

A MARKET FEASIBILITY STUDY OF:
HAVENWOOD
OAK

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HAVENWOOD OAK

277 Charter Oak Road
Lexington, Lexington County, SC 29072

Effective Date: February 25, 2020
Report Date: June 9, 2020

Prepared for:
Mr. Max Elbe
Principal
Lowcountry Housing Communities
295 Seven Farms Drive, Suite C - 225
Charleston, SC 29492

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June 9, 2020

Mr. Max Elbe
Principal
Lowcountry Housing Communities
295 Seven Farms Drive, Suite C - 225
Charleston, SC 29492

Re: Market Study for Havenwood Oak, located in Lexington, Lexington County, South Carolina

Dear Mr. Elbe:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Lexington, Lexington County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Havenwood Oak, (the Subject).


The purpose of this market study is to assess the viability of Havenwood Oak, a proposed 90-unit general tenancy LIHTC project. The property will be a newly constructed affordable general tenancy LIHTC project, with 90 revenue generating units restricted to households earning 30, 50 and 60 percent of the Area Median Income (AMI) or less. Of these, seven units will operate with HOME subsidy restrictions. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Havenwood Oak, the Subject, is a proposed 90-unit apartment community restricted to households earning 30, 50 and 60 percent of the AMI or less. Of these, seven units will operate with HOME subsidy. The Subject will be located at 277 Charter Oak Road in Lexington, Lexington County, South Carolina. As proposed, the Subject will contain four, three-story residential buildings with one of the buildings featuring an attached community space and leasing office.

Targeted Tenancy:

Family.

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents and utility allowances. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents, as these rents are below the maximum allowable Low HOME rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2019 Low HOME Maximum Rent	2019 HUD Fair Market Rents	
<i>@30% (HOME)</i>									
1BR / 1BA	750	2	\$258	\$130	\$388	\$408	\$656	\$838	
2BR / 2BA	900	2	\$316	\$174	\$490	\$490	\$787	\$959	
3BR / 2BA	1,100	1	\$339	\$227	\$566	\$566	\$908	\$1,255	
<i>@50% (HOME)</i>									
2BR / 2BA	900	1	\$602	\$174	\$776	\$817	\$787	\$959	
3BR / 2BA	1,100	1	\$669	\$227	\$896	\$944	\$908	\$1,255	
<i>@50%</i>									
1BR / 1BA	750	8	\$516	\$130	\$646	\$681	-	\$838	
2BR / 2BA	900	13	\$602	\$174	\$776	\$817	-	\$959	
3BR / 2BA	1,100	7	\$669	\$227	\$896	\$944	-	\$1,255	
<i>@60%</i>									
1BR / 1BA	750	14	\$646	\$130	\$776	\$817	-	\$838	
2BR / 2BA	900	26	\$757	\$174	\$931	\$981	-	\$959	
3BR / 2BA	1,100	15	\$848	\$227	\$1,075	\$1,133	-	\$1,255	
		90							

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

Market Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Hall*	LIHTC	Family	40	1	2.5%
Fern Hall Crossing*	LIHTC/HOME	Family	48	2	4.2%
Harbison Gardens*	LIHTC	Family	180	12	6.7%
The Pointe At Lake Murray*	LIHTC	Family	60	4	6.7%
Cedarcrest Village Apartments	Market	Family	300	6	2.0%
Lauren Ridge	Market	Family	216	2	0.9%
Overlook At Golden Hills	Market	Family	204	8	3.9%
Reserve At Mill Landing	Market	Family	260	11	4.2%
River Bluff Of Lexington	Market	Family	200	3	1.5%
The Waterway Apartment Homes	Market	Family	200	3	1.5%
Overall Total			1,708	52	3.0%
Overall Total - Excluding Down Units**			1,700	44	2.6%

*Located outside of the PMA

**Manager at Harbison Gardens reported eight units are down due to a recent fire

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Hall*	LIHTC	Family	40	1	2.5%
Fern Hall Crossing*	LIHTC/HOME	Family	48	2	4.2%
Harbison Gardens*	LIHTC	Family	180	12	6.7%
The Pointe At Lake Murray*	LIHTC	Family	60	4	6.7%
Total LIHTC			328	19	5.8%
Total LIHTC - Excluding Down Units**			320	11	3.4%

*Located outside of the PMA

**Manager at Harbison Gardens reported eight units are down due to a recent fire

MARKET VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Cedarcrest Village Apartments	Market	Family	300	6	2.0%
Lauren Ridge	Market	Family	216	2	0.9%
Overlook At Golden Hills	Market	Family	204	8	3.9%
Reserve At Mill Landing	Market	Family	260	11	4.2%
River Bluff Of Lexington	Market	Family	200	3	1.5%
The Waterway Apartment Homes	Market	Family	200	3	1.5%
Total Market Rate			1,380	33	2.4%

*Located outside of the PMA

Overall vacancy among the ten comparables is low at 3.0 percent. All of the comparable properties are located outside the PMA, indicating limited supply of general tenancy LIHTC units within the PMA. The LIHTC comparables demonstrate an overall weighted vacancy of 5.8 percent, which is slightly elevated due to down units at Harbison Gardens. The manager at Harbison Gardens reported that there was a fire in late 2019 that required vacating and renovating an entire building, which is still under construction as of our interview. As such, there are eight down units at this property, and the effective vacancy at this comparable is 2.3 percent (i.e. four vacant units.) Further, the manager reported that there are pending applicants for two of the four units, and the property maintains a short waiting list for select unit types. The manager at The Pointe at Lake Murray reported that vacancy is currently elevated; however, three of the four vacant units are pre-leased. The remaining two LIHTC comparables reported only three combined vacant units. Based on the fact that eight of the vacant LIHTC units are due to down units, the effective LIHTC market vacancy is 3.4 percent.

Among the market rate properties, vacancy is low at 2.4 percent, indicating a strong market for conventional apartments. All of the market rate comparable properties reported vacancy rates at or below 4.2 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists at most of those properties, we expect that after completion of absorption, the Subject will likely operate with a waiting list.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @30%	84	0	84	2	2.4%
1BR @50%	153	0	153	8	5.2%
1BR @60%	168	0	168	14	8.4%
1BR Overall	280	0	280	24	8.6%
2BR @30%	69	0	69	2	2.9%
2BR @50%	127	0	127	14	11.0%
2BR @60%	139	0	139	26	18.7%
2BR Overall	232	0	232	42	18.1%
3BR @30%	42	0	42	1	2.4%
3BR @50%	76	0	76	8	10.5%
3BR @60%	83	0	83	15	18.0%
3BR Overall	139	0	139	24	17.2%
@30% Overall	194	0	194	5	2.6%
@50% Overall	357	0	357	30	8.4%
@60% Overall	390	0	390	55	14.1%
Overall	651	0	651	90	13.8%

As the analysis illustrates, the Subject’s capture rates vary from 2.4 to 18.7 percent with an overall capture rate of 13.8 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

One of the surveyed comparable properties was able to provide absorption data. Absorption rates at this property is detailed in the table below.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Pointe at Lake Murray	LIHTC	Family	2019	60	12

The Pointe at Lake Murray was completed in 2019 and reported an absorption rate of 12 units per month. With the increasing demographic base in the PMA and the relatively limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to this comparable. The LIHTC comparables report generally low effective vacancy, indicating demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject's tenancy, we believe that the Subject could absorb approximately 12 units per month upon opening. This equals an absorption period of seven months. We expect the Subject to reach stabilized occupancy of 93 percent within seven months.

Market Conclusions

Overall vacancy in the local market is performing well with an effective LIHTC vacancy rate of 3.4 percent and a 3.0 percent vacancy overall among all ten comparable properties. The LIHTC properties reported that the majority of vacancies are preleased, and one of the comparables reported maintaining a waiting list. Market rate comparables are also performing well, with an overall vacancy rate of 2.4 percent among all of the market rate comparables.

When compared to the current rents at the LIHTC properties, the Subject's proposed 30, 50 and 60 percent AMI rents appear reasonable, and overall they are 37.4 percent below our estimated achievable market rents. Further, the proposed rents offer a 32.8 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 13.8 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 2.4 to 18.7 percent, which are all considered achievable in the PMA. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 2.1 percent annually in the PMA. The Subject site is located within 1.0 mile of most community services and facilities that tenants would utilize on a consistent basis, which is similar to superior to the comparable properties.

