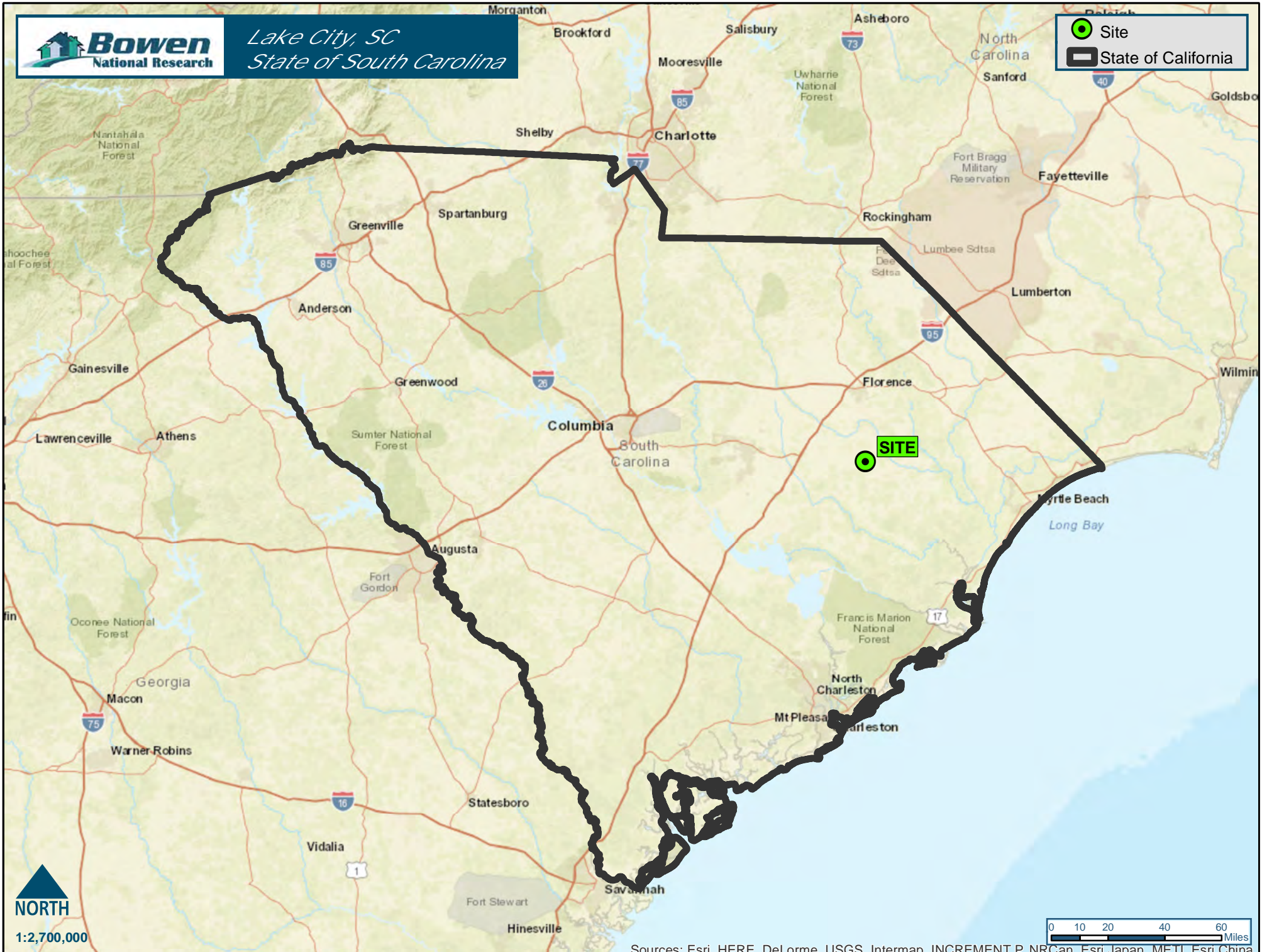
- Electric Cooking
- Electric Water Heat
- Electric Heat
- General Electricity

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



Lake City, SC
State of South Carolina

- Site
- State of California



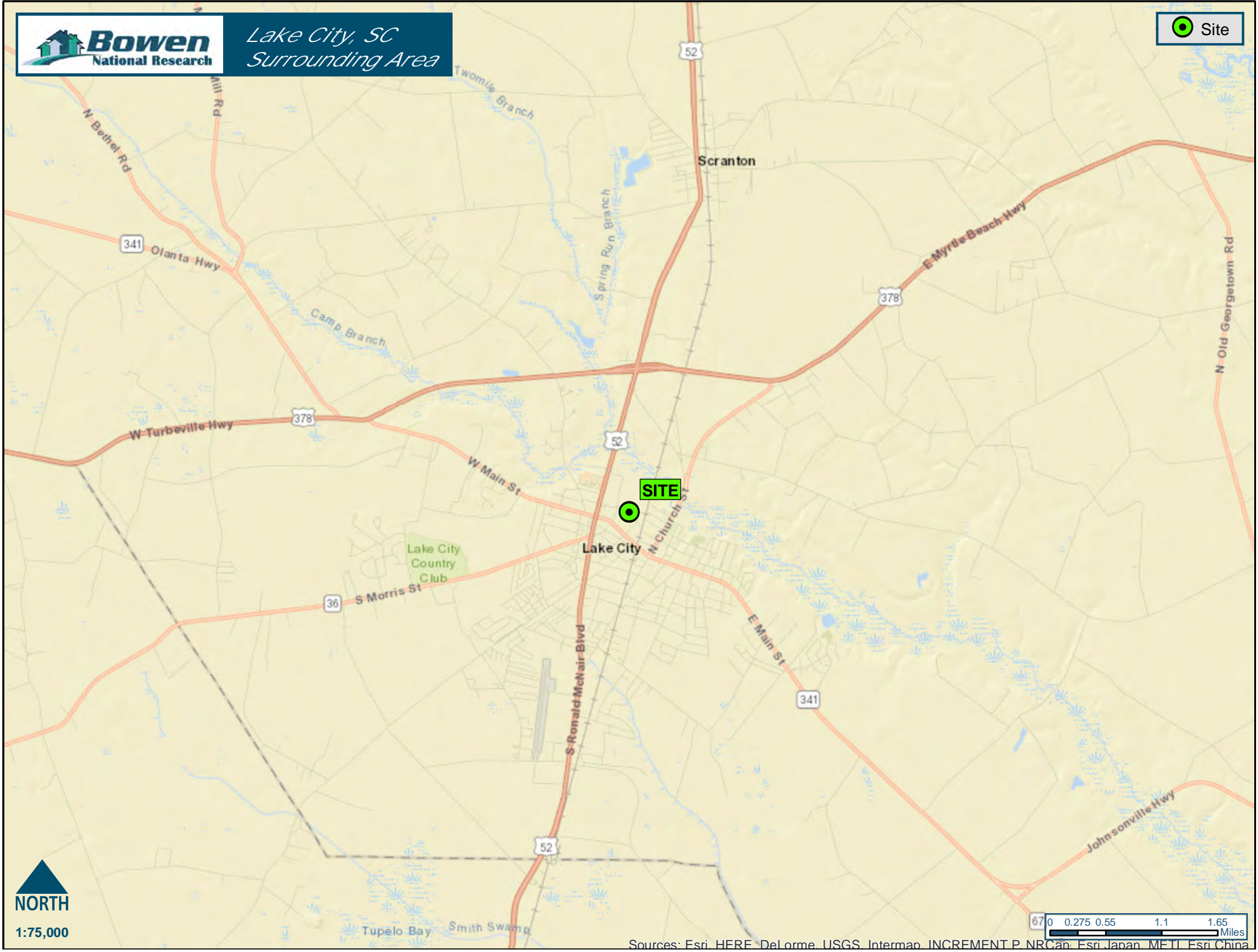
NORTH
1:2,700,000

0 10 20 40 60 Miles

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



Lake City, SC
Surrounding Area




NORTH
1:75,000



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

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 19, 2018. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of vacant land located at 108 Lance Avenue in Lake City, South Carolina. Located within Florence County, Lake City is approximately 24.0 miles south of Florence, South Carolina and approximately 60.0 miles east of Myrtle Beach, South Carolina. Following is a description of surrounding land uses:

North -	The northern boundary is defined by Kelley Street, a two-lane roadway with light traffic patterns. Continuing north are Lake City Apartments (Map ID 6) and Bailey Gardens Apartments (Map ID 4), both considered to be in good condition. Lake City Administrative Offices and Police Department are located northeast of the site, while Kelley Corners Shopping Center with Roses, Dollar Tree, KJ's Market IGA and other various retailers is located to the northwest. Heavily wooded land extends beyond.
East -	The eastern boundary is defined by Lance Avenue, a two-lane roadway with light traffic patterns. Continuing east are a vacant office building, New Image Beauty Salon and a vacant gas station that is currently for sale. Railroad tracks and the Lake City Fire Department extend beyond.
South -	A chain-link fence defines the southern site boundary. Continuing south is the former Maxway Store, which is currently being demolished. China Buffet, Dollar General, Pizza Roma and the U.S Post Office extend beyond to State Route 341 (West Main Street). The Lake City Senior Center is located southeast of the subject site.
West -	The western site boundary is defined by Davita Dialysis and a small medical office building. Continuing west are North Morris Street, a two-lane roadway with light traffic patterns, and various small businesses including medical offices, a car wash, Express Lube and Sonic Drive-In. U.S. Highway 52 (Ron McNair Boulevard), a four-lane arterial roadway with moderate- to heavy traffic patterns extends beyond.

The proposed development is within very close proximity to various business, shopping centers and the Lake City Senior Center which will contribute to the marketability of the site. Overall, the subject property fits well with the surrounding land uses.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 52	0.3 West
	U.S. Highway 378	1.3 North
Public Bus Stop	PDRTA-LakeTran	0.1 Northwest
Major Employers/ Employment Centers	Lake City Community Hospital	0.4 Northwest
	Walmart Supercenter	1.3 North
Convenience Store	Markette	0.3 West
	BP Food Mart	0.3 West
	Shell Food Mart	0.4 West
Grocery	KJ's Market IGA	0.1 Northwest
	Walmart Supercenter	1.3 North
Discount Department Store	Roses	0.1 North
	Dollar Tree	0.1 North
	Dollar General	0.2 South
	Family Dollar	0.4 Northwest
Shopping Center/Mall	Kelley Corners Shopping Center	0.1 Northwest
	Town & Country Shopping Center	0.4 Northwest
Hospital/Medical Center	Lake City Community Hospital	0.4 Northwest
	Lake City Family Medical Urgent Care	1.4 Northwest
Police	Lake City Police Department	0.1 East
Fire	Lake City Fire Department	0.2 Southeast
Post Office	U.S. Post Office	0.3 South
Bank	South State Bank	0.2 West
	First Citizens Bank	0.2 Southwest
	Wells Fargo	0.3 South
Senior Center	Lake City Senior Center	0.2 Southeast
Gas Station	Westoil	0.3 West
	BP	0.3 West
	Shell	0.4 West
Pharmacy	M&D Drug's	0.3 South
	Medicine Cabinet	0.4 Northwest
	CVS	0.6 Southwest
	Walmart Pharmacy	1.3 North
Restaurant	Subway	Adjacent North
	China King Chinese	0.1 Northwest
	McDonald's	0.2 West
Park	Lions Municipal Park	0.7 Southeast
Church	Lake City United Methodist Church	0.2 South
	Antioch Fellowship Church	0.3 South
	St. Phillip's Catholic Church	0.5 West
Library	Lake City Public Library	0.5 Southeast

The subject site is located within proximity of most basic community services, including, but not limited to, a grocery store, discount shopping opportunities, bank, pharmacy, dining and senior center, all of which are located within walking distance. Further, a Walmart Supercenter, with grocery, pharmacy and discount shopping options is located approximately 1.3 miles north of the subject site. Additional discount shopping options are located within walking distance, such as Dollar General, Belk and Family Dollar. More extensive shopping, dining and various low-income employment opportunities are located throughout the Lake City area and are easily accessible via public transportation through the Pee Dee Regional Transit Authority-LakeTran (PDRTA), which operates a local bus stop located within walking distance of the site at KJ's Market IGA.

The Lake City Senior Center is located approximately 0.2 miles southeast of the proposed site and offers a variety of programs including arts and crafts, exercise, bingo and daily lunches.

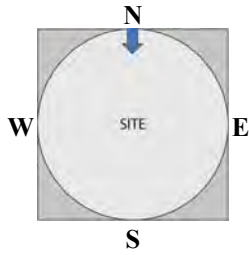
Public safety services, including the Lake City Police and Fire departments are located within 0.2 miles of the subject site. Lake City Community Hospital, located approximately 0.4 miles northwest of the site, is the nearest acute-care facility, which also includes a 24-hour emergency room. Additionally, Lake City Family Medical Urgent Care is located within 1.4 miles of the site.

Overall, the subject site's proximity to numerous community services located along U.S. Highway 52 will contribute to its marketability.

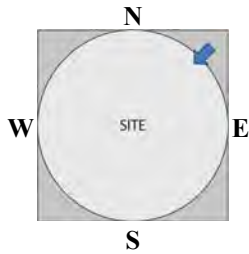
4. SITE PHOTOGRAPHS

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

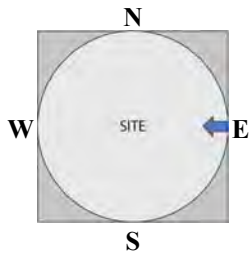
SITE PHOTOGRAPHS



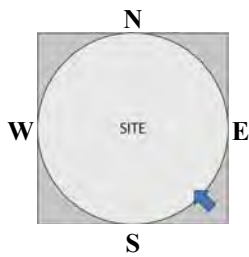
View of site from the north



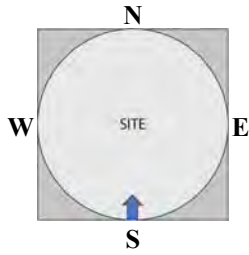
View of site from the northeast



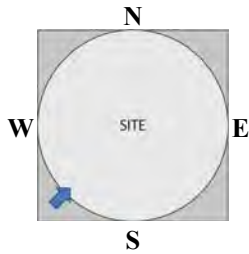
View of site from the east



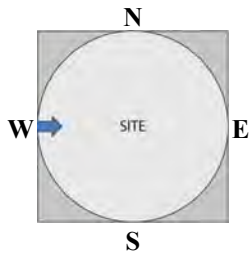
View of site from the southeast



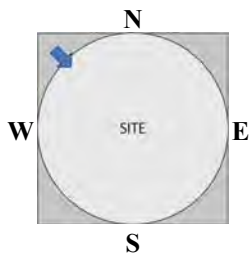
View of site from the south



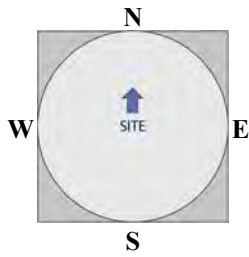
View of site from the southwest



View of site from the west



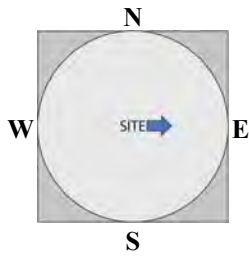
View of site from the northwest



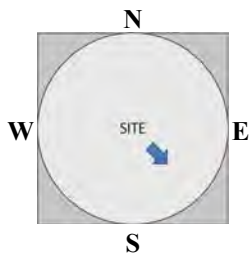
North view from site



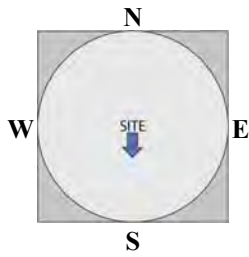
Northeast view from site



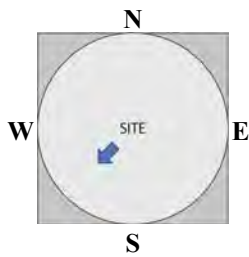
East view from site



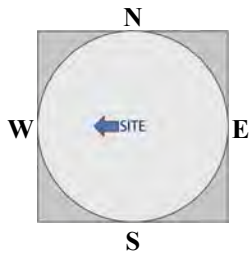
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Kelley Street



Streetscape: West view of Kelley Street



Streetscape: North view of Lance Avenue



Streetscape: South view of Lance Avenue

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



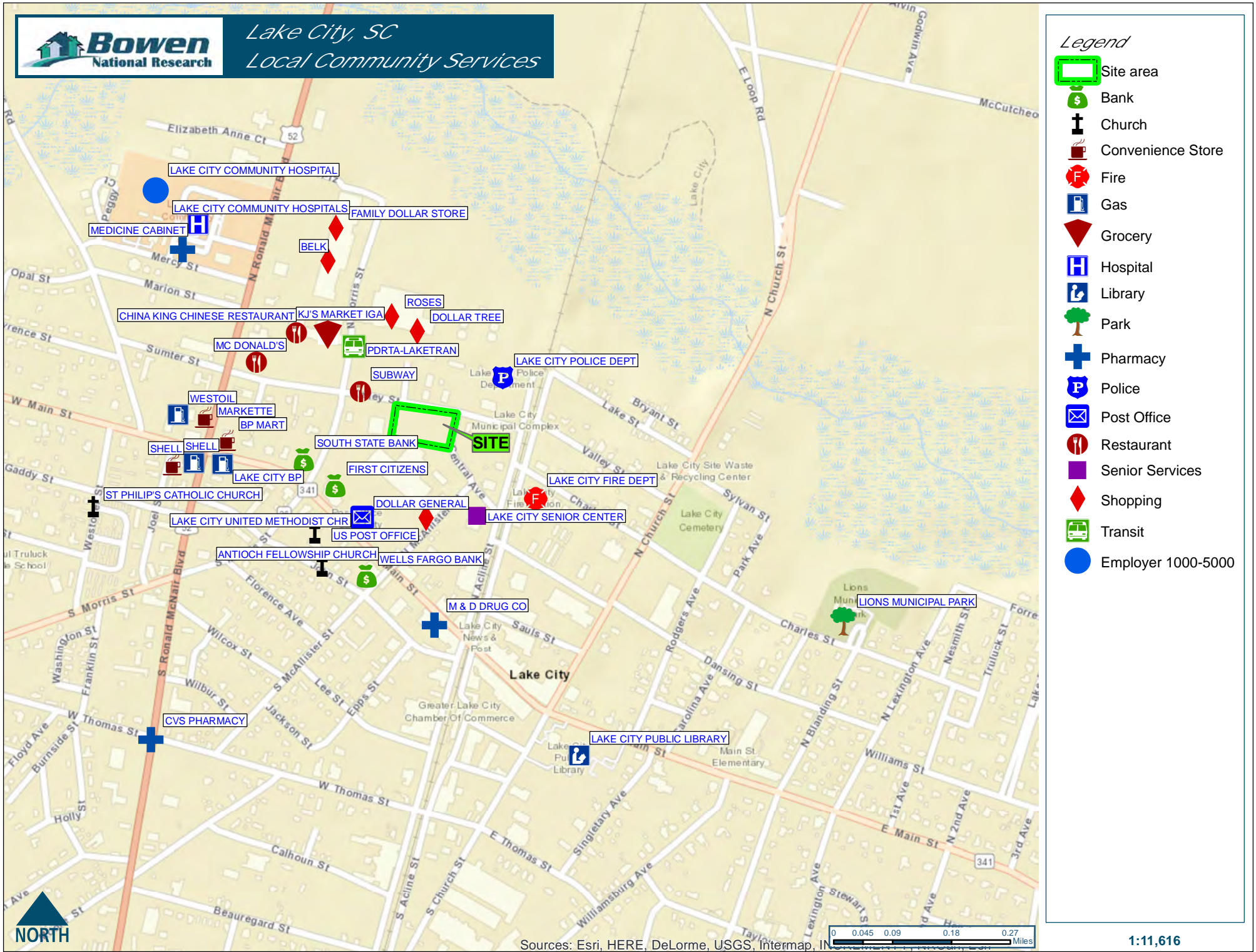
Lake City, SC
Site Neighborhood

Legend
Site Area



NORTH
1:2,900

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNR, AerialGRID, IGN, and the GIS User Community
0 0.0125 0.025 0.05 0.075 Miles



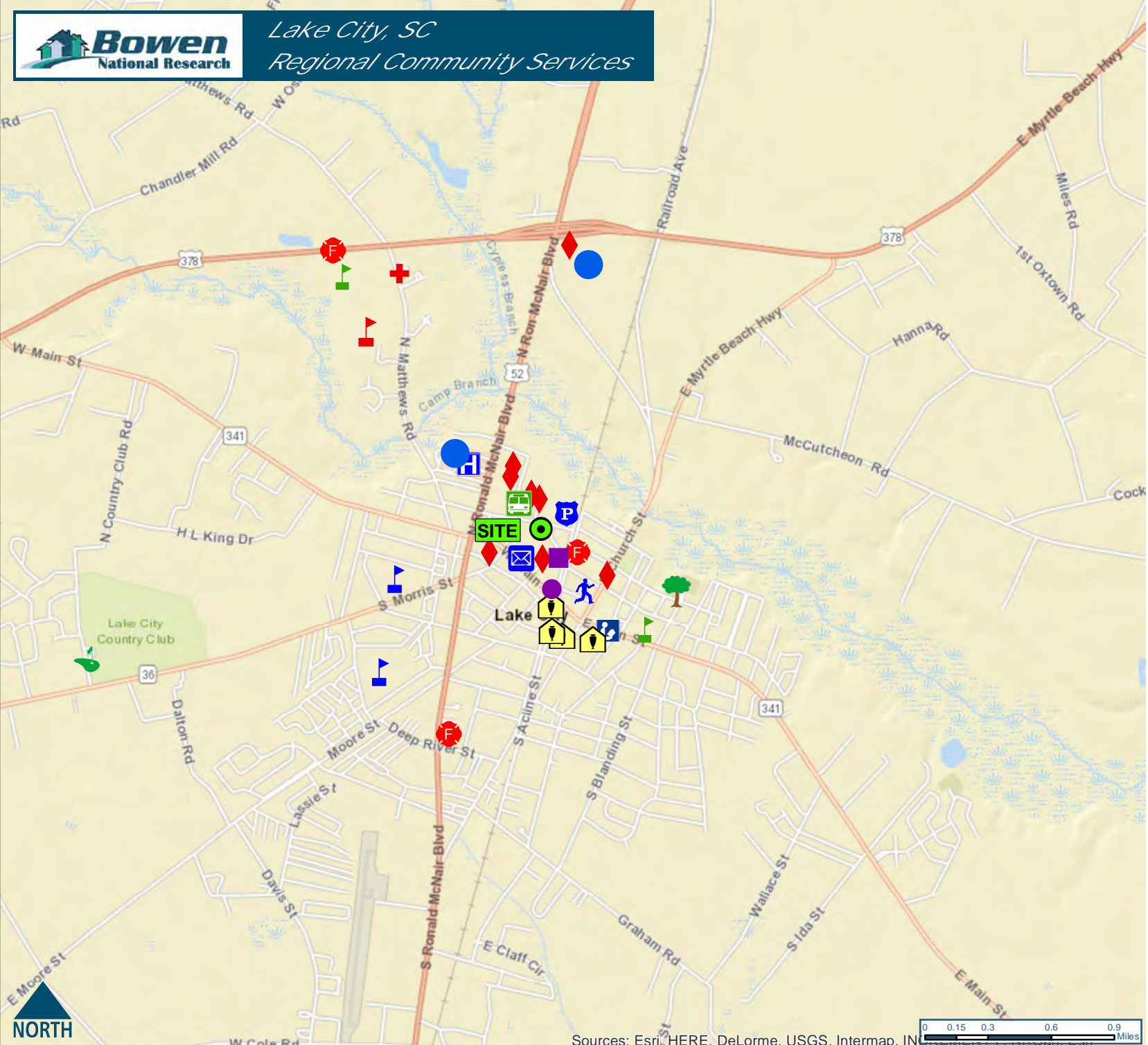
Legend

- Site area
- Bank
- Church
- Convenience Store
- Fire
- Gas
- Grocery
- Hospital
- Library
- Park
- Pharmacy
- Police
- Post Office
- Restaurant
- Senior Services
- Shopping
- Transit
- Employer 1000-5000





Lake City, SC
Regional Community Services



- Legend*
- Site
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Senior Services
 - Shopping
 - Transit
 - Employer 1000-5000

NORTH

Sources: Esri, HERE, DeLorme, USGS, Intermap, IN



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the site's Zip code is 193, with an overall personal crime index of 221 and a property crime index of 189. Total crime risk for Florence County is 160, with indexes for personal and property crime of 155 and 160, respectively.

	Crime Risk Index	
	Site Zip Code	Florence County
Total Crime	193	160
Personal Crime	221	155
Murder	328	152
Rape	149	117
Robbery	141	97
Assault	266	188
Property Crime	189	160
Burglary	234	179
Larceny	182	159
Motor Vehicle Theft	143	123

Source: Applied Geographic Solutions

Both the crime risk indices for the site's Zip code (193) and Florence County (160) are above the national average (100). However, the perception of crime has not had an adverse impact on the marketability of the Lake City rental housing market, as all properties identified and surveyed within the Site PMA are 100.0% occupied and maintain a waiting list. As such, it can be concluded that the higher than average crime risk index within the area will not have an adverse impact on the subject's marketability.

A map illustrating crime risk is on the following page.



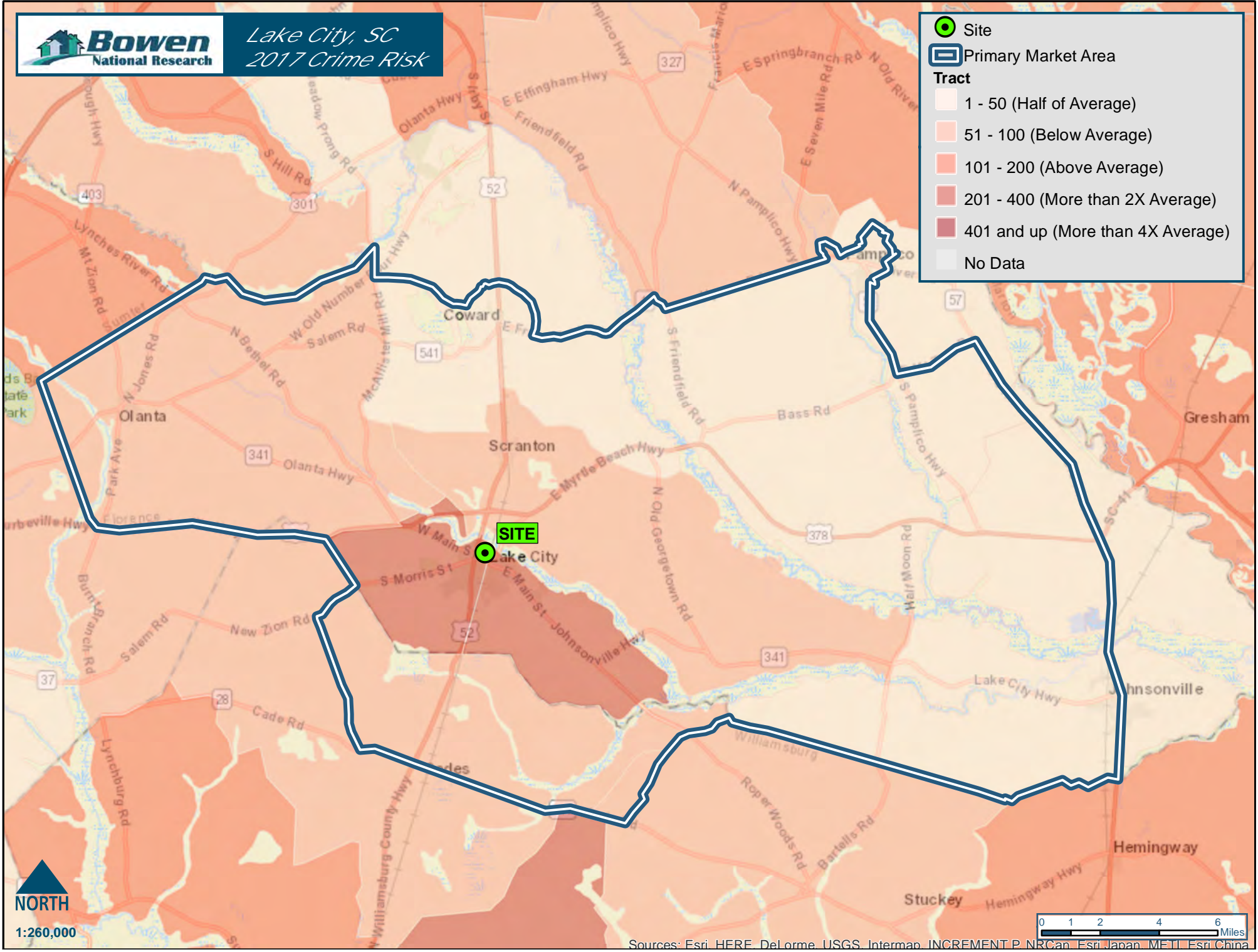
Lake City, SC
2017 Crime Risk

● Site

▭ Primary Market Area

Tract

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



NORTH
1:260,000



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

7. ACCESS AND VISIBILITY

The subject site is located on the west side of Lance Avenue, south of Kelley Street. According to plans provided by the developer, the site will derive primary access from Lance Avenue, a two-lane roadway with light traffic patterns. Ingress and egress are expected to be convenient due to the light traffic. The site has excellent access to U.S. Highway 52 (Ron McNair Boulevard), which is just 0.3 miles west of the site, and U.S. Highway 378, approximately 1.3 miles north of the site. Proximity to these arterial roadways enhances accessibility of the site, as these arterial roadways provide access throughout the Lake City area to many community services. PDRTA-LakeTran provides transportation service throughout the Lake City and Florence County area, with the nearest bus stop located within walking distance, 0.1 mile northwest of the site. Overall, access to the site is considered excellent.

Visibility of the proposed subject site is considered excellent, as it maintains significant frontage along Kelley Street and passing motorists will have a clear view in both directions of travel. However, promotional signage is recommended at the intersection of U.S. Highway 52 and Kelley Street during construction and initial lease-up to increase awareness of the subject site. Overall, due to the generally clear lines of vision, ease of ingress and egress, and access to arterial roadways, both visibility and access are considered to be good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

The former Maxway Store located adjacent south of the site is currently being demolished. Additionally, railroad tracks are located approximately 0.2 miles east of the proposed site. These land uses are not anticipated to have a negative impact on the proposed development's marketability, as the adjacent apartment communities, Lake City Apartments and Bailey Gardens Apartments, are both 100.0% occupied and maintain waiting lists.

9. OVERALL SITE CONCLUSIONS

The proposed site is well situated in an area of Lake City for an affordable senior-oriented housing project. The single-family homes, multifamily homes and retail centers within the site neighborhood are in generally good condition and should contribute to site's marketability. Access and visibility are both considered good, although promotional signage is recommended near U.S. Highway 52 (Ron McNair Boulevard) and Kelley Street to increase awareness during the site's initial lease-up period. The site has convenient access to U.S. Highway 52, as well as U.S. Highway 378. PDRTA-LakeTran offers fixed-route public transportation services throughout the Lake City area and the nearest bus stop is located within walking distance of the site. In addition, the site is located within

walking distance of many community services, as well as the Lake City Senior Center, which is considered beneficial to senior-oriented housing. Note that many area community services are located within walking distance, while most are located within 1.3 miles of the subject site. Overall, we believe the proposed site's location and proximity to community and public safety services will enhance its marketability.

D. Primary Market Area Delineation

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

The Lake City Site PMA includes the entire city of Lake City, Olanta, Coward, Pamplico, portions of Johnsonville and the surrounding unincorporated areas of Florence and Williamsburg counties. Specifically, the boundaries of the Site PMA include of Lynches River, McAllister Mill Road, State Road S-21-488, Coward town limits, State Road S-21-46, State Road S-21-34, State Road S-21-360 and the Pamplico town limits to the north; State Route 51, State Road S-21-86 and State Road S-21-57 to the east; Florence County boundary, Dewey Cox Road, County Road S-45-504, State Route 512, Green Road and New Zion Road to the south; and Florence County boundary and U.S. Highway 378 to the west. All boundaries of the Site PMA are generally within approximately 19.0 miles from the site. The Site PMA includes all of, or portions of the following Census Tracts: 18, 19, 20, 22.01 (site location), 22.02, 23, 24, 9701 and 9702.