The effective LIHTC vacancy among the comparables (excluding down units) is 3.4 percent. There are limited general tenancy LIHTC units within the market area, with only one 24-unit development constructed in 1988 that we were unable to contact (Westfield Gardens). As such, the Subject will represent the first general tenancy LIHTC development completed within the PMA since 1988. The developer's LIHTC rents represent a 37.4 percent overall advantage below achievable market rents. Further, the proposed rents offer a 32.8 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. The proposed rents will be similar to current rents at LIHTC comparables.

Long Term Impact on Existing LIHTC Properties in the PMA

There are no LIHTC units in the PMA included in this comparable analysis. There is one general tenancy LIHTC development located in the PMA that operates without subsidy, Westfield Gardens Apartments, which was constructed in 1988 and as such will be far inferior to the Subject upon completion. There are three senior LIHTC developments within the PMA, but these will not compete directly with the Subject based on the targeted tenancy. The four comparables used in our analysis are located just beyond the PMA to the south, east and north, and all indicated strong demand for affordable housing in the general market area. With a very limited supply of affordable housing options in the market and a growing demographic base, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 2.1 percent annually in the PMA, outpacing the MSA and nation overall. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

HAVENWOOD OAK – LEXINGTON, SC – APPLICATION MARKET STUDY

2020 EXHIBIT S – 2 SCSHFA PRIMARY MARKET AREA ANALYSIS SUMMARY:	
Development Name: Havenwood Oak	Total # Units: 90
Location: 277 Charter Oak Road, Lexington, South Carolina 29072	# LIHTC Units: 90
PMA Boundary: North: Lake Murray and State Road S-32-68; East: State Route S-32-68; South: Interstate 20; West: State Road S-32-37 and Priceville Road	
Development Type: <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 9 miles

RENTAL HOUSING STOCK (found on page 57 & 64)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	1,894	53	97.2%
Market-Rate Housing	6	1,380	33	97.6%
Assisted/Subsidized Housing not to include LIHTC	4	186	1	99.5%
LIHTC (All that are stabilized)*	4	328	19	94.2%
Stabilized Comps**	14	1,894	53	97.2%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* 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					HUD Area FMR			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	750	\$258	\$838	\$1.12	69.2%	\$1,071	\$1.45
8	1	1	750	\$516	\$838	\$1.12	38.4%	\$1,071	\$1.45
14	1	1	750	\$646	\$838	\$1.12	22.9%	\$1,071	\$1.45
2	2	2	900	\$316	\$959	\$1.09	67.0%	\$1,071	\$1.45
14	2	2	900	\$602	\$959	\$1.07	37.2%	\$1,226	\$1.29
26	2	2	900	\$757	\$959	\$1.07	21.1%	\$1,226	\$1.29
1	3	2	1,100	\$339	\$1,255	\$1.14	73.0%	\$1,365	\$1.22
8	3	2	1,100	\$669	\$1,255	\$1.09	46.7%	\$1,365	\$1.22
15	3	2	1,100	\$848	\$1,255	\$1.14	32.4%	\$1,365	\$1.22
Gross Potential Rent Monthly*				\$60,841	\$90,510		32.8%		

*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HDU FMR. 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 51)						
	2010		2019		2022	
Renter Households	2,329	15.8%	5,195	21.7%	5,456	21.5%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,723	33.2%	1,743	31.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 53)						
Type of Demand	30%	50%	60%	Other:___	Other:___	Overall Affordable
Renter Household Growth	0	28	20			20
Existing Households (Overburd + Substand)	194	334	376			642
Homeowner conversion (Seniors)	0	0	0			0
Other:						
Less Comparable/Competitive Supply	0	0	0			0
Net Income-qualified Renter HHs	194	362	396			661

CAPTURE RATES (found on page 55)						
Targeted Population	30%	50%	60%	Other:___	Other:___	Overall
Capture Rate	2.6%	8.4%	14.1%			13.8%

ABSORPTION RATE (found on page 54)
 Absorption Period 7 months

HAVENWOOD OAK – LEXINGTON, SC – APPLICATION MARKET STUDY

# of Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Fair Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
2	1	\$258	\$516	\$838	\$1,676	69.2%
8	1	\$516	\$4,128	\$838	\$6,704	38.4%
14	1	\$646	\$9,044	\$838	\$11,732	22.9%
2	2	\$316	\$632	\$959	\$1,918	67.0%
14	2	\$602	\$8,428	\$959	\$13,426	37.2%
26	2	\$757	\$19,682	\$959	\$24,934	21.1%
1	2	\$339	\$339	\$1,255	\$1,255	73.0%
8	3	\$669	\$5,352	\$1,255	\$10,040	46.7%
15	3	\$848	<u>\$12,720</u>	\$1,255	<u>\$18,825</u>	<u>32.4%</u>
Totals	90		\$60,841		\$90,510	32.8%

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject will be located at 277 Charter Oak Road in Lexington, Lexington County, South Carolina.

Construction Type: The new construction Subject will be constructed in four, three-story residential buildings with one of the buildings featuring an attached community space and leasing office.

Occupancy Type: Family.

Target Income Group: The Subject will be restricted to households earning 30, 50 and 60 percent of the AMI or less. The minimum allowable household income for the Subject is \$13,303 based on affordability for the Subject’s least expensive rent (one-bedroom unit at 30 percent AMI) and the maximum allowable household income will be \$44,700 (the 60 percent AMI income for a five-person household).

Special Population Target: None.

Number of Units by Unit Type: The Subject will include 24 one, 42 two, and 24 three-bedroom units.

Number of Buildings and Stories: The Subject will be constructed in four, three-story residential buildings with one of the buildings featuring an attached community space and leasing office.

Unit Mix: One-bedroom units will be 750 square feet, two-bedroom units will be 950 square feet and three-bedroom units will be 1,100 square feet. The following table summarizes the Subject’s proposed unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	24	750	18,000
2BR / 2BA	42	900	37,800
3BR / 2BA	24	1,100	26,400
TOTAL	90		82,200

Structure Type/Design: The Subject will offer four, three-story residential buildings.

Proposed Rents, Unit Mix and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents, as these rents are below the maximum allowable Low HOME rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2019 Low HOME Maximum Rent	2019 HUD Fair Market Rents	
<i>@30% (HOME)</i>									
1BR / 1BA	750	2	\$258	\$130	\$388	\$408	\$656	\$838	
2BR / 2BA	900	2	\$316	\$174	\$490	\$490	\$787	\$959	
3BR / 2BA	1,100	1	\$339	\$227	\$566	\$566	\$908	\$1,255	
<i>@50% (HOME)</i>									
2BR / 2BA	900	1	\$602	\$174	\$776	\$817	\$787	\$959	
3BR / 2BA	1,100	1	\$669	\$227	\$896	\$944	\$908	\$1,255	
<i>@50%</i>									
1BR / 1BA	750	8	\$516	\$130	\$646	\$681	-	\$838	
2BR / 2BA	900	13	\$602	\$174	\$776	\$817	-	\$959	
3BR / 2BA	1,100	7	\$669	\$227	\$896	\$944	-	\$1,255	
<i>@60%</i>									
1BR / 1BA	750	14	\$646	\$130	\$776	\$817	-	\$838	
2BR / 2BA	900	26	\$757	\$174	\$931	\$981	-	\$959	
3BR / 2BA	1,100	15	\$848	\$227	\$1,075	\$1,133	-	\$1,255	
		90							

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

Utility Structure/Allowance:

The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$130, \$174 and \$227 for the one, two and three-bedroom units, respectively, which are equal to the amounts from the South Carolina State Housing Finance & Development Agency (Midlands Region) utility allowance schedule, effective January 1, 2020.

Existing or Proposed Project-Based Rental Assistance:

The Subject is proposed and will not operate with project-based rental assistance subsidy.

Community Amenities

See following Subject Profile sheet.

Unit Amenities

See following Subject Profile sheet.

Current Occupancy/Rent Levels:

The Subject will be proposed new construction.

Scope of Renovations:

The Subject will be proposed new construction.