Jim Lowery, Property Manager of Palmetto Ridge Estates (Map ID 11), a Tax Credit property in Lake City, stated that a majority of the residents that live in his community are from Lake City and the surrounding smaller towns of Florence and Williamsburg counties, thus confirming the Site PMA. Mr. Lowery went on to say that the majority of his property's residents have family living nearby and their children attend the nearby schools and would not likely relocate out of the defined market area.

Latoshia Wilson, Property Manager at Bailey Gardens and Lake City Apartments (Map IDs 4 and 6, respectively), both government-subsidized projects within Lake City, stated that the majority of her property's residents are from Lake City and the surrounding smaller towns of Florence and Williamsburg counties. Ms. Wilson noted that the convenience of the nearby community services, including the senior center, make it a desirable area for affordable housing, thus confirming the Site PMA. She further explained that due to the lack of available senior housing, the subject project will likely attract senior support from areas such as Johnsonville, Olanta, Coward and Pamplico.

Faye Grice, Public Housing Operations Manager at Lake City Housing Authority, stated that approximately 98.0% of the current residents are from the immediate Lake City area, with the remaining 2.0% being from within Florence County.

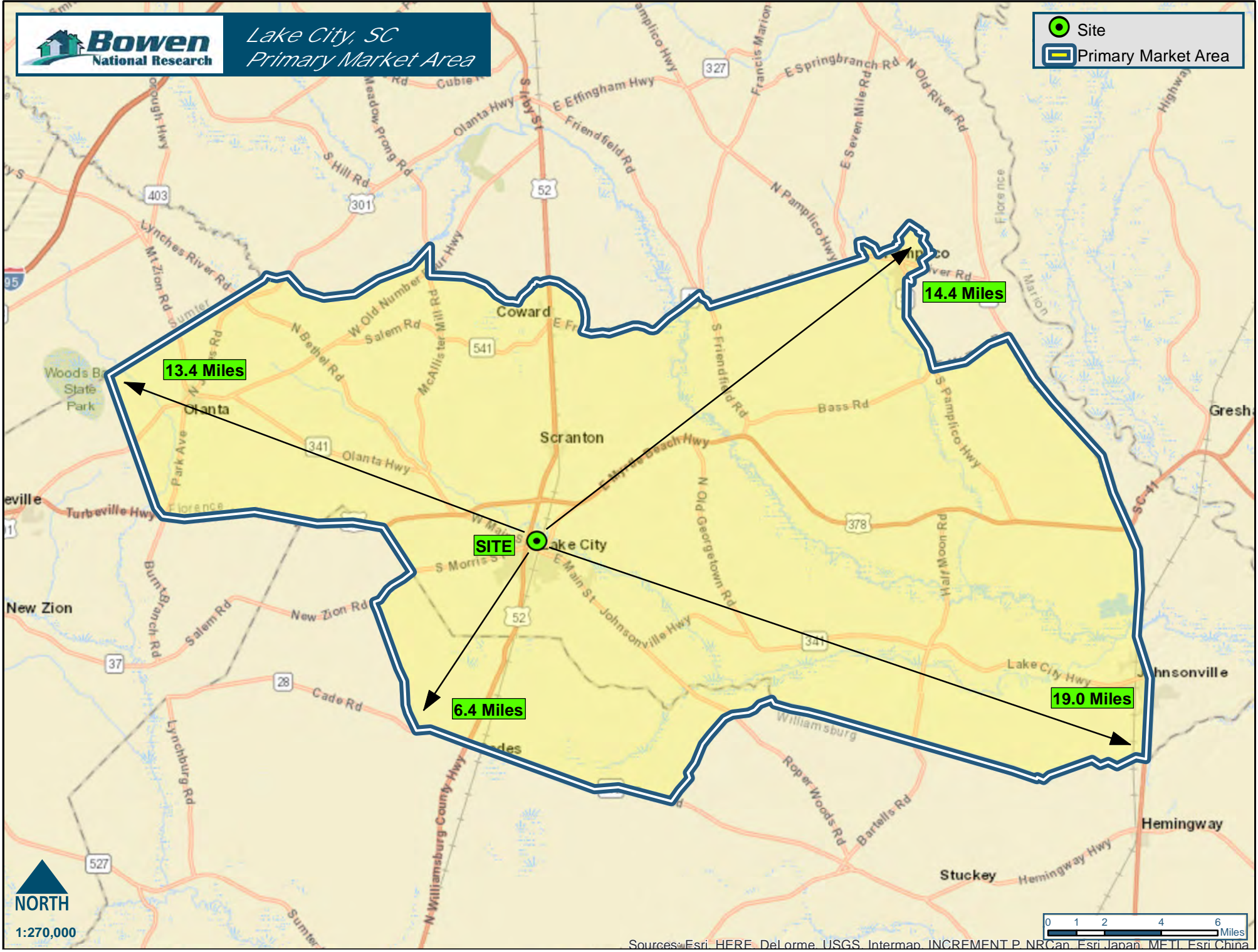
A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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



Lake City, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:270,000



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

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

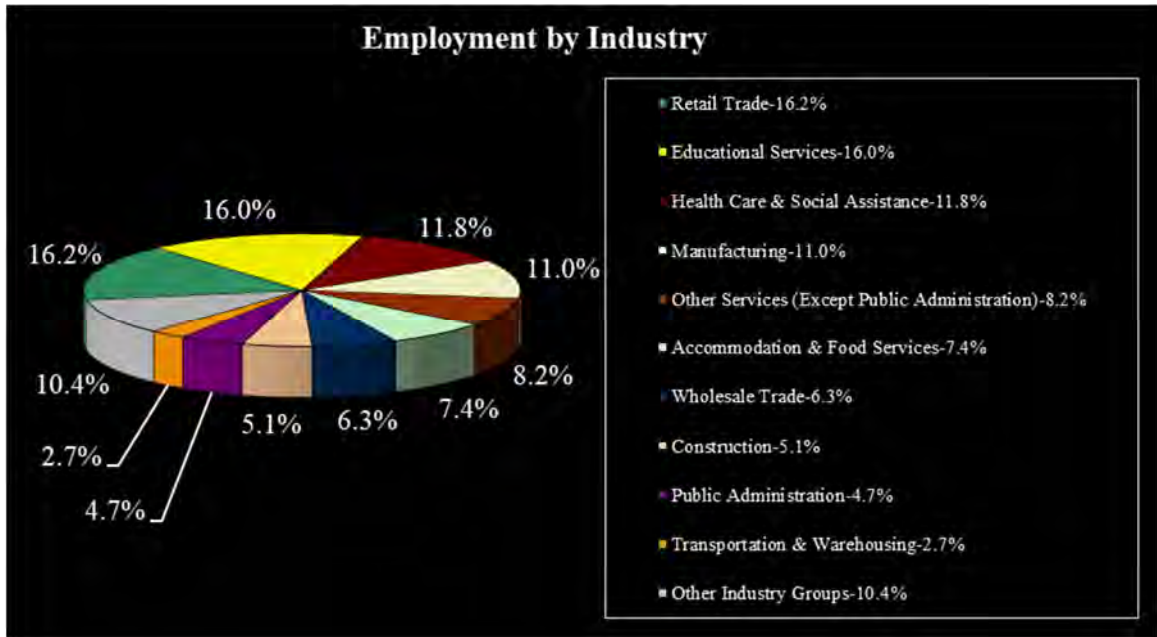
The labor force within the Lake City Site PMA is based primarily in four sectors. Retail Trade (which comprises 16.2%), Educational Services, Health Care & Social Assistance and Manufacturing comprise over 55% of the Site PMA labor force. Employment in the Lake City Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	10	1.0%	62	0.7%	6.2
Mining	1	0.1%	2	0.0%	2.0
Utilities	3	0.3%	10	0.1%	3.3
Construction	53	5.5%	427	5.1%	8.1
Manufacturing	22	2.3%	915	11.0%	41.6
Wholesale Trade	39	4.0%	521	6.3%	13.4
Retail Trade	203	20.9%	1,349	16.2%	6.6
Transportation & Warehousing	29	3.0%	222	2.7%	7.7
Information	16	1.6%	69	0.8%	4.3
Finance & Insurance	50	5.1%	190	2.3%	3.8
Real Estate & Rental & Leasing	42	4.3%	90	1.1%	2.1
Professional, Scientific & Technical Services	40	4.1%	200	2.4%	5.0
Management of Companies & Enterprises	2	0.2%	14	0.2%	7.0
Administrative, Support, Waste Management & Remediation Services	21	2.2%	133	1.6%	6.3
Educational Services	40	4.1%	1,330	16.0%	33.3
Health Care & Social Assistance	62	6.4%	980	11.8%	15.8
Arts, Entertainment & Recreation	15	1.5%	95	1.1%	6.3
Accommodation & Food Services	57	5.9%	617	7.4%	10.8
Other Services (Except Public Administration)	208	21.4%	684	8.2%	3.3
Public Administration	43	4.4%	393	4.7%	9.1
Nonclassifiable	15	1.5%	0	0.0%	0.0
Total	971	100.0%	8,303	100.0%	8.6

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Florence MSA	South Carolina
Management Occupations	\$99,200	\$97,100
Business and Financial Occupations	\$54,800	\$60,870
Computer and Mathematical Occupations	\$63,560	\$71,730
Architecture and Engineering Occupations	\$75,830	\$75,400
Community and Social Service Occupations	\$34,750	\$40,890
Art, Design, Entertainment and Sports Medicine Occupations	\$46,350	\$45,220
Healthcare Practitioners and Technical Occupations	\$71,810	\$73,440
Healthcare Support Occupations	\$25,120	\$27,260
Protective Service Occupations	\$34,640	\$37,080
Food Preparation and Serving Related Occupations	\$19,160	\$20,930
Building and Grounds Cleaning and Maintenance Occupations	\$21,570	\$23,550
Personal Care and Service Occupations	\$21,550	\$23,030
Sales and Related Occupations	\$33,680	\$32,820
Office and Administrative Support Occupations	\$33,540	\$33,530
Construction and Extraction Occupations	\$36,490	\$38,950
Installation, Maintenance and Repair Occupations	\$42,770	\$42,510
Production Occupations	\$39,280	\$37,070
Transportation and Moving Occupations	\$30,550	\$32,000

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

Most annual blue-collar salaries range from \$19,160 to \$46,350 within the Florence MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,040. It is important to note that most occupational types within the Florence MSA have lower typical wages than the State of South Carolina's typical wages. Although the subject development will target senior households (age 55 and older), many of which will likely be retired, the area employment base appears to have a large base of wage-appropriate jobs in the market from which seniors seeking employment could choose.

3. AREA'S LARGEST EMPLOYERS

The ten largest private sector employers within Florence County are summarized in the following table. Specific information regarding the number of persons employed was unavailable at the time this report was issued.

Employer Name	Business Type
McLeod Regional Medical Center	Healthcare
Carolinas Hospital	Healthcare
Assurant	Insurance
TRICARE (Blue Cross Blue Shield) PGBA	Insurance
Honda of South Carolina	Dealership
Nan Ya Plastics Corporation America	Manufacturer
McCall Farms	Food Service Products
OTIS Elevator (United Technologies)	Manufacturer
QVC, Inc. (Liberty Interactive)	Retail
Wellman Plastics Recycling	Manufacturer

Source: Florence County Economic Development Partnership (2016)

According to a representative with the Florence County Economic Development Partnership, the Florence County economy is improving. The following highlights key economic factors impacting the local employment base:

- In September 2016, Carolina Bank announced that they would be investing \$4.5 million to expand their location in Florence to include a new headquarters, offices and branch. This expansion created 20 jobs and was completed in December 2017.
- In August 2016, Honda of South Carolina Manufacturing, Inc. announced that they would be investing \$45 million to construct a 115,000 square-foot facility at their current location near Timmonsville. The expansion will create 250 new jobs and is expected to be completed towards the end of 2019.
- In July 2016, McCall Farms announced they would be investing \$23 million in production expansion. The company built a new facility in northern Florence County in 2016. A second facility has begun construction in 2017. The 2017 expansion will cost around \$35 million and is expected to create 150 new jobs. A third facility will begin construction in 2019. By 2020 the company expects to create hundreds of new jobs.

- Charles Ingram Lumber Company and Willowcreek Lumber announced in July 2016 they will be investing \$8.3 million in expansions over the next five years.
- GE Healthcare recently broke ground on a new expansion to their MRI manufacturing facility in Florence in March 2017. The expansion will cost \$40 million and create 100 new jobs in the area.
- WestRock, a paper and packaging manufacturer, announced in November 2017 that the company will be expanding their operations in Florence. The company will invest \$410 million in an expansion to their existing mill. In addition, the company plans to invest \$60 million over the next five years to support the expansion. While it will not create any new jobs, it will preserve the existing 400 jobs at the facility.
- Ruiz Foods announced in June 2017 that they are investing \$79 million into expanding their operations in Florence County. This expansion is expected to create 700 jobs for the area, nearly tripling their presence in the county.

WARN (layoff notices):

According to the South Carolina Works, there have been two WARN notices (large-scale layoffs/closures) reported for Florence County since December 2016, though the oldest notice reported was in September 2017. Below is a table summarizing these notices:

Company	Location	Jobs	Effective Date
Wellman	Johnsonville	92	3/6/2018
BH Media Group	Florence	63	9/10/2017

4. EMPLOYMENT TRENDS

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

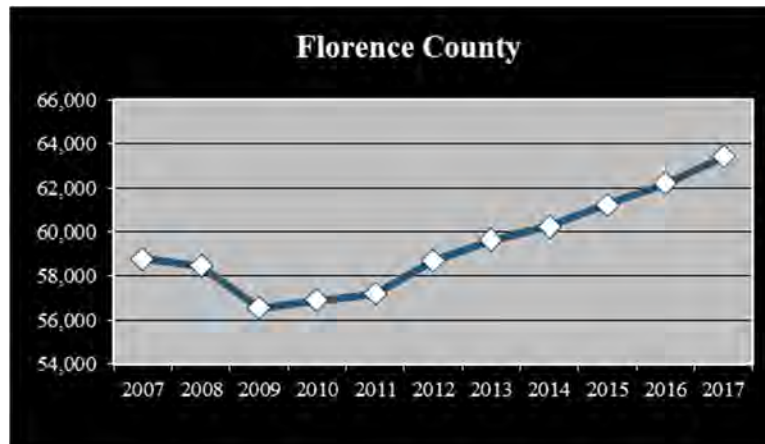
Excluding 2017, the employment base has increased by 6.0% over the past five years in Florence County, less than the South Carolina state increase of 10.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Florence County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	58,784	-	2,005,686	-	146,388,400	-
2008	58,463	-0.5%	1,996,409	-0.5%	146,047,748	-0.2%
2009	56,550	-3.3%	1,910,670	-4.3%	140,696,560	-3.7%
2010	56,905	0.6%	1,915,045	0.2%	140,469,139	-0.2%
2011	57,197	0.5%	1,945,900	1.6%	141,791,255	0.9%
2012	58,697	2.6%	1,985,618	2.0%	143,621,634	1.3%
2013	59,635	1.6%	2,026,666	2.1%	144,996,474	1.0%
2014	60,237	1.0%	2,081,511	2.7%	147,403,607	1.7%
2015	61,249	1.7%	2,134,637	2.6%	149,648,686	1.5%
2016	62,189	1.5%	2,186,740	2.4%	152,001,644	1.6%
2017*	63,426	2.0%	2,225,498	1.8%	154,212,518	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through November



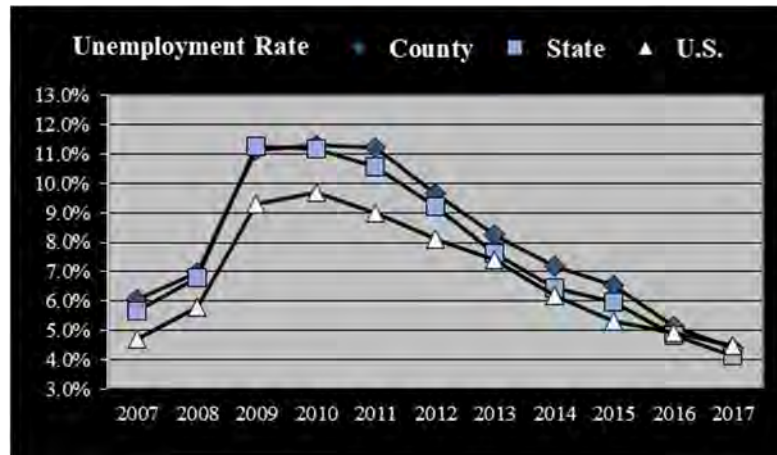
While the Florence County employment base was adversely impacted by the national recession between 2007 and 2009, it has steadily experienced growth since, increasing by 6,876 jobs, or 12.2%. Notably, the employment base within the county is above prerecession levels.