HAVENWOOD OAK – LEXINGTON, SC – APPLICATION MARKET STUDY

Havenwood Oak	
Location	277 Charter Oak Road Lexington, SC 29072 Lexington County
Units	90
Type	Garden (3 stories)
Year Built / Renovated	2022



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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Lowrise (3 stories)	2	750	\$258	\$0	@30%	N/A	N/A	N/A	N/A	
1	1	Lowrise (3 stories)	8	750	\$516	\$0	@50%	N/A	N/A	N/A	N/A	
1	1	Lowrise (3 stories)	14	750	\$646	\$0	@60%	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	2	900	\$316	\$0	@30%	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	1	900	\$602	\$0	@50%	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	13	900	\$602	\$0	@50%	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	26	900	\$757	\$0	@60%	N/A	N/A	N/A	N/A	
3	2	Lowrise (3 stories)	1	1100	\$339	\$0	@30%	N/A	N/A	N/A	N/A	
3	2	Lowrise (3 stories)	1	1,100	\$669	\$0	@50%	N/A	N/A	N/A	N/A	
3	2	Lowrise (3 stories)	7	1,100	\$669	\$0	@50%	N/A	N/A	N/A	N/A	
3	2	Lowrise (3 stories)	15	1,100	\$848	\$0	@60%	N/A	N/A	N/A	N/A	

Amenities		
In-Unit	Blinds Balconies/Patios Carpeting Central A/C Dishwasher Ceiling Fan Microwave Oven Refrigerator Exterior Storage Washer/Dryer hookup	Security none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Off-Street Parking Exercise Facility Central Laundry On-Site Management Picnic Area Playground	Premium Library

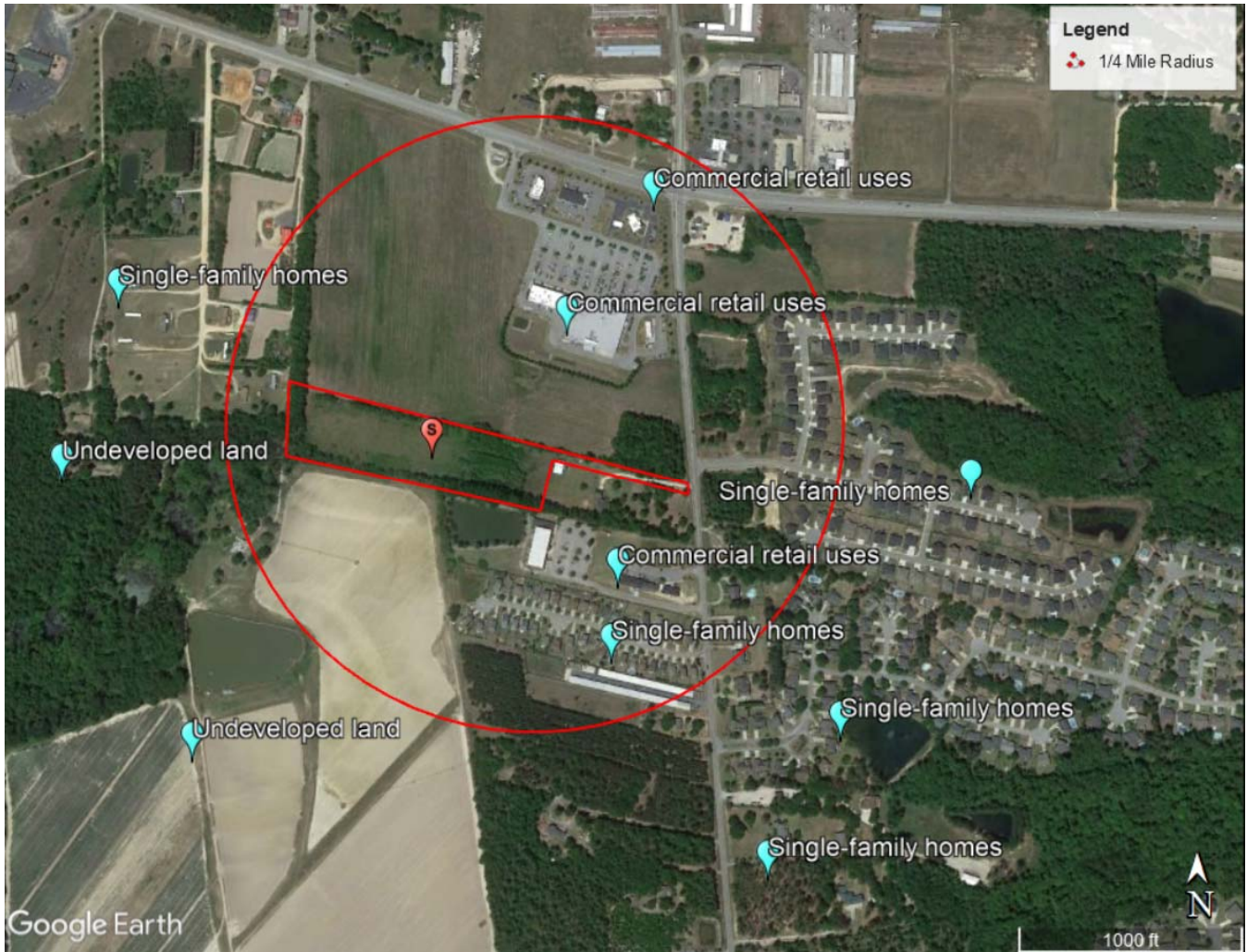
Comments
Construction is proposed for April 2021-April 2022. The subject will consist of four, three-story residential building and one, one-story community building. The proposed allowances are \$130, \$174, and \$227 for the one, two, and three-bedroom units, respectively. It should be noted that in the two-bedroom two-bathroom units one of the bathrooms will have a shower but no tub.

B. SITE DESCRIPTION

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

Date of Site Visit: February 25, 2020.

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



Source: Google Earth, February 2020

Physical Features of Site: The Subject site is located in Lexington, South Carolina and currently consists of undeveloped land.

Location/Surrounding Uses: The Subject site is located in a mixed-use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site is undeveloped land. Further north is a commercial retail center that features a grocery store, several restaurants, and various other uses. Immediately east, across Charter Oak Road, are single-family homes in good to excellent condition. Immediately south is a wooded buffer

followed by commercial retail uses in good condition. Further south are single-family homes in good condition followed by a commercial retail center in good condition. Immediately west is a wooded buffer, followed by single-family homes in average condition and undeveloped land. Based on our neighborhood observations and online research, the commercial retail uses in the neighborhood appear to be 90 percent occupied or better. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of Subject site



View of Subject site



View of Subject site



View north along Charter Oak Road



View south on Charter Oak Road



Wooded views from the Subject site



Health and fitness club south of Subject site



Commercial retail uses south of Subject site



Single-family home south of Subject site



Commercial retail use north of Subject site



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood

Visibility/Views:

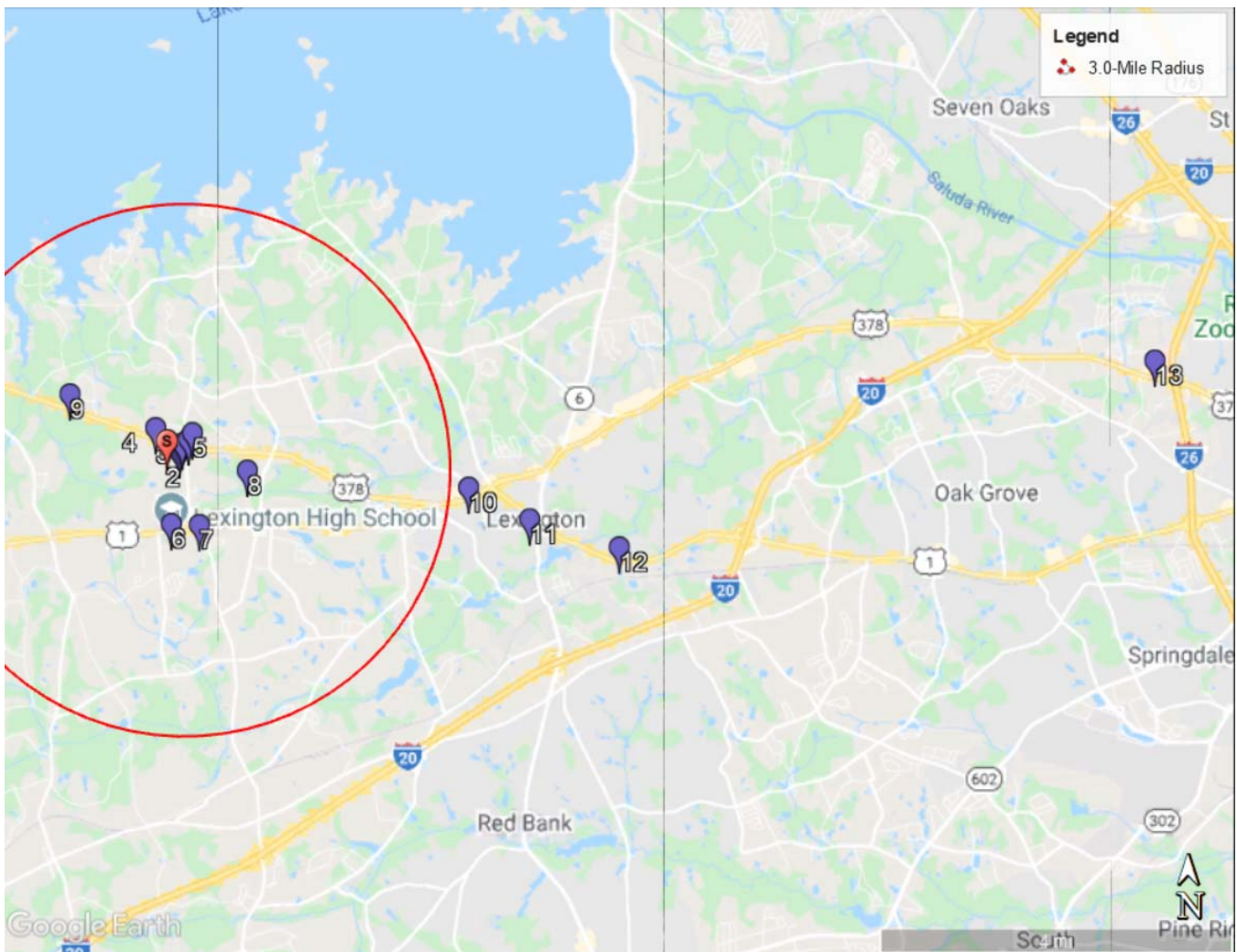
Views from the Subject site include forested land along the site periphery to the north, west, south, and east with views of a single-family home to the southeast. The Subject will have good visibility from Charter Oak Road. Overall, the Subject site is located within a mixed-use neighborhood with good views and visibility.