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

Year	Total Unemployment					
	Florence County		South Carolina		United States	
	Total Number	Unemployment Rate	Total Number	Unemployment Rate	Total Number	Unemployment Rate
2007	3,799	6.1%	120,205	5.7%	7,190,052	4.7%
2008	4,400	7.0%	145,823	6.8%	9,059,270	5.8%
2009	7,090	11.1%	242,075	11.3%	14,430,158	9.3%
2010	7,268	11.3%	240,623	11.2%	15,070,017	9.7%
2011	7,233	11.2%	229,623	10.6%	14,035,049	9.0%
2012	6,276	9.7%	201,260	9.2%	12,691,553	8.1%
2013	5,374	8.3%	167,647	7.6%	11,631,863	7.4%
2014	4,667	7.2%	143,151	6.4%	9,783,040	6.2%
2015	4,285	6.5%	135,746	6.0%	8,427,196	5.3%
2016	3,361	5.1%	111,067	4.8%	7,861,185	4.9%
2017*	2,925	4.4%	96,283	4.2%	7,243,649	4.5%

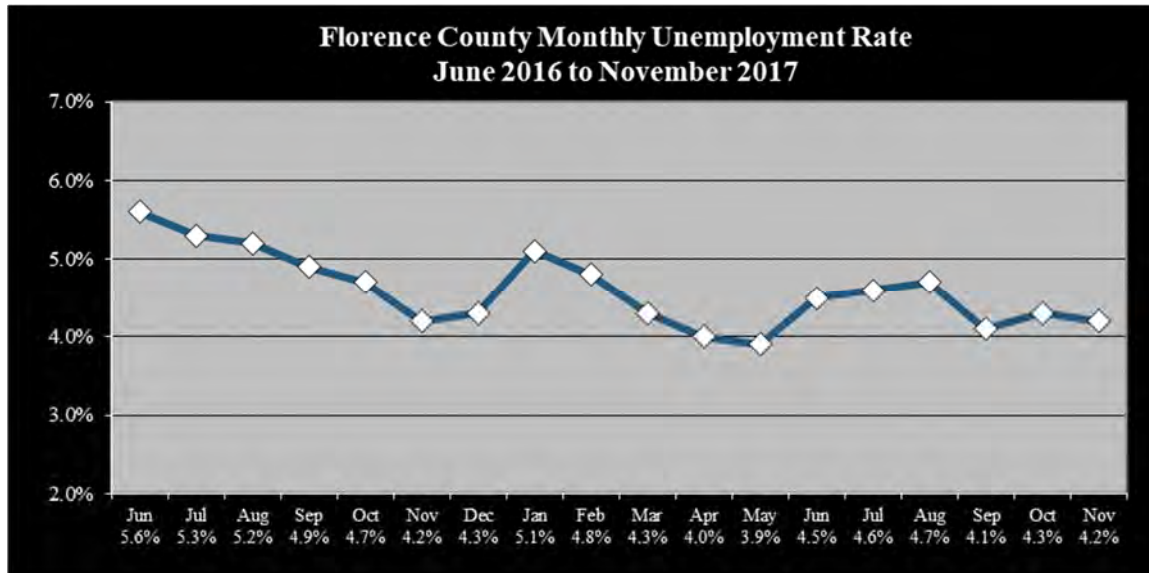
Source: Department of Labor; Bureau of Labor Statistics

*Through November



Similar to the employment base, the unemployment rate within the county was adversely impacted by the national recession, increasing by over five percentage points between 2007 and 2010. On a positive note, the county's unemployment rate has consistently declined during the preceding seven-year period. Notably, the current unemployment rate is the lowest it has been within the past decade.

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



While the county has experienced fluctuations in unemployment over the past 18 months, it has generally trended downward from a high of 5.6% in June 2016 to 4.2% in November 2017.

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

In-Place Employment Florence County			
Year	Employment	Change	Percent Change
2007	62,837	-	-
2008	62,260	-577	-0.9%
2009	59,457	-2,803	-4.5%
2010	59,132	-325	-0.5%
2011	59,034	-98	-0.2%
2012	60,082	1,048	1.8%
2013	59,493	-589	-1.0%
2014	60,445	952	1.6%
2015	61,398	953	1.6%
2016	62,254	856	1.4%
2017*	62,673	419	0.7%

Source: Department of Labor, Bureau of Labor Statistics

*Through June


Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Florence County to be 100.1% of the total Florence County employment. This means that Florence County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there. This will contribute to the marketability of the subject project, as it is likely that many of the site's residents still in the workforce will have minimal commute times to their place of employment.


5. EMPLOYMENT CENTERS MAP

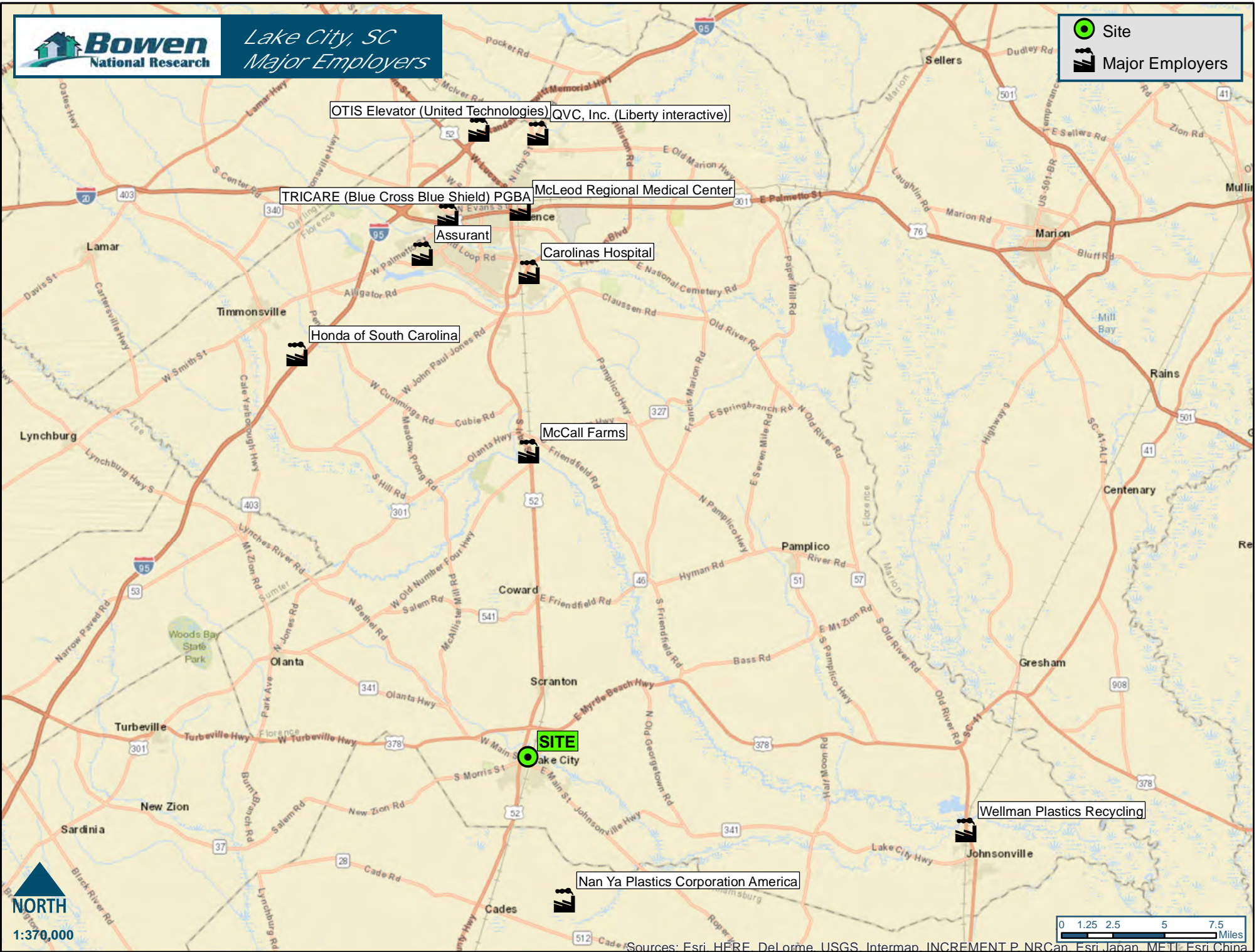
A map illustrating the location of the area's largest employers is included on the following page.



Lake City, SC Major Employers

 Site

 Major Employers



NORTH
1:370,000



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

6. COMMUTING PATTERNS

Based on the American Community Survey (2011-2015), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	8,622	83.1%
Carpooled	1,023	9.9%
Public Transit	10	0.1%
Walked	189	1.8%
Other Means	187	1.8%
Worked at Home	349	3.4%
Total	10,380	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Over 83% of all workers drove alone, 9.9% carpooled and only 0.1% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	2,995	28.9%
15 to 29 Minutes	2,627	25.3%
30 to 44 Minutes	2,405	23.2%
45 to 59 Minutes	1,259	12.1%
60 or More Minutes	744	7.2%
Worked at Home	349	3.4%
Total	10,379	100.0%

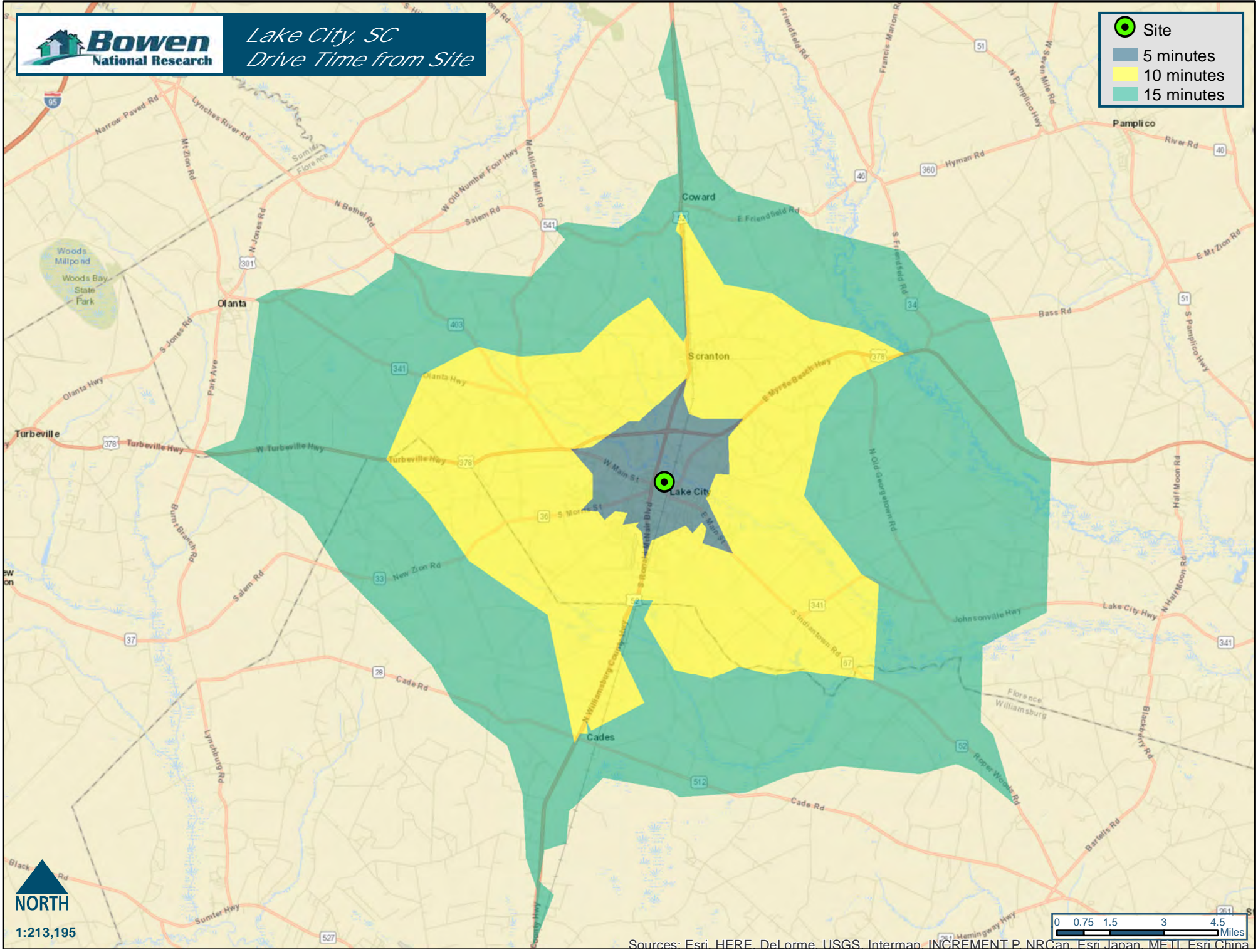
Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

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



Lake City, SC Drive Time from Site

- Site
- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:213,195

7. ECONOMIC FORECAST AND HOUSING IMPACT

According to economic development representatives, the Florence County economy continues to improve. Notably, nearly \$705 million has or will be invested within the county, expected to create over 1,200 jobs by 2020. Additionally, based on employment data from the Department of Labor: Bureau of Labor Statistics, the Florence County economy appears to be well beyond the beginning stages of economic recovery. Although the county's economy was adversely impacted by the national recession, the employment base has been consistently increasing and the unemployment rate has been consistently decreasing since 2010. It is important to note that the employment base is above prerecession levels and the current unemployment rate of 4.4% (through November 2017) is the lowest it has been since prior to 2007. Considering these positive economic trends, we believe the area economy will continue to create a stable environment for affordable housing.

F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2020 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2020 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2020 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Population	29,072	29,144	29,346	29,456
Population Change	-	72	202	110
Percent Change	-	0.2%	0.7%	0.4%

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

As the preceding table illustrates, the market's population base has been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.6% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	171	0.6%
Population not in Group Quarters	28,973	99.4%
Total Population	29,144	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2017 (Estimated)		2020 (Projected)		Change 2017-2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,462	29.0%	7,763	26.5%	7,742	26.3%	-21	-0.3%
20 to 24	1,752	6.0%	1,680	5.7%	1,563	5.3%	-117	-7.0%
25 to 34	3,377	11.6%	3,737	12.7%	3,489	11.8%	-248	-6.6%
35 to 44	3,539	12.1%	3,471	11.8%	3,549	12.0%	78	2.2%
45 to 54	4,110	14.1%	3,741	12.7%	3,646	12.4%	-95	-2.5%
55 to 64	3,760	12.9%	3,938	13.4%	3,985	13.5%	47	1.2%
65 to 74	2,477	8.5%	3,181	10.8%	3,389	11.5%	208	6.5%
75 & Over	1,666	5.7%	1,835	6.3%	2,094	7.1%	259	14.1%
Total	29,143	100.0%	29,346	100.0%	29,456	100.0%	110	0.4%

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

As the preceding table illustrates, nearly 31% of the population is expected to be age 55 and older in 2017. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project will be restricted to seniors ages 55 and older. Of the estimated 29,346 people in the Lake City Site PMA in 2017, 8,954 are age 55 and older. This age cohort is projected to increase by 514, or 5.7%, between 2017 and 2020. This growth indicates that there will be an increasing need for age-restricted housing within the market.

d. Special Needs Population

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

e. Minority Concentrations

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	81.2%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	78.6%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.4%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.8%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	< 0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	1.7%

Source: U.S. Census Bureau, 2010 Census



Based on the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2012-2016 5-year estimates, over 66% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable developments within the market are 100.0% occupied, low-income senior renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The proposed development will be able to provide a high-quality, modern affordable rental housing option that is much needed within the Census Tract it will be located.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Lake City Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Households	10,630	10,968	10,973	10,994
Household Change	-	338	5	21
Percent Change	-	3.2%	0.0%	0.2%
Household Size	2.73	2.66	2.66	2.67

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

Similar to the market's population base, household growth has been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,707	70.3%	7,656	69.8%	7,668	69.7%
Renter-Occupied	3,261	29.7%	3,317	30.2%	3,326	30.3%
Total	10,968	100.0%	10,973	100.0%	10,994	100.0%

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

In 2017, homeowners occupied 69.8% of all occupied housing units, while the remaining 30.2% were occupied by renters.

Households by tenure for those age 55 and older in 2010, 2017 (estimated) and 2020 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,946	78.9%	4,296	79.1%	4,403	77.9%
Renter-Occupied	1,057	21.1%	1,134	20.9%	1,250	22.1%
Total	5,003	100.0%	5,430	100.0%	5,653	100.0%

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

As the preceding table illustrates, senior renter households ages 55 and older are projected to increase by 116, or 10.2%, between 2017 and 2020. This projected growth indicates that there will be an increasing need for age-restricted rental housing within the Lake City Site PMA.

c. Households by Income

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

Household Income	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	3,310	30.2%	2,095	19.1%	2,097	19.1%
\$15,000 to \$24,999	1,451	13.2%	1,573	14.3%	1,530	13.9%
\$25,000 to \$34,999	1,468	13.4%	1,729	15.8%	1,688	15.4%
\$35,000 to \$49,999	1,829	16.7%	1,882	17.1%	1,822	16.6%
\$50,000 to \$74,999	1,832	16.7%	1,789	16.3%	1,811	16.5%
\$75,000 to \$99,999	549	5.0%	1,014	9.2%	1,100	10.0%
\$100,000 to \$149,999	347	3.2%	635	5.8%	685	6.2%
\$150,000 to \$199,999	127	1.2%	131	1.2%	135	1.2%
\$200,000 & Over	56	0.5%	127	1.2%	128	1.2%
Total	10,969	100.0%	10,975	100.0%	10,997	100.0%
Median Income	\$29,928		\$35,721		\$36,506	

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

In 2010, the median household income was \$29,928. This increased by 19.4% to \$35,721 in 2017. By 2020, it is projected that the median household income will be \$36,506, an increase of 2.2% from 2017.

The distribution of households by income age 55 and older within the Lake City Site PMA is summarized as follows:

Household Income 55+	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	1,605	32.1%	1,182	21.8%	1,204	21.3%
\$15,000 to \$24,999	813	16.3%	939	17.3%	926	16.4%
\$25,000 to \$34,999	709	14.2%	924	17.0%	924	16.3%
\$35,000 to \$49,999	807	16.1%	919	16.9%	918	16.2%
\$50,000 to \$74,999	680	13.6%	714	13.1%	794	14.0%
\$75,000 to \$99,999	200	4.0%	418	7.7%	498	8.8%
\$100,000 to \$149,999	124	2.5%	250	4.6%	296	5.2%
\$150,000 to \$199,999	46	0.9%	44	0.8%	49	0.9%
\$200,000 & Over	19	0.4%	40	0.7%	44	0.8%
Total	5,003	100.0%	5,430	100.0%	5,653	100.0%
Median Income	\$26,178		\$31,429		\$32,539	

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

In 2010, the median household income for households age 55 and older was \$26,178. This increased by 20.1% to \$31,429 in 2017. By 2020, it is projected that the median household income will be \$32,539, an increase of 3.5% from 2017.

d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2017 and 2020 for the Lake City Site PMA:

Renter Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	311	117	68	58	45	598
\$15,000 to \$24,999	73	26	15	13	10	138
\$25,000 to \$34,999	84	32	18	16	12	162
\$35,000 to \$49,999	50	20	12	10	8	101
\$50,000 to \$74,999	22	9	5	5	3	44
\$75,000 to \$99,999	3	1	1	1	0	6
\$100,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	2	1	1	0	0	4
\$200,000 & Over	1	0	0	0	0	2
Total	547	207	121	104	79	1,057

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	206	74	73	33	49	435
\$15,000 to \$24,999	110	37	37	17	25	225
\$25,000 to \$34,999	102	38	37	17	25	218
\$35,000 to \$49,999	53	20	20	9	13	115
\$50,000 to \$74,999	43	17	17	8	11	95
\$75,000 to \$99,999	16	6	6	3	4	35
\$100,000 to \$149,999	2	1	1	0	1	4
\$150,000 to \$199,999	1	1	1	0	0	3
\$200,000 & Over	1	1	1	0	0	3
Total	534	194	190	87	128	1,134

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	193	75	75	33	53	429
\$15,000 to \$24,999	104	40	40	17	28	230
\$25,000 to \$34,999	101	41	41	18	29	230
\$35,000 to \$49,999	45	19	19	8	14	106
\$50,000 to \$74,999	66	29	28	12	21	156
\$75,000 to \$99,999	31	13	13	6	10	72
\$100,000 to \$149,999	2	1	1	0	1	5
\$150,000 to \$199,999	5	2	2	1	2	12
\$200,000 & Over	5	2	2	1	1	11
Total	552	223	221	97	158	1,250

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2017 and 2020 for the Lake City Site PMA:

Owner Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	333	301	169	122	81	1,007
\$15,000 to \$24,999	232	198	112	80	53	675
\$25,000 to \$34,999	173	167	94	68	45	547
\$35,000 to \$49,999	208	223	125	90	60	706
\$50,000 to \$74,999	188	200	113	81	54	636
\$75,000 to \$99,999	57	61	35	25	16	194
\$100,000 to \$149,999	32	40	23	16	11	123
\$150,000 to \$199,999	11	14	8	6	4	42
\$200,000 & Over	4	6	3	2	2	17
Total	1,238	1,211	681	491	325	3,946

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	244	247	115	82	60	747
\$15,000 to \$24,999	252	226	105	75	55	714
\$25,000 to \$34,999	219	239	111	79	58	706
\$35,000 to \$49,999	227	283	132	94	69	804
\$50,000 to \$74,999	169	220	103	73	53	619
\$75,000 to \$99,999	111	133	62	44	32	383
\$100,000 to \$149,999	62	90	42	30	22	246
\$150,000 to \$199,999	9	15	7	5	4	41
\$200,000 & Over	8	14	7	5	3	37
Total	1,301	1,468	684	487	356	4,296

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	257	256	116	82	63	775
\$15,000 to \$24,999	250	221	100	71	54	697
\$25,000 to \$34,999	217	237	107	76	58	694
\$35,000 to \$49,999	223	292	132	94	72	813
\$50,000 to \$74,999	172	231	104	74	57	638
\$75,000 to \$99,999	124	150	67	48	37	426
\$100,000 to \$149,999	70	110	49	35	27	291
\$150,000 to \$199,999	8	14	6	5	3	37
\$200,000 & Over	7	13	6	4	3	33
Total	1,328	1,524	687	489	375	4,403

Source: ESRI; Urban Decision Group

Demographic Summary

Overall, population and household growth have been generally stable since 2000. These trends are projected to remain relatively stable through 2020. However, population and households ages 55 and older are projected to experience notable growth between 2017 and 2020, increasing by 514 (5.7%) and 223 (4.1%), respectively. Further senior renter households are projected to increase by 116 (10.2%) during the same time period. This projected growth is expected to increase the demand for age-restricted rental housing over the next few years within the Lake City Site PMA. These trends will bode well for the demand for the subject units.

G. Project-Specific Demand Analysis

1. INCOME RESTRICTIONS

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

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

The subject site is within the Florence, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$57,800 for 2017. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$19,550	\$23,460
Two-Person	\$22,350	\$26,820

The largest proposed units (two-bedroom) at the subject site are expected to house up to two-person senior (ages 55 and older) households. As such, the maximum allowable income at the subject site is **\$26,820**.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$475 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,700. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$14,250**.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$14,250	\$22,350
Tax Credit (Limited To 60% Of AMHI)	\$17,670	\$26,820
Overall Project	\$14,250	\$26,820

3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2017 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2020) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 25.2% to 45.4% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2013 ACS 5-Year Estimates Table B25016, 6.6% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

The subject project is located in a relatively rural area of South Carolina. As a result, we anticipate that 5.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 5.0% homeowner conversion rate in our capture rate estimates.

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

4. METHODOLOGY

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2017 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2017 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable age-restricted housing projects that were funded and/or built during the projection period (2017 to current). We did not identify any projects that were placed in service prior to 2017 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component (Ages 55+)	Percent Of Median Household Income		
	50% AMHI (\$14,250-\$22,350)	60% AMHI (\$17,670-\$26,820)	Overall (\$14,250-\$26,820)
Demand From New Renter Households (Age- And Income-Appropriate)	190 - 187 = 3	210 - 204 = 6	293 - 286 = 7
+			
Demand From Existing Households (Rent Overburdened)	187 X 45.4% = 85	204 X 25.2% = 51	286 X 34.8% = 100
+			
Demand From Existing Households (Renters In Substandard Housing)	187 X 6.6% = 12	204 X 6.6% = 14	286 X 6.6% = 19
+			
Demand From Existing Households (Senior Homeowner Conversion)	562 X 5.0% = 25*	652 X 5.0% = 17*	880 X 5.0% = 31*
=			
Total Demand	125	88	157
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2017)	0	0	0
=			
Net Demand	125	88	157
Proposed Units	9	36	45
Proposed Units/ Net Demand	9 / 125	36 / 88	45 / 157
Capture Rate	= 7.2%	= 40.9%	= 28.7%

*Demand from existing homeowners converting to renters is limited to 20% of overall demand, pursuant to state guidelines.

The capture rates for units targeting households at 50% and 60% of AMHI, range from 7.2% to 40.9%. These are considered low to moderate, yet achievable, especially considering that there are no non-subsidized, age-restricted LIHTC projects within the Site PMA. This will enable the subject development to capture a larger share of demographic support. The overall capture rate for the subject development is also considered achievable at 28.7%, demonstrating that there is a sufficient base of income-qualified senior households that will be able to support the subject project.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	50.0%
Two-Bedroom	50.0%
Total	100.0%

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

Units Targeting 50% Of AMHI (125 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (50.0%)	62	0	62	6	9.7%
Two-Bedroom (50.0%)	63	0	63	8	12.7%

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

Units Targeting 60% Of AMHI (88 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (50.0%)	44	0	44	3	6.8%
Two-Bedroom (50.0%)	44	0	44	28	63.6%

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

The capture rates by bedroom type for the proposed 50% and 60% of AMHI units range from 6.8% to 63.6%. While the capture rate of 63.6% for the subject's two-bedroom units set aside at 60% of AMHI is considered relatively high, it is achievable. As noted, the subject development will be the only non-subsidized, age-restricted LIHTC development within the market, which will enable it to capture a larger share of demographic support.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2020 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2020. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 45 LIHTC units at the subject site will experience an average initial absorption rate of approximately seven units per month and reach a stabilized occupancy of 93.0% within approximately six months.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

Note that there are no non-subsidized age-restricted Low-Income Housing Tax Credit (LIHTC) communities within the Site PMA. As such, we identified two non-subsidized, general-occupancy LIHTC properties that are considered comparable to the proposed development, as they offer ground-level two-bedroom units that likely appeal to senior households. Due to the lack of age-restricted LIHTC housing within the market, we identified and surveyed two LIHTC communities that target senior households located outside of the Site PMA, but within the region in Aynor and Florence. Note that these two age-restricted LIHTC projects outside of the market are not considered competitive with the proposed development, as they derive support from a different geographical region. The four comparable LIHTC properties and the proposed subject development are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Marion Commons	2020	45	-	-	-	Seniors 55+; 50% & 60% AMHI
11	Palmetto Ridge Estates	2010	56	100.0%	1.3 Miles	12 H.H.	Families; 50% & 60% AMHI
12	Highland Pointe Apts.	2015	48	100.0%	1.1 Miles	5 Years	Families; 50% & 60% AMHI
901	Morris Manor	2004	22	100.0%	46.0 Miles	None	Seniors 55+; 50% AMHI
903	Indigo Pointe	2016	48	100.0%	22.3 Miles	50 H.H.	Seniors 55+; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside of Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, three of which maintain a waiting list, indicating pent-up demand exists for additional affordable housing in both the market and region. As noted, there are no non-subsidized, age-restricted LIHTC projects within the market. Therefore, the subject project will provide a rental housing alternative to low-income senior households which are currently underserved in the Lake City Site PMA.

The newest LIHTC property within the market, Highland Pointe Apartments (Map ID 12), opened in April 2015. This property began preleasing units in January 2015 and was 100.0% occupied upon opening, yielding an absorption rate of approximately 16 units per month. This is a very rapid rate for rental housing located within rural markets, demonstrating that new affordable product has been very well received within the Lake City Site PMA. This will bode very well for the demand of the subject units.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Marion Commons	\$475/50% (6) \$589/60% (8)	\$608/50% (3) \$701/60% (28)	-	-	-
11	Palmetto Ridge Estates	-	\$581/50% (7/0) \$651/60% (31/0)	\$653/50% (7/0) \$723/60% (11/0)	-	None
12	Highland Pointe Apts.	-	\$579/50% (16/0) \$604/60% (5/0)	\$693/50% (12/0) \$720/60% (6/0)	\$783/50% (5/0) \$808/60% (4/0)	None
901	Morris Manor	\$557/50% (22/0)	-	-	-	None
903	Indigo Pointe	\$481/50% (8/0) \$545/60% (12/0)	\$569/50% (8/0) \$640/60% (20/0)	-	-	None

900 series Map IDs are located outside of Site PMA

The proposed subject gross rents, ranging from \$475 to \$701, will be some of the highest LIHTC rents targeting similar income levels within both the market and region. Given that all comparable LIHTC projects are 100.0% occupied, they can likely charge higher rents without having an adverse impact on their occupancy levels. In addition, the subject project will be the only age-restricted LIHTC project within the *market*, which will also enable it to charge higher rents. The subject project will provide an affordable rental housing alternative to low-income seniors that are currently underserved within the Lake City Site PMA. Overall, the proposed subject rents are considered appropriately positioned.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
11	Palmetto Ridge Estates	56	5	8.9%
12	Highland Pointe Apts.	48	5	10.4%
901	Morris Manor	22	2	9.1%
903	Indigo Pointe	48	5	10.4%
Total		174	17	9.8%

900 series Map IDs are located outside of Site PMA

As the preceding table illustrates, there are a total of approximately 17 Voucher holders residing at the comparable properties within the market and region. This comprises only 9.8% of the 174 total comparable non-subsidized LIHTC units. As such, it can be concluded that these projects are relying on some Voucher support, but that a majority of the units are occupied by households paying the quoted rents.

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

11 Palmetto Ridge Estates

1.3 miles to site



Address	889 N. Matthews Rd. Lake City, SC 29560		
Phone	(843) 374-8998	Contact	Jimmy
Total Units	56	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2010	Floors	2, 3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	12 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (5 units); HOME Funds (11 units at 50% AMHI); Square footage estimated by manager		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	31	0	1042	\$0.52	\$545	60%
2	1	G	7	0	1042	\$0.46	\$475	50%
3	1	G	11	0	1142	\$0.52	\$590	60%
3	1	G	7	0	1142	\$0.46	\$520	50%

12 Highland Pointe Apts.

1.1 miles to site



Address	675 N. Matthews Rd. Lake City, SC 29560		
Phone	(843) 374-0284	Contact	Kim
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2015	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 years		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (5 units); Opened & 100% occupied 4/2015, began preleasing 1/2015; Unit mix estimated		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	5	0	1100	\$0.38	\$420	60%
2	2	G	16	0	1100	\$0.36	\$395	50%
3	2	G	6	0	1250	\$0.40	\$500	60%
3	2	G	12	0	1250	\$0.38	\$473	50%
4	2.5	G	5	0	1400	\$0.38	\$525	50%
4	2.5	G	4	0	1400	\$0.39	\$550	60%

901 Morris Manor

46.0 miles to site



Address	600 12th Ave. Aynor, SC 29511		
Phone	(843) 358-4664	Contact	Nicole
Total Units	22	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2004	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% AMHI; HCV (2 units); Adaptive reuse of former school		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, E-Call Button
Project Amenities	On-site Management, Meeting Room, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	22	0	700	\$0.58	\$404	50%

903 Indigo Pointe

22.3 miles to site



Address	825 S. Irby St. Florence, SC 29501		
Phone	(843) 799-0464	Contact	
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2016	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	50 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (5 units); Select units have sunrooms; Opened 8/2016, 100% occupied 9/2016, began preleasing 3/2016; Unit mix estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Ceiling Fan, Intercom, Blinds, E-Call Button
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Elevator, Computer Lab, Business Center, Salon; Craft Room

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	775	\$0.59	\$460	60%
1	1	G	8	0	775	\$0.51	\$396	50%
2	2	G	20	0	975	\$0.55	\$534	60%
2	2	G	8	0	975	\$0.47	\$463	50%

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Marion Commons	775	1,001	-	-
11	Palmetto Ridge Estates	-	1,042	1,142	-
12	Highland Pointe Apts.	-	1,100	1,250	1,400
901	Morris Manor	700	-	-	-
903	Indigo Pointe	775	975	-	-

900 series Map IDs are located outside of Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Marion Commons	1.0	1.75	-	-
11	Palmetto Ridge Estates	-	1.0	1.0	-
12	Highland Pointe Apts.	-	2.0	2.0	2.5
901	Morris Manor	1.0	-	-	-
903	Indigo Pointe	1.0	2.0	-	-

900 series Map IDs are located outside of Site PMA

The proposed unit sizes (square feet) to be offered at the site will be comparable to those offered at the selected LIHTC properties and, therefore, are considered appropriate. The additional bathroom within the subject’s two-bedroom units will be appealing to the targeted senior demographic.