Detrimental Influence:

We did not observe any detrimental influences to the Subject site during our inspection.

Proximity to Local Services:

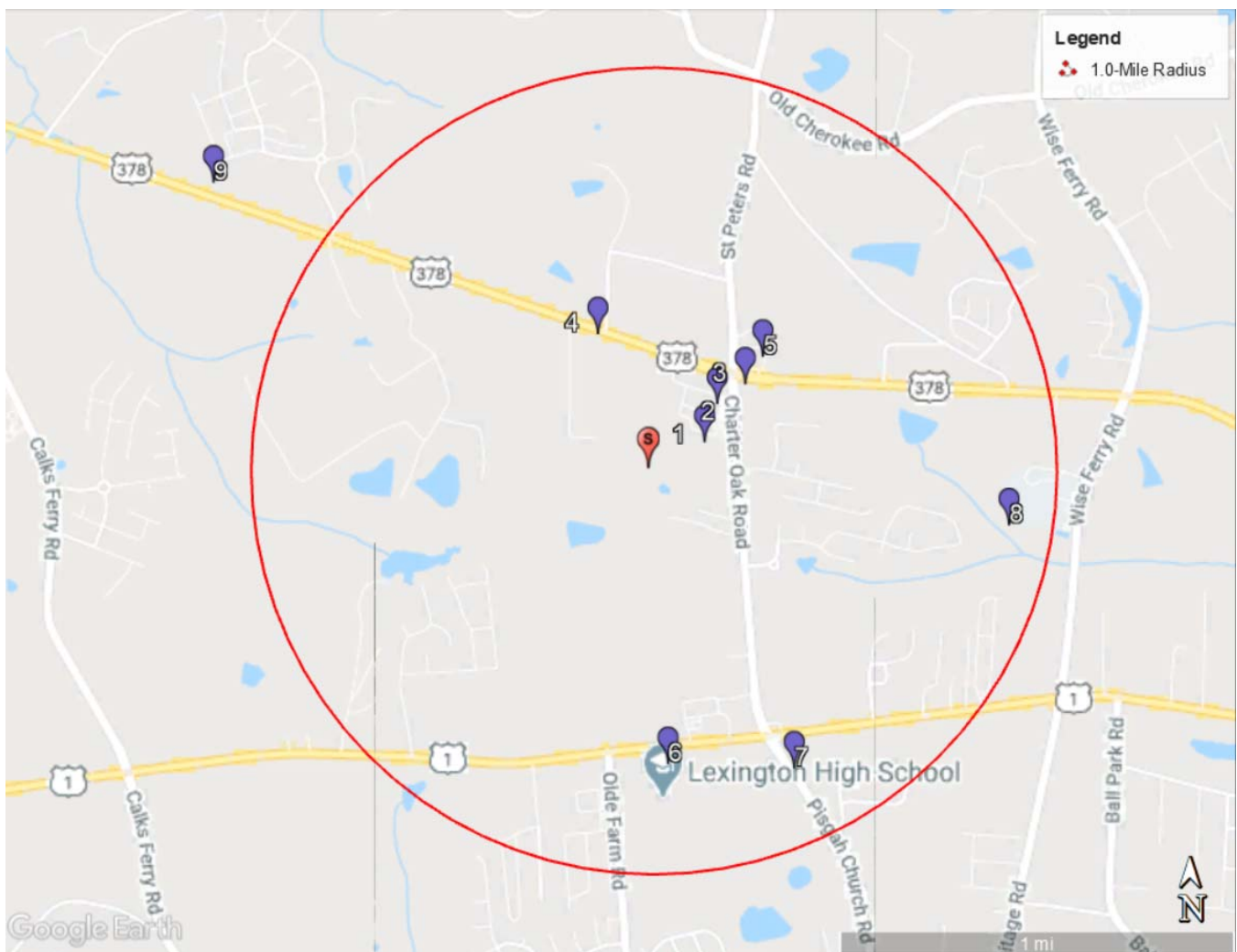
The Subject is located in reasonable proximity to local services including public services and retail. The following table details the Subject's distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is below.



Source: Google Earth, February 2020

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Publix Grocery & Pharmacy	0.1 miles
2	Grow Financial Credit Union	0.2 miles
3	Gas Station & Convenience Store	0.3 miles
4	Fire Station	0.4 miles
5	BI-LO Grocery	0.4 miles
6	Lexington High School	0.7 miles
7	CVS	0.8 miles
8	Lake Murray Elementary School	0.9 miles
9	Beechwood Middle School	1.4 miles
10	US Post Office	3.4 miles
11	Police Station	4.1 miles
12	Public Library	5.1 miles



Source: Google Earth, February 2020

Availability of Public Transportation: There is no fixed-route bus or rail transportation service within close proximity to the Subject, which is typical for similar market areas.

The Comet (Central Midlands Transit) provides bus transportation in Cayce, Chapin, Columbia, Fort Jackson, Newberry, and West Columbia.

Road/Infrastructure Proposed Improvements:

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

Crime Rates:

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

2019 CRIME INDICES

	PMA	Columbia, SC Metropolitan Statistical
Total Crime*	92	140
Personal Crime*	77	163
Murder	66	145
Rape	84	135
Robbery	45	122
Assault	92	186
Property Crime*	94	136
Burglary	83	141
Larceny	101	136
Motor Vehicle Theft	62	131

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

*Unweighted aggregations

The total crime risk index in the PMA is below the nation and significantly below the MSA. The Subject will not offer security amenities, similar to the vast majority of the comparable properties. The comparables that do not offer security features report low vacancy and strong performance. Thus, a lack of security features does not appear to impact the marketability of multifamily properties in the area. We believe the Subject will be competitive as proposed without security features.