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

COMPARABLE PROPERTIES AMENITIES - LAKE CITY, SOUTH CAROLINA

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

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

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

The amenities package to be included at the proposed development is considered slightly inferior to those offered at the comparable LIHTC projects within the market and region. The subject project will be the only LIHTC project to lack a garbage disposal and microwave within the units, as well as being one of the two LIHTC development to lack a picnic area. However, the lack of the aforementioned amenities is not anticipated to have an adverse impact on the subject's marketability, especially considering the fact that there are no non-subsidized, age-restricted LIHTC projects within the Lake City Site PMA. This will position the development at a market advantage, as it will provide an affordable rental housing alternative to senior households that are currently underserved within the market. This will bode well for the demand of the subject units.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will be very marketable. While the subject development will offer some of the highest LIHTC rents targeting similar income levels within the market and region and a slightly inferior amenities package, it will be the only non-subsidized, age-restricted LIHTC project within the Lake City Site PMA. This, combined with the fact that all other affordable rental housing alternatives within the market are 100.0% occupied and maintain waiting lists, will enable the subject development to charge rent premiums. This has been considered in our absorption estimates.

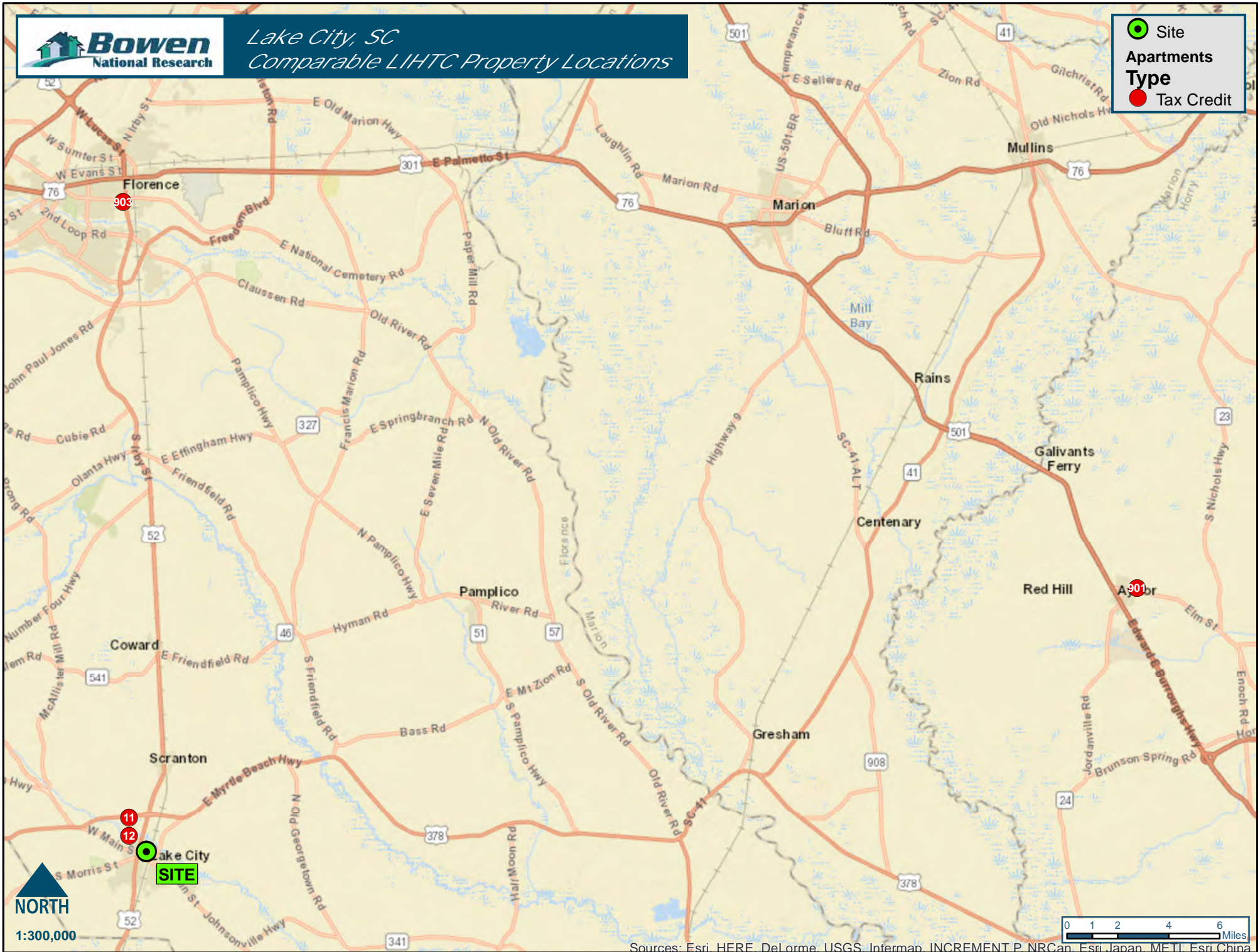
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Lake City, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



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

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Lake City Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2015 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	10,968	87.8%	10,973	86.8%
Owner-Occupied	7,707	70.3%	7,656	69.8%
Renter-Occupied	3,261	29.7%	3,317	30.2%
Vacant	1,517	12.2%	1,663	13.2%
Total	12,485	100.0%	12,636	100.0%

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

Based on a 2017 update of the 2010 Census, of the 12,636 total housing units in the market, 13.2% were vacant. In 2017, it was estimated that homeowners occupied 69.8% of all occupied housing units, while the remaining 30.2% were occupied by renters. The share of renters is considered typical for a rural market, such as the Lake City Site PMA, and the 3,317 renter households estimated in 2017 represent a sufficient base of potential support in the market for the subject development.

We identified and personally surveyed 15 conventional housing projects containing a total of 668 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, all of which maintain waiting lists, a very strong rate for rental housing. The following table summarizes the surveyed rental developments within the market broken out by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	24	0	100.0%
Tax Credit	2	104	0	100.0%
Tax Credit/Government-Subsidized	4	119	0	100.0%
Government-Subsidized	8	421	0	100.0%
Total	15	668	0	100.0%

As noted, all surveyed rental projects within the market are 100.0% occupied and maintain a waiting list, illustrating that significant pent-up demand exists for all types of rental housing within the Lake City Site PMA. The subject development will be able to accommodate a portion of this unmet demand.

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

4. RENTAL HOUSING INVENTORY MAP

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

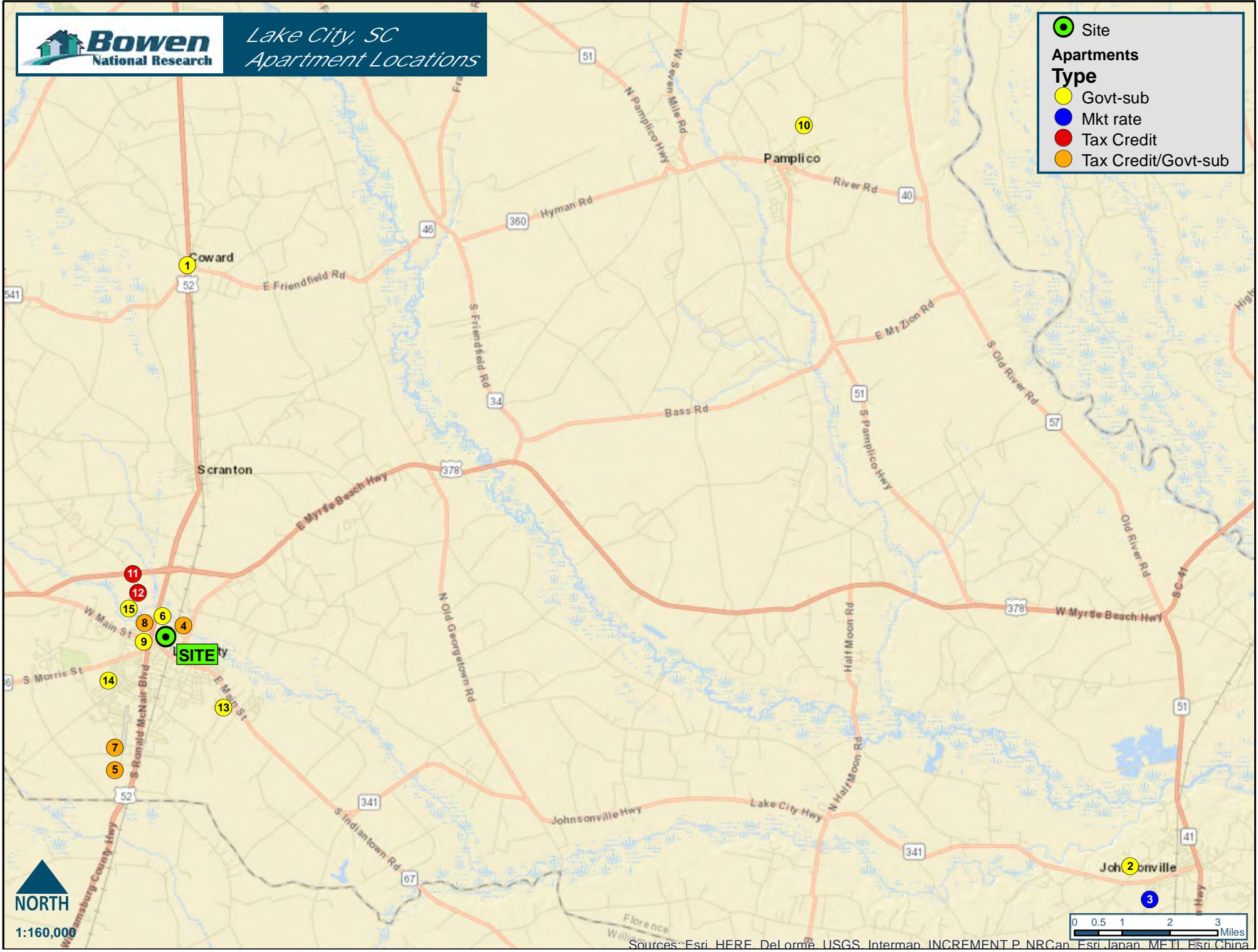


Lake City, SC Apartment Locations

Site

Apartments Type

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



NORTH
1:160,000



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

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, there is one rental property within the development pipeline just outside of the Site PMA, which is summarized as follows:

- Yorkshire at the Providence is a planned general-occupancy LIHTC development located at the southeast corner of Georgetown Highway and Chapman Drive in Johnsonville. To be developed by Trustmark Development, this project was allocated Tax Credit funding in 2017 and will offer 37 two- and three-bedroom units targeting family (general-occupancy) households earning up to 50% and 60% of AMHI. The project is anticipated to break ground soon, with an anticipated completion date towards late 2018/early 2019.

Considering that this project is located just outside of the Site PMA and will target a different demographic than the subject project, this development is not considered directly competitive. Therefore, no units within the pipeline were utilized in our demand estimates illustrated earlier in this report.

7. MARKET RENT ADVANTAGE

We identified one market-rate property within the Lake City Site PMA that we consider most comparable to the subject development. Given the lack of market-rate product within the Site PMA, we identified four additional market-rate properties outside of the Site PMA, but within the region in Florence that we consider comparable to the subject development based on bedroom types offered. Note, adjustments for the differences between the Florence and Lake City markets have been made. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Marion Commons	2020	45	-	14 (-)	31 (-)	-
3	Spring Hill Apts.	2001	24	100.0%	8 (100.0%)	16 (100.0%)	-
904	Bentree Apt. Homes	1982	132	99.2%	36 (100.0%)	72 (98.6%)	24 (100.0%)
905	Sedgefield	1980	272	100.0%	67 (100.0%)	160 (100.0%)	45 (100.0%)
908	Charles Pointe Apts.	2001	168	98.8%	42 (100.0%)	114 (98.2%)	12 (100.0%)
909	Reserve at Mill Creek	2008	268	95.5%	122 (100.0%)	122 (90.2%)	24 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside of Site PMA