Access and Traffic Flow:

The Subject site will have access along Charter Oak Road, which is a moderately trafficked road that extends north/south and provides access to State Route 378 less than a quarter mile to the north and State Route 1 less than a mile to the south. Both highways extend east/west throughout the county and provide access to Interstate 20 approximately seven miles east of the Subject. Interstate 20 provides access throughout the Columbia, SC metro area. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have excellent access to area retail and community services in Lexington, nearly all of which are within less than 1.0 mile of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is a proposed 90-unit development to be constructed in Lexington, South Carolina. The PMA is defined as State Road S-32-68 and Lake Murray to the north, State Road S-32-68 to the east, Interstate 20 to the south, and State Road S-32-37 and Priceville Road to the west. The Subject will be located in the central portion of the town of Lexington and will be easily accessible from areas throughout the city and immediately surrounding areas. As such, we anticipate the Subject will be able to draw from approximately a 15-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Lexington and immediately surrounding areas. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 4 miles
- East: 9 miles
- South: 7 miles
- West: 6 miles

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

Census Tracts			
45063021014	45063021024	45063021028	45063021032
45063021021	45063021025	45063021029	45063021303
45063021022	45063021026	45063021030	45063021304
45063021023	45063021027	45063021031	45063021306

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

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

2010 POPULATION BY RACE

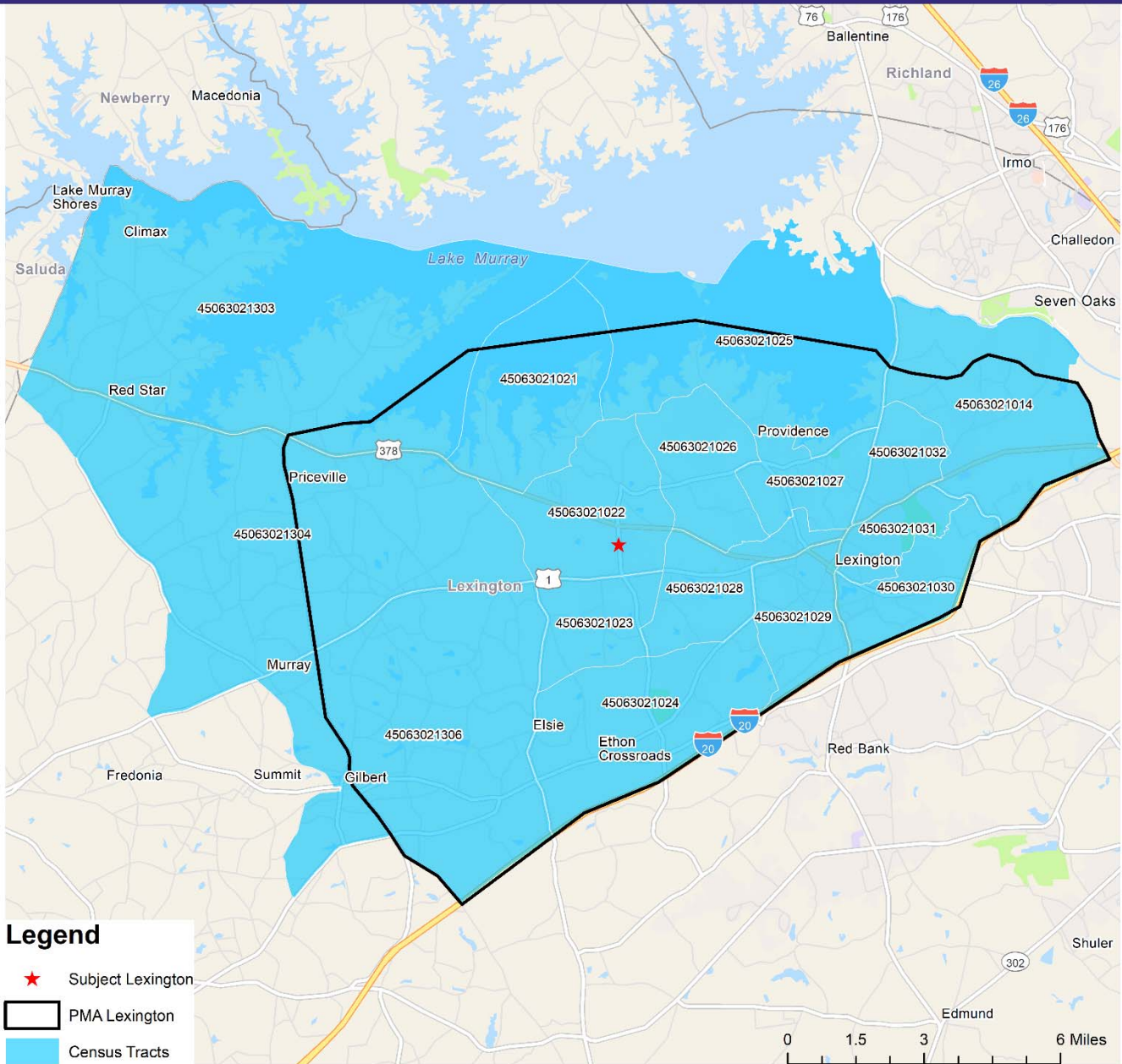
	PMA		SMA		USA	
Total	52,330	-	767,593	-	308,745,538	-
White	45,769	87.5%	463,511	60.4%	223,553,265	72.4%
Black	3,755	7.2%	255,104	33.2%	38,929,319	12.6%
American Indian	134	0.3%	2,746	0.4%	2,932,248	0.9%
Asian	1,250	2.4%	12,704	1.7%	14,674,252	4.8%
Pacific	10	0.0%	658	0.1%	540,013	0.2%
Other	765	1.5%	17,873	2.3%	19,107,368	6.2%
Two or More Races	647	1.2%	14,997	2.0%	9,009,073	2.9%
Total Hispanic	2,141	-	39,153	-	50,477,594	-
Hispanic: White	1,268	59.2%	15,589	39.8%	26,735,713	53.0%
Hispanic: Black	53	2.5%	2,775	7.1%	1,243,471	2.5%
Hispanic: American Indian	14	0.7%	487	1.2%	685,150	1.4%
Hispanic: Asian	6	0.3%	161	0.4%	209,128	0.4%
Hispanic: Pacific	0	0.0%	135	0.3%	58,437	0.1%
Hispanic: Other	706	33.0%	16,878	43.1%	18,503,103	36.7%
Hispanic: Two or More Races	95	4.4%	3,128	8.0%	3,042,592	6.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

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

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

PMA

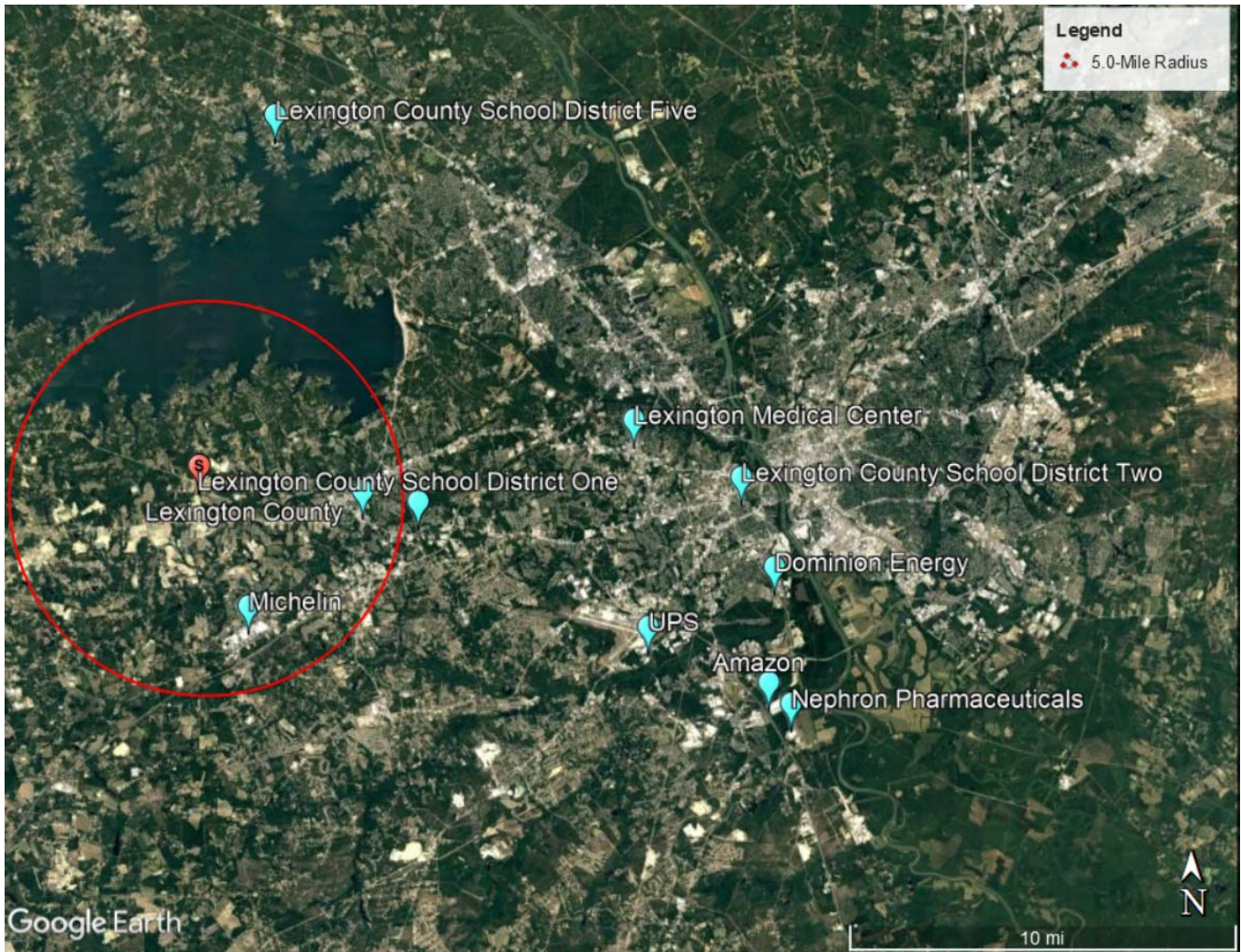


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Source: Google Earth, February 2020

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2019.