The five selected market-rate projects have a combined total of 864 units with an overall occupancy rate of 98.3%, a strong rate for rental housing. This demonstrates that these comparable properties have been well received within the market and region and will serve as accurate benchmarks with which to compare to the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Marion Commons		Spring Hill Apts.		Bentree Apt. Homes		Sedgefield		Charles Pointe Apts.		Reserve at Mill Creek	
108 Lance Avenue		263 S. Pine St.		200 Bentree Ln.		1300 Valparaiso Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Lake City, SC		Johnsonville, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$538		\$650		\$625		\$780		\$895	
2	Date Surveyed	Feb-18		Jan-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$538	0.83	\$650	1.00	\$625	0.96	\$780	1.11	\$895	1.14
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/3	WU/1,2 \$27	WU/2 \$33	WU/2 \$31	WU/3 \$39	WU/3 \$19	WU/3 \$15	WU/3 \$15	WU/3 \$15	WU/3 \$15
7	Yr. Built/Yr. Renovated	2020	2001 \$19	1982 \$38	1980 \$40	2001 \$19	2001 \$19	2008 \$12	2008 \$12	2008 \$12	2008 \$12
8	Condition/Street Appeal	E	G \$15	G \$15	F \$30	G \$15	E (\$10)	E (\$10)	E (\$10)	E (\$10)	E (\$10)
9	Neighborhood	G	G	G	G	E	E (\$10)	E (\$10)	E (\$10)	E (\$10)	E (\$10)
10	Same Market?	Yes	No (\$98)	No (\$98)	No (\$94)	No (\$94)	No (\$117)	No (\$117)	No (\$117)	No (\$134)	No (\$134)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1	1	1	1	1	1	1	1	1	1
12	# Baths	1	1	1	1	1	1	1	1	1	1
13	Unit Interior Sq. Ft.	775	650 \$32	650 \$32	650 \$32	700 \$19	700 \$19	783 (\$2)	783 (\$2)	783 (\$2)	783 (\$2)
14	Balcony/Patio	N	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)
15	AC: Central/Wall	C	C	C	C	C	C	C	C	C	C
16	Range/Refrigerator	R/F	R/F	R/F	R/F	R/F	R/F	R/F	R/F	R/F	R/F
17	Microwave/Dishwasher	N/Y	N/N \$10	N/Y	N/Y	Y/Y (\$5)	Y/Y (\$5)	Y/Y (\$5)	Y/Y (\$5)	Y/Y (\$5)	Y/Y (\$5)
18	Washer/Dryer	HU/L	HU/L	L \$10	L \$10	HU \$5	HU \$5	HU/L	HU/L	HU/L	HU/L
19	Floor Coverings	V/C	C	C	C	C	C	C	C	C	C
20	Window Coverings	B	B	B	B	B	B	B	B	B	B
21	Secured Entry	N	N	N	N	N	N	N	N	N	N
22	Garbage Disposal	N	N	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)	Y (\$5)
23	Ceiling Fans/E-Call System	N/N	N/N	Y/N (\$5)	N/N	Y/N (\$5)	Y/N (\$5)	Y/N (\$5)	Y/N (\$5)	Y/N (\$5)	Y/N (\$5)
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0
25	On-Site Management	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
26	Security Features	N	N	N	N	N	N	N	N	Y (\$5)	Y (\$5)
27	Community Space	Y	N \$5	Y	N \$5	N \$5	N \$5	N \$5	N \$5	Y	Y
28	Pool/Recreation Areas	F	N \$5	P (\$5)	P (\$5)	P/F (\$10)	P/F (\$10)	P/F (\$10)	P/F (\$10)	P/F (\$10)	P/F (\$10)
29	Computer/Business Center	Y	N \$3	N \$3	N \$3	N \$3	N \$3	N \$3	N \$3	Y	Y
30	Picnic Area/Storage	N/N	N/N	N/N	Y/N (\$3)	Y/Y (\$8)	Y/Y (\$8)	Y/Y (\$8)	Y/Y (\$8)	Y/Y (\$8)	Y/Y (\$8)
31	Library	N	N	N	N	N	N	N	N	N	N
32	Social Services	N	N	N	N	N	N	N	N	N	N
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E	N/E	N/G	N/E	N/E	N/E	N/E	N/E	N/E	N/E
34	Cooling (in rent?/ type)	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E
35	Cooking (in rent?/ type)	N/E	N/E	N/G	N/E	N/E	N/E	N/E	N/E	N/E	N/E
36	Hot Water (in rent?/ type)	N/E	N/E	N/G	N/E	N/E	N/E	N/E	N/E	N/E	N/E
37	Other Electric	N	N	N	N	N	N	N	N	N	N
38	Cold Water/Sewer	Y/Y	Y/Y	N/N \$68	N/N \$68	N/N \$68	N/N \$68	N/N \$68	N/N \$68	N/N \$68	N/N \$68
39	Trash/Recycling	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	N/N \$15	N/N \$15
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	1	6	5	7	5	7	8	2	10
41	Sum Adjustments B to D	\$116	(\$5)	\$131	(\$118)	\$151	(\$112)	\$105	(\$165)	\$57	(\$189)
42	Sum Utility Adjustments			\$68		\$68		\$68		\$83	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$111	\$121	\$81	\$317	\$107	\$331	\$8	\$338	(\$49)	\$329
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$649		\$731		\$732		\$788		\$846	
45	Adj Rent/Last rent		121%		112%		117%		101%		95%
46	Estimated Market Rent	\$775	\$1.00 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Marion Commons		Spring Hill Apts.		Bentree Apt. Homes		Sedgefield		Charles Pointe Apts.		Reserve at Mill Creek	
108 Lance Avenue		263 S. Pine St.		200 Bentree Ln.		1300 Valparaiso Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Lake City, SC		Johnsonville, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$556		\$765		\$745		\$885		\$1,125	
2	Date Surveyed	Feb-18		Jan-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		Yes	(\$130)
4	Occupancy for Unit Type	100%		99%		100%		98%		90%	
5	Effective Rent & Rent/ sq. ft	\$556	0.65	\$765	0.90	\$745	0.66	\$885	0.89	\$995	0.88
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/3		WU/1,2	\$28	WU/2	\$38	WU/2	\$37	WU/3	\$44
7	Yr. Built/Yr. Renovated	2020		2001	\$19	1982	\$38	1980	\$40	2001	\$19
8	Condition/Street Appeal	E		G	\$15	G	\$15	F	\$30	G	\$15
9	Neighborhood	G		G		G		G		E	(\$10)
10	Same Market?			Yes		No	(\$115)	No	(\$112)	No	(\$133)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.75		1	\$23	1.5	\$8	2	(\$8)	2	(\$8)
13	Unit Interior Sq. Ft.	1001		850	\$31	850	\$31	1125	(\$26)	1000	\$0
14	Balcony/Patio	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/N	\$10	N/Y		N/Y		Y/Y	(\$5)
18	Washer/Dryer	HU/L		HU/L		L	\$10	HU/L		HU	\$5
19	Floor Coverings	V/C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/E-Call System	N/N		N/N		Y/N	(\$5)	N/N		Y/N	(\$5)
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	Y		N	\$5	Y		N	\$5	Y	
28	Pool/Recreation Areas	F		N	\$5	P	(\$5)	P	(\$5)	P/F	(\$10)
29	Computer/Business Center	Y		N	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area/Storage	N/N		N/N		N/N		Y/N	(\$3)	Y/Y	(\$8)
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		Y/Y		N/N	\$78	N/N	\$78	N/N	\$78
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$15
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	1	7	5	5	7	7	9	2	11
41	Sum Adjustments B to D	\$139	(\$5)	\$143	(\$135)	\$115	(\$163)	\$91	(\$189)	\$62	(\$236)
42	Sum Utility Adjustments			\$78		\$78		\$78		\$93	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$134	\$144	\$86	\$356	\$30	\$356	(\$19)	\$358	(\$81)	\$391
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$690		\$851		\$775		\$866		\$914	
45	Adj Rent/Last rent		124%		111%		104%		98%		92%
46	Estimated Market Rent	\$850	\$0.85 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rents for units similar to the subject development are \$775 for a one-bedroom unit and \$850 for a two-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rents for selected units:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	50%	\$386	\$775	50.19%
One-Br.	60%	\$500	\$775	35.48%
Two-Br.	50%	\$492	\$850	42.12%
Two-Br.	60%	\$585	\$850	31.18%
Weighted Average				35.02%

Typically, Tax Credit rents should represent market rent advantages around 10.0% in order to be considered a value in most markets. Therefore, the proposed subject rents will likely be perceived as substantial values within the Lake City Site PMA, as they represent market rent advantages ranging from 31.18% to 50.19%, depending upon bedroom type and targeted income level.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

3. One of the selected market-rate properties, Reserve at Mill Creek (Comp #5), is offering a rent special on its two-bedroom units of discounted rents. This rent concession has been applied to this project’s typical two-bedroom rent, yielding its effective rent (line 5).

7. Upon completion of construction, the subject project will be the newest property in the market. The comparable properties were built between 1980 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties.



6. The subject development will be age-restricted and will consist of apartments within a three-story, elevator-served residential building. We did not identify any age-restricted market-rate developments within the market or region. Additionally, all selected market-rate properties consist of walk-up, residential buildings. Considering the lack of this product type and based on our experience analyzing age-restricted rental projects across the nation, premiums can be expected at an age-restricted rental development when compared to general-occupancy projects. As such, we have adjusted each collected rent at these comparable projects by approximately 5.0% to account for the differences in product type.
8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have an inferior quality compared to the subject development.
9. Two of the comparable properties are considered to be in more desirable neighborhoods than the subject site's neighborhood. As a result, we made negative adjustments to reflect these differences.
10. As previously stated, four of the selected properties are located outside of the Lake City Site PMA in Florence. The Florence market is much larger than Lake City in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Lake City market. Therefore, we have adjusted each collected rent at these comparable projects by approximately 15.0% to account for these market differences.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.

24.-32. The subject project offers a comprehensive project amenities package; however, it is generally inferior to those offered at the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.

33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

8. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2020
11	Palmetto Ridge Estates	100.0%	95.0%+
12	Highland Pointe Apts.	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing comparable Tax Credit projects within the Site PMA, both of which are 100.0% occupied with a waiting list. Given the high occupancy rates, we expect all Tax Credit projects to operate at or above 95.0%. In fact, there are no non-subsidized age-restricted LIHTC projects within the market. As such, if the subject project is developed utilizing financing from the Tax Credit program, it will have no tangible impact on the occupancy levels of the existing Tax Credit projects within the Lake City Site PMA.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$77,365. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$77,365 home is \$465, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$77,365
Mortgaged Value = 95% of Median Home Price	\$73,497
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$372
Estimated Taxes and Insurance*	\$93
Estimated Monthly Mortgage Payment	\$465

*Estimated at 25% of principal and interest



In comparison, the collected Tax Credit rents at the subject property range from \$386 to \$585 per month, depending on unit size and targeted income level. Therefore, the cost of a monthly mortgage for a typical home in the area is no more than \$79 greater than renting at the subject site, where in some cases, it is \$120 less than renting at the subject project. While some tenants may choose to purchase a home, the number of tenants who would be able to afford the down payment is considered minimal. In addition, with a median home price of \$77,365, the majority of the housing stock consists of older single-family homes that would likely require greater maintenance and corresponding costs. Further, homes at the aforementioned price point are not likely to include a comprehensive amenities package such as that offered at the proposed development. Lastly, as the proposed subject project will target senior households, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance-free housing alternative. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As indicated throughout this section of the report, all comparable LIHTC projects within the market are 100.0% occupied, all of which maintain wait lists. This illustrates that significant pent-up demand exists for additional affordable rental housing within the Site PMA. In fact, there are no non-subsidized age-restricted LIHTC communities within the market. Therefore, the subject project will provide a rental housing alternative to low-income senior households which are currently underserved in the Lake City Site PMA.

I. Interviews

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

- Jim Lowery, Property Manager of Palmetto Ridge Estates (Map ID 11), a general-occupancy Tax Credit community located in Lake City, stated that there is a need for affordable housing in Lake City. Mr. Lowery further noted that his community is 100.0% occupied and currently has a waitlist of 12 households. Mr. Lowery commented that the majority of communities in the area are all fully occupied and have a waitlist. (843) 374-8998
- Latoshia Wilson, Property Manager of Pine Acres (Map ID 1), an age-restricted government-subsidized community in Coward; Bailey Gardens Apartments (Map ID 4), an age-restricted government-subsidized and Tax Credit community in Lake City; and Lake City Apartments (Map ID 6), a government-subsidized community in Lake City, stated that there is a need for additional affordable housing in the Lake City area. Ms. Wilson noted that she receives inquiries for three-bedroom unit sizes most often, but also that her senior-restricted communities are always 100.0% occupied with lengthy waitlists and believes that additional affordable housing for senior citizens would be beneficial in the Lake City area. (843) 394-2688

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 45 senior units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

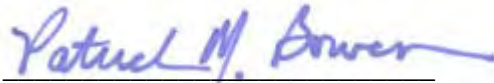
The two Tax Credit properties located within the Lake City Site PMA have a combined occupancy rate of 100.0%, both of which maintain wait lists. These high occupancy rates among Tax Credit product, along with the waiting lists, are indications that pent-up demand exists for additional rental housing targeting low- and moderate-income households within the market. In fact, there are no age-restricted LIHTC developments within the Lake City Site PMA. The subject project will provide an affordable rental housing alternative to senior households that are currently underserved within the area.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 28.7% (SC Housing threshold is 30%) of age- and income-qualified households in the market, there is sufficient support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the Tax Credit developments in the Site PMA.

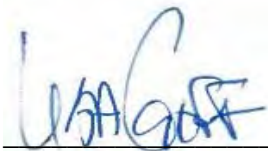
K. Signed Statement Requirement

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

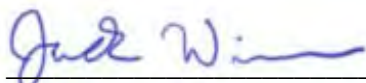
Certified:



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: February 28, 2018



Lisa Goff
Market Analyst
lisag@bowennational.com
Date: February 28, 2018



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: February 28, 2018

L. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

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

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

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

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

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

Chris Leahy, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Leahy has a Bachelor of Science degree in Financial Management and Business Administration from Franklin University.

Research Staff

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

LAKE CITY, SOUTH CAROLINA

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

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

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

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

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

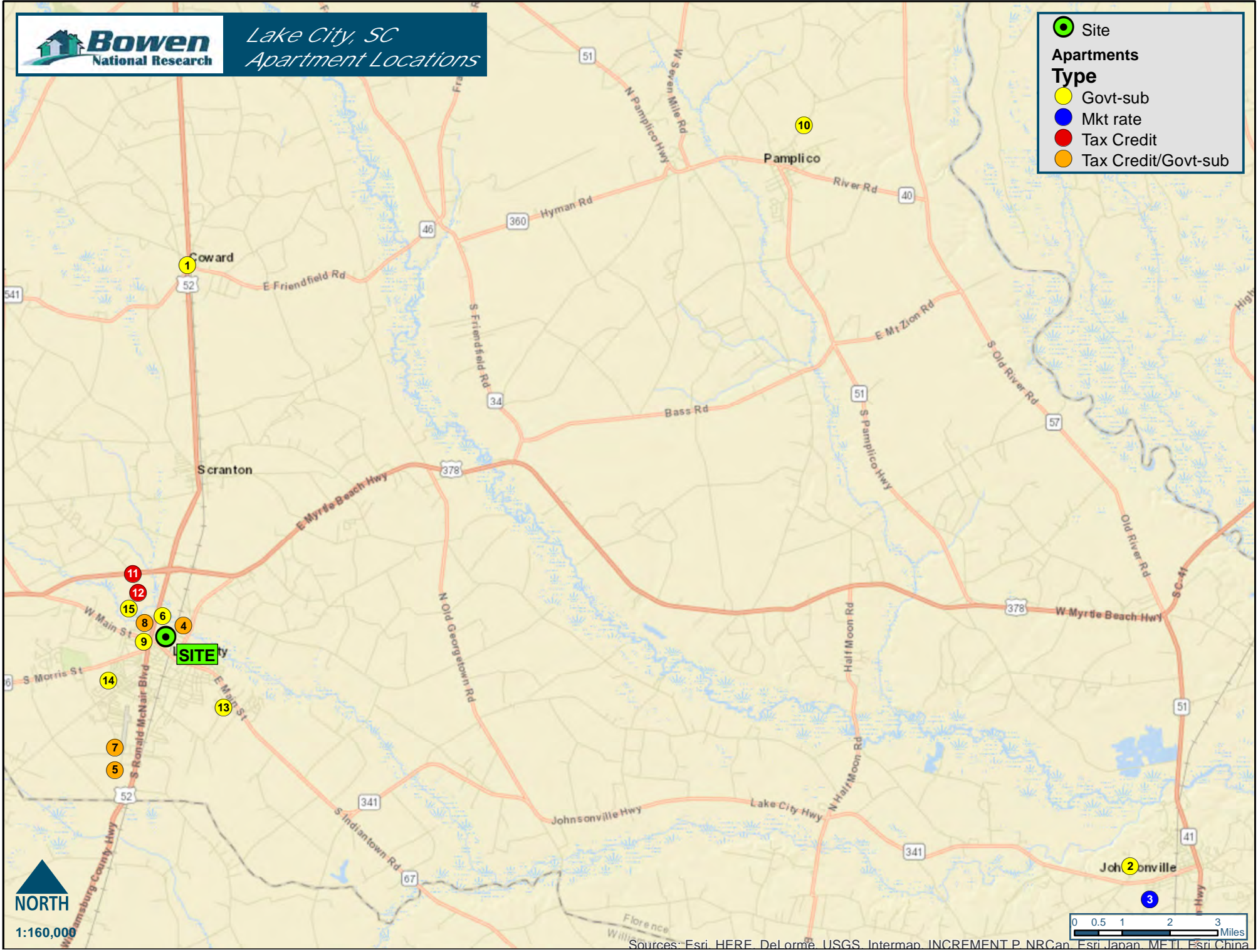


Lake City, SC Apartment Locations

Site

Apartments Type

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



NORTH
1:160,000



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

MAP IDENTIFICATION LIST - LAKE CITY, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Pine Acres	GSS	B-	1980	6	0	100.0%	6.7
2	Johnsonville Apts.	GSS	C-	1980	54	0	100.0%	19.5
3	Spring Hill Apts.	MRR	B	2001	24	0	100.0%	19.9
◆ 4	Bailey Gardens Apts	TGS	B	2008	24	0	100.0%	0.1
5	Cole Road Apts.	TGS	B	2000	39	0	100.0%	2.6
6	Lake City Apts.	GSS	B-	1980	38	0	100.0%	0.1
7	Palmetto Frond	TGS	B	2001	32	0	100.0%	2.6
◆ 8	Swann Lakes	TGS	B	2000	24	0	100.0%	0.5
9	Wren Village	GSS	C+	1978	50	0	100.0%	0.4
10	Pembrook Apts.	GSS	C+	1984	24	0	100.0%	16.4
11	Palmetto Ridge Estates	TAX	B	2010	56	0	100.0%	1.3
12	Highland Pointe Apts.	TAX	B+	2015	48	0	100.0%	1.1
13	Cherry Grove	GSS	C+	2008	12	0	100.0%	1.9
14	Durant Drive	GSS	C-	1960	70	0	100.0%	1.5
15	N. Matthews/Ron McNair	GSS	C-	1971	167	0	100.0%	0.9

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	1	24	0	100.0%	0
TAX	2	104	0	100.0%	0
TGS	4	119	0	100.0%	0
GSS	8	421	0	100.0%	0

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

* - Drive Distance (Miles)

Survey Date: February 2018

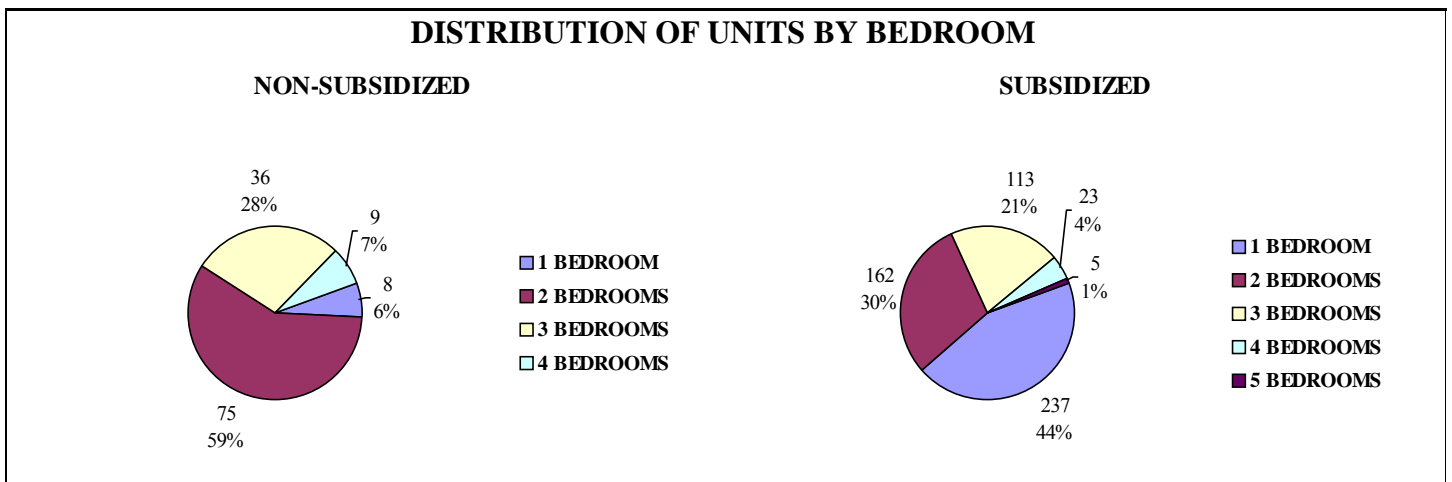
DISTRIBUTION OF UNITS - LAKE CITY, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	8	33.3%	0	0.0%	\$623
2	1	16	66.7%	0	0.0%	\$662
TOTAL		24	100.0%	0	0.0%	



TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	38	36.5%	0	0.0%	\$651
2	2	21	20.2%	0	0.0%	\$579
3	1	18	17.3%	0	0.0%	\$723
3	2	18	17.3%	0	0.0%	\$693
4	2.5	9	8.7%	0	0.0%	\$783
TOTAL		104	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	67	56.3%	0	0.0%	N.A.
2	1	48	40.3%	0	0.0%	N.A.
3	1	4	3.4%	0	0.0%	N.A.
TOTAL		119	100.0%	0	0.0%	








GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	170	40.4%	0	0.0%	N.A.
2	1	114	27.1%	0	0.0%	N.A.
3	1	103	24.5%	0	0.0%	N.A.
3	1.5	6	1.4%	0	0.0%	N.A.
4	1.5	23	5.5%	0	0.0%	N.A.
5	2	5	1.2%	0	0.0%	N.A.
TOTAL		421	100.0%	0	0.0%	
GRAND TOTAL		668	-	0	0.0%	



SURVEY OF PROPERTIES - LAKE CITY, SOUTH CAROLINA






1 Pine Acres			
	Address 113 Hicks Rd. Coward, SC 29530	Phone (843) 394-2688 (Contact in person)	Total Units 6
	Year Built 1980 Comments RD 515, has RA (6 units); Square footage & year built estimated by manager	Contact Latoshia	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 5 households
2 Johnsonville Apts.			
	Address 311 Liberty St. Johnsonville, SC 29555	Phone (843) 374-3541 (Contact in person)	Total Units 54
	Year Built 1980 Comments HUD Section 8; Washer hookups only; Three 1-br units for seniors 62+; Waitlist shared with sister properties	Contact Faye	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C- Waiting List 864 households
3 Spring Hill Apts.			
	Address 263 S. Pine St. Johnsonville, SC 29555	Phone (843) 386-3533 (Contact in person)	Total Units 24
	Year Built 2001 Comments HCV (4 units)	Contact Ashley	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B Waiting List 2 households
4 Bailey Gardens Apts			
	Address 258 Retha St. Lake City, SC 29560	Phone (843) 374-9989 (Contact in person)	Total Units 24
	Year Built 2008 Comments 60% AMHI; RD 515, has RA (24 units); Square footage estimated	Contact Latishia	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 40 households
5 Cole Road Apts.			
	Address 324 Koger Cir. Lake City, SC 29560	Phone (843) 394-0951 (Contact in person)	Total Units 39
	Year Built 2000 Comments 60% AMHI; RD 515, has RA (39 units); Does not accept HCV; One manager unit not included in total; Year built & square footage estimated	Contact Desiree	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 63 households

Project Type

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

Survey Date: February 2018

SURVEY OF PROPERTIES - LAKE CITY, SOUTH CAROLINA

6 Lake City Apts.			
	Address 220 Kelly St. Lake City, SC 29560	Phone (843) 394-2688 (Contact in person)	Total Units 38
	Year Built 1980 Comments RD 515, no RA; HCV (8 units); 3-br have patios & exterior storage	Contact Latoshia	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B-
			Waiting List 50 households
7 Palmetto Frond			
	Address 304 Frond Cir. Lake City, SC 29560	Phone (843) 394-9100 (Contact in person)	Total Units 32
	Year Built 2001 Comments 50% & 60% AMHI; RD 515, has RA (32 units); Square footage estimated	Contact Ronnie	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
			Waiting List 80 households
8 Swann Lakes			
	Address 212 Peggy Ct. Lake City, SC 29560	Phone (843) 374-0345 (Contact in person)	Total Units 24
	Year Built 2000 Comments 50% & 60% AMHI; RD 515, has RA (24 units); Square footage estimated	Contact Pansy	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List
			25 households
9 Wren Village			
	Address 104 N. Mathews Rd. Lake City, SC 29560	Phone (843) 374-3541 (Contact in person)	Total Units 50
	Year Built 1978 Comments HUD Section 8; Washer hookups only; Three 1-br units for seniors 62+; Waitlist shared with sister properties	Contact Faye	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+
			Waiting List 864 households
10 Pembroke Apts.			
	Address 464 E. 6th St. Pamplico, SC 29583	Phone (843) 493-5898 (Contact in person)	Total Units 24
	Year Built 1984 Comments RD 515, has RA (20 units); Accepts HCV (0 currently); Square footage estimated	Contact Lashader	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+
			Waiting List 5-6 households

Project Type

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

Survey Date: February 2018

SURVEY OF PROPERTIES - LAKE CITY, SOUTH CAROLINA

11 Palmetto Ridge Estates			
	Address 889 N. Matthews Rd. Lake City, SC 29560	Phone (843) 374-8998 (Contact in person)	Total Units 56
	Year Built 2010	Contact Jimmy	Vacancies 0
	Comments 50% & 60% AMHI; HCV (5 units); HOME Funds (11 units at 50% AMHI); Square footage estimated by manager		Occupied 100.0%
			Floors 2, 3
			Quality Rating B
			Waiting List 12 households
12 Highland Pointe Apts.			
	Address 675 N. Matthews Rd. Lake City, SC 29560	Phone (843) 374-0284 (Contact in person)	Total Units 48
	Year Built 2015	Contact Kim	Vacancies 0
	Comments 50% & 60% AMHI; HCV (5 units); Opened & 100% occupied 4/2015, began preleasing 1/2015; Unit mix estimated		Occupied 100.0%
			Floors 3
			Quality Rating B+
			Waiting List 5 years
13 Cherry Grove			
	Address Morning Glory Dr. Lake City, SC 29560	Phone (843) 374-3541 (Contact in person)	Total Units 12
	Year Built 2008	Contact Faye	Vacancies 0
	Comments HUD Section 8; Washer hookups only; Waitlist shared with sister properties		Occupied 100.0%
			Floors 1
			Quality Rating C+
			Waiting List 864 households
14 Durant Drive			
	Address 416 Durant Dr. Lake City, SC 29560	Phone (843) 374-3541 (Contact in person)	Total Units 70
	Year Built 1960	Contact Faye	Vacancies 0
	Comments HUD Section 8; Washer hookups only; Waitlist shared with sister properties		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 864 households
15 N. Matthews/Ron McNair			
	Address 398 N. Matthews Rd. & Hwy 52 Lake City, SC 29560	Phone (843) 374-3541 (Contact in person)	Total Units 167
	Year Built 1971	Contact Faye	Vacancies 0
	Comments HUD Section 8; Washer hookups only; Waitlist shared with sister properties		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 864 households

Project Type

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

Survey Date: February 2018

COLLECTED RENTS - LAKE CITY, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
3		\$538	\$556						
11			\$475 to \$545	\$520 to \$590					
12			\$395 to \$420	\$473 to \$500	\$525 to \$550				

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

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PRICE PER SQUARE FOOT - LAKE CITY, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Spring Hill Apts.	1	650	\$623	\$0.96
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Spring Hill Apts.	1	850	\$662	\$0.78
11	Palmetto Ridge Estates	1	1042	\$581 to \$651	\$0.56 to \$0.62
12	Highland Pointe Apts.	2	1100	\$579 to \$604	\$0.53 to \$0.55
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
11	Palmetto Ridge Estates	1	1142	\$653 to \$723	\$0.57 to \$0.63
12	Highland Pointe Apts.	2	1250	\$693 to \$720	\$0.55 to \$0.58
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
12	Highland Pointe Apts.	2.5	1400	\$783 to \$808	\$0.56 to \$0.58

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

Survey Date: February 2018

AVERAGE GROSS RENT PER SQUARE FOOT - LAKE CITY, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.96	\$0.78	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.58	\$0.59
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.96	\$0.63	\$0.59
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - LAKE CITY, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Cole Road Apts.	11	675	1	60%	\$470 - \$609
7	Palmetto Frond	1	650	1	60%	\$475 - \$565
7	Palmetto Frond	7	650	1	50%	\$475 - \$565
◆ 8	Swann Lakes	12	600	1	50%	\$578 - \$604
◆ 8	Swann Lakes	12	800	1	60%	\$578 - \$604
◆ 4	Bailey Gardens Apts	24	550	1	60%	\$634 - \$687
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
12	Highland Pointe Apts.	16	1100	2	50%	\$395
12	Highland Pointe Apts.	5	1100	2	60%	\$420
11	Palmetto Ridge Estates	7	1042	1	50%	\$475
5	Cole Road Apts.	24	750	1	60%	\$491 - \$630
7	Palmetto Frond	5	850	1	60%	\$500 - \$590
7	Palmetto Frond	19	850	1	50%	\$500 - \$590
11	Palmetto Ridge Estates	31	1042	1	60%	\$545
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
12	Highland Pointe Apts.	12	1250	2	50%	\$473
12	Highland Pointe Apts.	6	1250	2	60%	\$500
5	Cole Road Apts.	4	800	1	60%	\$508 - \$647
11	Palmetto Ridge Estates	7	1142	1	50%	\$520
11	Palmetto Ridge Estates	11	1142	1	60%	\$590
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
12	Highland Pointe Apts.	5	1400	2.5	50%	\$525
12	Highland Pointe Apts.	4	1400	2.5	60%	\$550

◆ - Senior Restricted

QUALITY RATING - LAKE CITY, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

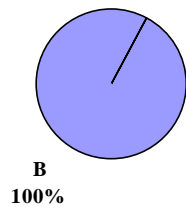
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	24	0.0%		\$623	\$662		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

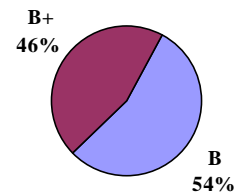
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	48	0.0%			\$579	\$693	\$783
B	1	56	0.0%			\$651	\$723	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - LAKE CITY, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	1	24	0	0.0%	24	18.8%
2006 to 2010	1	56	0	0.0%	80	43.8%
2011	0	0	0	0.0%	80	0.0%
2012	0	0	0	0.0%	80	0.0%
2013	0	0	0	0.0%	80	0.0%
2014	0	0	0	0.0%	80	0.0%
2015	1	48	0	0.0%	128	37.5%
2016	0	0	0	0.0%	128	0.0%
2017	0	0	0	0.0%	128	0.0%
2018**	0	0	0	0.0%	128	0.0%
TOTAL	3	128	0	0.0%	128	100.0 %

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

** As of February 2018

Survey Date: February 2018

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APPLIANCES AND UNIT AMENITIES - LAKE CITY, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	3	100.0%	128
REFRIGERATOR	3	100.0%	128
ICEMAKER	1	33.3%	48
DISHWASHER	2	66.7%	104
DISPOSAL	2	66.7%	104
MICROWAVE	2	66.7%	104
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	3	100.0%	128
AC - WINDOW	0	0.0%	
FLOOR COVERING	3	100.0%	128
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	3	100.0%	128
PATIO/DECK/BALCONY	2	66.7%	80
CEILING FAN	1	33.3%	48
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	3	100.0%	128
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - LAKE CITY, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	100.0%	128
LAUNDRY	3	100.0%	128
CLUB HOUSE	2	66.7%	104
MEETING ROOM	0	0.0%	
FITNESS CENTER	1	33.3%	56
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	3	100.0%	128
COMPUTER LAB	2	66.7%	104
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	1	33.3%	48
CAR WASH AREA	0	0.0%	
PICNIC AREA	2	66.7%	104
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - LAKE CITY, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	15	668	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	15	668	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	15	668	100.0%
			100.0%
ELECTRIC			
TENANT			
	15	668	100.0%
			100.0%
WATER			
LANDLORD	9	481	72.0%
TENANT	6	187	28.0%
			100.0%
SEWER			
LANDLORD	9	481	72.0%
TENANT	6	187	28.0%
TRASH PICK-UP			
LANDLORD	13	605	90.6%
TENANT	2	63	9.4%
			100.0%

UTILITY ALLOWANCE - LAKE CITY, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$23	\$18		\$9	\$13	\$18	\$3	\$6	\$43	\$25	\$43	\$15	\$20
1	GARDEN	\$23	\$18		\$9	\$13	\$18	\$3	\$6	\$43	\$25	\$43	\$15	\$20
1	TOWNHOUSE	\$23	\$18		\$9	\$13	\$18	\$3	\$6	\$43	\$25	\$43	\$15	\$20
2	GARDEN	\$25	\$23		\$11	\$16	\$24	\$5	\$8	\$51	\$29	\$49	\$15	\$20
2	TOWNHOUSE	\$25	\$23		\$11	\$16	\$24	\$5	\$8	\$51	\$29	\$49	\$15	\$20
3	GARDEN	\$27	\$27		\$13	\$22	\$37	\$5	\$9	\$60	\$33	\$54	\$15	\$20
3	TOWNHOUSE	\$27	\$27		\$13	\$22	\$37	\$5	\$9	\$60	\$33	\$54	\$15	\$20
4	GARDEN	\$30	\$33		\$16	\$29	\$50	\$6	\$11	\$68	\$36	\$60	\$15	\$20
4	TOWNHOUSE	\$30	\$33		\$16	\$29	\$50	\$6	\$11	\$68	\$36	\$60	\$15	\$20

SC-Florence (10/2017) Fees

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Addendum B – Member Certification & Checklist

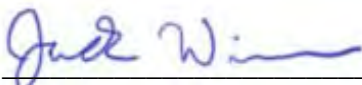
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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

Certified:



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: February 28, 2018



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: February 28, 2018

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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