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	4,545	14.2%	22,612,482	14.1%
Educational Services	3,467	10.8%	14,565,802	9.1%
Retail Trade	2,842	8.9%	17,127,172	10.7%
Manufacturing	2,831	8.8%	16,057,876	10.0%
Prof/Scientific/Tech Services	2,275	7.1%	11,744,228	7.3%
Finance/Insurance	2,200	6.9%	7,377,311	4.6%
Accommodation/Food Services	2,084	6.5%	11,738,765	7.3%
Construction	2,045	6.4%	11,245,975	7.0%
Public Administration	1,967	6.1%	7,828,907	4.9%
Other Services	1,955	6.1%	8,141,078	5.1%
Transportation/Warehousing	1,514	4.7%	7,876,848	4.9%
Admin/Support/Waste Mgmt Svcs	1,294	4.0%	6,106,184	3.8%
Wholesale Trade	1,037	3.2%	4,183,931	2.6%
Real Estate/Rental/Leasing	544	1.7%	3,204,043	2.0%
Information	517	1.6%	3,157,650	2.0%
Arts/Entertainment/Recreation	498	1.6%	3,332,132	2.1%
Utilities	277	0.9%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	161	0.5%	1,915,709	1.2%
Mgmt of Companies/Enterprises	12	0.0%	237,307	0.1%
Mining	0	0.0%	819,151	0.5%
Total Employment	32,065	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 33.9 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the finance/insurance, educational services, and public administration industries. Conversely, the PMA is underrepresented in the retail trade, manufacturing, and accommodation/food services industries.

The following table illustrates the changes in employment by industry from 2000 to 2019, in the Subject's PMA.

2000-2019 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2019		2000-2019	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	2,209	10.5%	4,545	14.2%	2,336	5.6%
Educational Services	2,188	10.4%	3,467	10.8%	1,279	3.1%
Retail Trade	2,144	10.2%	2,842	8.9%	698	1.7%
Manufacturing	2,337	11.2%	2,831	8.8%	494	1.1%
Prof/Scientific/Tech Services	1,311	6.3%	2,275	7.1%	964	3.9%
Finance/Insurance	1,495	7.1%	2,200	6.9%	705	2.5%
Accommodation/Food Services	1,010	4.8%	2,084	6.5%	1,074	5.6%
Construction	1,222	5.8%	2,045	6.4%	823	3.5%
Public Administration	1,530	7.3%	1,967	6.1%	437	1.5%
Other Services	1,078	5.1%	1,955	6.1%	877	4.3%
Transportation/Warehousing	899	4.3%	1,514	4.7%	615	3.6%
Admin/Support/Waste Mgmt Svcs	582	2.8%	1,294	4.0%	712	6.4%
Wholesale Trade	1,001	4.8%	1,037	3.2%	36	0.2%
Real Estate/Rental/Leasing	465	2.2%	544	1.7%	79	0.9%
Information	780	3.7%	517	1.6%	-263	-1.8%
Arts/Entertainment/Recreation	204	1.0%	498	1.6%	294	7.6%
Utilities	359	1.7%	277	0.9%	-82	-1.2%
Agric/Forestry/Fishing/Hunting	92	0.4%	161	0.5%	69	3.9%
Mgmt of Companies/Enterprises	22	0.1%	12	0.0%	-10	-2.4%
Mining	16	0.1%	0	0.0%	-16	-5.3%
Total Employment	20,944	100.0%	32,065	100.0%	11,121	2.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

*Industry data current as of 2010. Other projections current as of 2019.

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

Total employment in the PMA increased at an annualized rate of 2.8 percent between 2000 and 2019. The industries which expanded most substantially during this period include healthcare/social assistance, educational services, and accommodation/food services. Conversely, the information, utilities, and mining sectors experienced the least growth.

Major Employers

The following table details major employers in Lexington County.

MAJOR EMPLOYERS LEXINGTON COUNTY			
Employer Name	City	Industry	# Of Employees
Lexington Medical Center	West Columbia	Healthcare	6,699
Lexington County School District One	Lexington	K-12 Education	3,750
Dominion Energy	Cayce	Utility	3,066
Amazon.com Fulfillment Center	West Columbia	Distribution Center	2,400
Lexington County School District Five	Irmo	K-12 Education	2,354
Lexington County	Lexington	County Government	1,600
Michelin North America Inc.	Lexington	Tire Manufacturing	1,550
UPS	West Columbia	Mail Distribution & Service Center	1,546
Lexington County School District Two	West Columbia	K-12 Education	1,043
Nephron Pharmaceuticals	West Columbia	Pharmaceuticals	1,000
Totals			25,008

Source: Central SC Alliance, February 2020

Lexington County's major employers are primarily concentrated within the healthcare, K-12 education, utility, and retail distribution sectors. Healthcare and K-12 education are historically stable industries. We believe that the diverse industries represented by major employers provide stability to the local economy.

Expansions/Contractions

According to Central SC Alliance and the Columbia Regional Business Report, there have been multiple notable business expansions and contractions in the Subject's area, which are detailed following:

- GreenWise Market, an offshoot of Publix, opened at Lexington Marketplace in December 2019. The grocery store joins Hobby Lobby and ULTA Beauty at the 135,000-square-foot retail center located at Sunset Boulevard and Saluda Springs Road.
- Garden State Tile, a Northeast-based tile and stone distributor, opened its first Columbia location in August 2019. The location is at 425 Huger Street and includes a 3,000-square-foot showroom and a 10,000-square-foot warehouse.
- JUUL Labs, Inc. announced plans in May 2019 to invest more than \$125 million in a new assembly facility in Lexington County. This investment is expected to help create more than 500 new jobs to support the assembly operations. Considering the recent health concerns over vaping-related illnesses, JUUL says the company still plans on opening the manufacturing facility in Lexington County. Government officials noted that the facility will be manufacturing and will not be for sales.
- Domino's, the Michigan-based pizza restaurant chain, announced plans in November 2018 to open a new processing facility in Lexington County. The company's new project is slated to create 75 jobs.
- Nucor Building Systems, a leading manufacturer of custom, pre-engineered metal building systems, announced in October 2018 that it is growing its existing operations in Lexington County. The company's \$7 million investment is projected to create approximately 60 new jobs.
- Tidewater Boats, a designer and manufacturer of premier saltwater boats, announced in January 2018 that it is growing its Lexington County operations. To accommodate the production of larger models, the company is investing \$8.3 million and creating 100 new jobs.
- Nephron Pharmaceuticals Corporation, a manufacturer of sterile inhalation and 503B outsourcing

medications, announced in December 2017 a \$12.5 million expansion to add 36,000 square feet of manufacturing space. The new investment is expected to create 125 new jobs.

- Prysmian Group, a world leader in the telecom cables and systems industry, announced in October 2017 a planned expansion of the company’s North American headquarters in Lexington County. The expansion will exceed \$15 million of capital investment and was projected to create 30 jobs by 2022.

WARN Notices

We also researched Worker Adjustment and Retraining Notification (WARN) notices as provided by the SC Works to determine which businesses have decreased employment within Lexington County. The following table illustrates these job losses from January 2017 through January 6, 2020. Note that there were no WARN listings in the county in 2017.

WARN LISTINGS
LEXINGTON COUNTY (2017 - 2020 YTD)

Company	City	Employees Affected	Layoff Date
NAPA	Cayce	46	12/31/2019
United Sporting Companies Ellett Brothers, LLC	Chapin	173	9/5/2019
Hire Right	Chapin	15	5/31/2019
Family Medicine Centers of South Carolina	Columbia/Irmo/ West Columbia	114	5/31/2018
Reliable Management Solutions	Lexington	237	3/31/2018
Total		585	

Source: SC Works, February 2020

As shown, there have been 585 layoffs in Lexington County since 2017. However, this represents less than 1.5 percent of the workforce in the PMA and is well below employment expansions over the same period.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2003 to 2019 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)
Columbia, SC Metropolitan Statistical Area

Year	Columbia, SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2003	320,845	-	5.7%	-	137,736,000	-	6.0%	-
2004	327,761	2.2%	5.8%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	335,004	2.2%	5.7%	0.0%	141,730,000	1.8%	5.1%	-0.5%
2006	343,592	2.6%	5.6%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	349,536	1.7%	5.0%	-0.6%	146,047,000	1.1%	4.6%	0.0%
2008	348,019	-0.4%	5.9%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	335,665	-3.5%	9.1%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	337,592	0.6%	9.4%	0.2%	139,064,000	-0.6%	9.6%	0.3%
2011	341,036	1.0%	9.1%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	349,406	2.5%	8.1%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	356,037	1.9%	6.7%	-1.4%	143,929,000	1.0%	7.4%	-0.7%
2014	366,828	3.0%	5.8%	-0.9%	146,305,000	1.7%	6.2%	-1.2%
2015	376,664	2.7%	5.5%	-0.3%	148,833,000	1.7%	5.3%	-0.9%
2016	384,272	2.0%	4.7%	-0.8%	151,436,000	1.7%	4.9%	-0.4%
2017	385,212	0.2%	4.1%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018	385,316	0.0%	3.3%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019 YTD Average*	392,271	1.8%	2.7%	-0.6%	157,538,083	1.1%	3.7%	-0.2%
Dec-2018	385,035	-	3.2%	-	156,481,000	-	3.7%	-
Dec-2019	394,163	2.4%	2.2%	-1.0%	158,504,000	1.3%	3.4%	-0.3%

Source: U.S. Bureau of Labor Statistics, March 2020

*2019 data is through October

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 3.9 percent (2007-2009), less than the 4.9 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of December 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.4 percent, compared to 1.3 percent across the overall nation.

The MSA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. However, the local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 4.4 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.2 percent, lower than the current national unemployment rate of 3.4 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

Housing and Economy

There are four LIHTC (without subsidy) properties and four subsidized properties in the PMA. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low-income renters is considered limited. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession impacted Lexington’s single-family housing market. However, it appears to have recovered and stabilized. According to RealtyTrac’s January 2020 estimates, the town of Lexington experienced a low foreclosure rate of one in every 1,589 housing units. Lexington County experienced a similar foreclosure rate and the state of South Carolina and nation overall experienced slightly lower rates (of one in every 1,902 and one in every 2,253, respectively).

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 29 minutes. Approximately 50.4 percent of households within the PMA have commute times of less than 25 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	565	2.0%
Travel Time 5-9 min	2,030	7.3%
Travel Time 10-14 min	3,236	11.7%
Travel Time 15-19 min	3,680	13.3%
Travel Time 20-24 min	4,453	16.1%
Travel Time 25-29 min	2,014	7.3%
Travel Time 30-34 min	4,644	16.8%
Travel Time 35-39 min	1,438	5.2%
Travel Time 40-44 min	1,255	4.5%
Travel Time 45-59 min	2,827	10.2%
Travel Time 60-89 min	1,044	3.8%
Travel Time 90+ min	510	1.8%
Weighted Average	29 minutes	

Source: US Census 2019, Novogradac Consulting LLP, March 2020

CONCLUSION

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 33.9 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 3.9 percent employment contraction, compared to a 4.9 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.4 percent, compared to 1.3 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

POPULATION

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	40,148	-	651,106	-	281,250,431	-
2010	52,331	3.0%	767,598	1.8%	308,745,538	1.0%
2019	64,240	2.5%	851,696	1.2%	332,417,793	0.8%
Projected Mkt Entry April 2022	67,945	2.1%	879,490	1.2%	339,606,188	0.8%
2024	70,977	2.1%	902,230	1.2%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2019	Projected Mkt Entry April 2022	2024
0-4	3,006	3,497	3,936	4,210	4,435
5-9	3,279	4,118	4,222	4,422	4,585
10-14	3,110	4,105	4,553	4,752	4,915
15-19	2,584	3,270	4,236	4,334	4,414
20-24	1,642	2,577	3,676	3,733	3,780
25-29	2,545	3,203	4,108	4,299	4,455
30-34	3,269	3,520	4,061	4,628	5,091
35-39	3,973	4,093	4,439	4,742	4,990
40-44	3,731	4,222	4,339	4,679	4,957
45-49	3,149	4,223	4,708	4,582	4,479
50-54	2,768	3,805	4,537	4,626	4,699
55-59	1,969	3,159	4,486	4,487	4,487
60-64	1,391	2,756	3,869	4,151	4,382
65-69	1,144	1,970	3,137	3,503	3,802
70-74	932	1,323	2,458	2,709	2,915
75-79	783	989	1,523	1,878	2,168
80-84	518	748	956	1,130	1,273
85+	352	753	996	1,080	1,148
Total	40,145	52,331	64,240	67,944	70,975

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The total population in the PMA increased at an annual rate of 2.5 percent from 2010 to 2019, a rate above the MSA and the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2024 at 2.1 percent per annum, a rate that will outpace the MSA and the nation.

The population in the PMA in 2019 is relatively balance, with strong concentrations of children (age 18 and under) and significant populations of young to middle-aged adults. Growth in these age cohorts bodes well for the Subject.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	14,727	-	245,961	-	105,409,439	-
2010	19,687	3.4%	294,842	2.0%	116,716,296	1.1%
2019	23,986	2.4%	325,997	1.1%	125,168,557	0.8%
Projected Mkt Entry April 2022	25,367	2.1%	336,564	1.2%	127,600,110	0.7%
2024	26,496	2.1%	345,210	1.2%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

AVERAGE HOUSEHOLD SIZE

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.65	-	2.50	-	2.59	-
2010	2.60	-0.2%	2.49	-0.1%	2.58	-0.1%
2019	2.62	0.1%	2.51	0.1%	2.59	0.1%
Projected Mkt Entry April 2022	2.63	0.0%	2.51	0.1%	2.60	0.1%
2024	2.63	0.0%	2.51	0.1%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

POPULATION IN GROUP QUARTERS

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual	Number	Annual
2000	1,082.00	-	36,177.00	-	7,772,539.00	-
2010	1,152.00	0.6%	34,533.00	-0.5%	8,043,577.00	0.3%
2019	1,330.00	1.7%	34,745.00	0.1%	8,093,640.00	0.1%
Projected Mkt Entry April 2022	1,330.00	0.0%	34,745.00	0.0%	8,093,640.00	0.0%
2024	1,330.00	0.0%	34,745.00	0.0%	8,093,640.00	0.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The total number of households in the PMA increased at 2.4 percent per annum between 2010 and 2019, a higher rate compared to the MSA and the nation over the same time period. Through market entry date and 2024, the total number of households in the PMA is expected to increase by 2.1 percent annually, which will outpace the MSA and the nation.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS - TOTAL POPULATION				
PMA				
Year	Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage
2000	12,398	84.2%	2,329	15.8%
2010	15,316	77.8%	4,371	22.2%
2019	18,791	78.3%	5,195	21.7%
Projected Mkt Entry April 2022	19,911	78.5%	5,456	21.5%
2024	20,827	78.6%	5,669	21.4%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The PMA is predominantly owner-occupied housing, with renter-occupied housing units composing approximately 21.7 percent of households as of 2019. Through market entry and 2024, the percentage of renter households is expected to decrease slightly with a strong increase in the number of renter-occupied households overall.

Household Income Distribution

The following table depicts household income in the PMA from 2019 to 2024.

HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2019		Projected Mkt Entry April 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	855	3.6%	874	3.4%	889	3.4%
\$10,000-19,999	1,401	5.8%	1,396	5.5%	1,392	5.3%
\$20,000-29,999	1,689	7.0%	1,699	6.7%	1,707	6.4%
\$30,000-39,999	1,475	6.1%	1,542	6.1%	1,596	6.0%
\$40,000-49,999	1,903	7.9%	1,876	7.4%	1,854	7.0%
\$50,000-59,999	1,853	7.7%	1,904	7.5%	1,945	7.3%
\$60,000-74,999	2,811	11.7%	2,883	11.4%	2,941	11.1%
\$75,000-99,999	3,332	13.9%	3,524	13.9%	3,681	13.9%
\$100,000-124,999	2,921	12.2%	3,054	12.0%	3,162	11.9%
\$125,000-149,999	2,129	8.9%	2,344	9.2%	2,519	9.5%
\$150,000-199,999	1,931	8.1%	2,225	8.8%	2,465	9.3%
\$200,000+	1,686	7.0%	2,048	8.1%	2,345	8.9%
Total	23,986	100.0%	25,367	100.0%	26,496	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

The Subject will target households earning between \$13,303 and \$44,700. As the table above depicts, approximately 26.9 percent of households in the PMA earned between \$10,000 and \$49,999 in 2019. Most of the households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2019, market entry, and 2024.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry April 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	502	9.7%	523	9.6%	541	9.5%
\$10,000-19,999	480	9.2%	479	8.8%	478	8.4%
\$20,000-29,999	592	11.4%	593	10.9%	594	10.5%
\$30,000-39,999	469	9.0%	498	9.1%	522	9.2%
\$40,000-49,999	480	9.2%	466	8.5%	455	8.0%
\$50,000-59,999	455	8.8%	479	8.8%	499	8.8%
\$60,000-74,999	784	15.1%	814	14.9%	839	14.8%
\$75,000-99,999	458	8.8%	503	9.2%	539	9.5%
\$100,000-124,999	379	7.3%	425	7.8%	462	8.1%
\$125,000-149,999	223	4.3%	244	4.5%	262	4.6%
\$150,000-199,999	190	3.7%	214	3.9%	233	4.1%
\$200,000+	183	3.5%	217	4.0%	245	4.3%
Total	5,195	100.0%	5,456	100.0%	5,669	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

Renter households with incomes between \$10,000 and \$49,999 represent 39.0 percent of the renter households in the PMA in 2019, and this share is expected to decline slightly through market entry.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS IN THE HOUSEHOLD

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2019		Projected Mkt Entry April 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,994	38.4%	2,100	38.5%	2,187	38.6%
2 Persons	1,361	26.2%	1,400	25.7%	1,432	25.3%
3 Persons	821	15.8%	863	15.8%	898	15.8%
4 Persons	633	12.2%	680	12.5%	719	12.7%
5+ Persons	386	7.4%	412	7.5%	433	7.6%
Total Households	5,195	100%	5,456	100%	5,669	100%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

Approximately 61.6 percent of renter households resided in a two to five-plus-person households in the PMA in 2019. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The total population in the PMA increased at an annual rate of 2.5 percent from 2010 to 2019, a rate above the MSA and the nation. The total number of households in the PMA increased at 2.4 percent per annum between 2010 and 2019, a higher rate compared to the MSA and the nation over the same time period. Through market entry and 2024, the percentage of renter households is expected to decrease slightly with a strong increase in the number of renter-occupied households due to household growth. Renter households with incomes between \$10,000 and \$49,999 represent 39.0 percent of the renter

households in the PMA in 2019, and this share is expected to decline slightly through market entry. Most of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum gross rent a family household will pay is 35 percent of its household income at the appropriate AMI level and the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, for one-bedroom units we assume the average income limits of a one- and two-person household and for three-bedroom units we assume the average income limits for a four- and five-person household. This applies to family projects. For elderly projects, we have used a maximum income based on two-person households.

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

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

2. Affordability

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

3. Minimum and Maximum Income Levels

The following tables illustrate the minimum and maximum allowable income levels for the Subject’s units.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$13,303	\$17,430	\$22,149	\$29,050	\$26,606	\$34,860
2BR	\$16,800	\$19,620	\$26,606	\$32,700	\$31,920	\$39,240
3BR	\$19,406	\$23,550	\$30,720	\$39,250	\$36,857	\$47,100

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2019 as the base year for the analysis, with demographic projections to 2022. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using census 2010 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2000 Census data. (c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership must be used to refine the analysis. The Subject targets family tenancy and is not likely to attract homeowners seeking to downsize into a family rental unit. (d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2019 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such properties in the PMA.

5. Method – Capture Rates

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

30% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @30%

Minimum Income Limit		\$13,303		Maximum Income Limit		\$23,550	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry April 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	21			8.2%	\$0	0.0%
\$10,000-19,999	-1	-0.4%	\$6,696	67.0%	-1		
\$20,000-29,999	1	0.4%	\$3,550	35.5%	0		
\$30,000-39,999	29	11.2%	\$0	0.0%	0		
\$40,000-49,999	-14	-5.3%	\$0	0.0%	0		
\$50,000-59,999	24	9.3%	\$0	0.0%	0		
\$60,000-74,999	30	11.6%	\$0	0.0%	0		
\$75,000-99,999	45	17.1%	\$0	0.0%	0		
\$100,000-124,999	46	17.5%	\$0	0.0%	0		
\$125,000-149,999	21	8.2%	\$0	0.0%	0		
\$150,000-199,999	24	9.1%	\$0	0.0%	0		
\$200,000+	34	13.1%	\$0	0.0%	0		
Total	261	100.0%		-0.1%	0		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @30%

Minimum Income Limit		\$13,303		Maximum Income Limit		\$23,550	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	502			9.7%	\$0	0.0%
\$10,000-19,999	480	9.2%	\$6,696	67.0%	321		
\$20,000-29,999	592	11.4%	\$3,550	35.5%	210		
\$30,000-39,999	469	9.0%	\$0	0.0%	0		
\$40,000-49,999	480	9.2%	\$0	0.0%	0		
\$50,000-59,999	455	8.8%	\$0	0.0%	0		
\$60,000-74,999	784	15.1%	\$0	0.0%	0		
\$75,000-99,999	458	8.8%	\$0	0.0%	0		
\$100,000-124,999	379	7.3%	\$0	0.0%	0		
\$125,000-149,999	223	4.3%	\$0	0.0%	0		
\$150,000-199,999	190	3.7%	\$0	0.0%	0		
\$200,000+	183	3.5%	\$0	0.0%	0		
Total	5,195	100.0%		10.2%	532		

ASSUMPTIONS - @30%

ASSUMPTIONS - @30%					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	30%	70%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	80%	20%

Demand from New Renter Households 2019 to April 2022

Income Target Population	@30%
New Renter Households PMA	261
Percent Income Qualified	-0.1%
New Renter Income Qualified Households	0

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@30%
Total Existing Demand	5,195
Income Qualified	10.2%
Income Qualified Renter Households	532
Percent Rent Overburdened Prj Mrkt Entry April 2022	32.8%
Rent Overburdened Households	174

Demand from Living in Substandard Housing

Income Qualified Renter Households	532
Percent Living in Substandard Housing	4.4%
Households Living in Substandard Housing	24

Total Demand

Total Demand from Existing Households	198
Total New Demand	0
Total Demand (New Plus Existing Households)	197

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	38.5%	76
Two Persons	25.7%	51
Three Persons	15.8%	31
Four Persons	12.5%	25
Five Persons	7.5%	15
Total	100.0%	197

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	68
Of two-person households in 1BR units	30%	15
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	8
Of two-person households in 2BR units	70%	35
Of three-person households in 2BR units	60%	19
Of four-person households in 2BR units	30%	7
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	12
Of four-person households in 3BR units	70%	17
Of five-person households in 3BR units	80%	12
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	20%	3
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		197

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	84	-	0	=	84
2 BR	69	-	0	=	69
3 BR	42	-	0	=	42
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	194		0		194

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	2	/	84	=	2.4%
2 BR	2	/	69	=	2.9%
3 BR	1	/	42	=	2.4%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	5		194		2.6%

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$22,149		Maximum Income Limit		\$39,250	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry April 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	21			8.2%	\$0	0.0%
\$10,000-19,999	-1	-0.4%	\$0	0.0%	0		
\$20,000-29,999	1	0.4%	\$7,850	78.5%	1		
\$30,000-39,999	29	11.2%	\$9,251	92.5%	27		
\$40,000-49,999	-14	-5.3%	\$0	0.0%	0		
\$50,000-59,999	24	9.3%	\$0	0.0%	0		
\$60,000-74,999	30	11.6%	\$0	0.0%	0		
\$75,000-99,999	45	17.1%	\$0	0.0%	0		
\$100,000-124,999	46	17.5%	\$0	0.0%	0		
\$125,000-149,999	21	8.2%	\$0	0.0%	0		
\$150,000-199,999	24	9.1%	\$0	0.0%	0		
\$200,000+	34	13.1%	\$0	0.0%	0		
Total	261	100.0%		10.7%	28		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$22,149		Maximum Income Limit		\$39,250	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	502			9.7%	\$0	0.0%
\$10,000-19,999	480	9.2%	\$0	0.0%	0		
\$20,000-29,999	592	11.4%	\$7,850	78.5%	465		
\$30,000-39,999	469	9.0%	\$9,251	92.5%	434		
\$40,000-49,999	480	9.2%	\$0	0.0%	0		
\$50,000-59,999	455	8.8%	\$0	0.0%	0		
\$60,000-74,999	784	15.1%	\$0	0.0%	0		
\$75,000-99,999	458	8.8%	\$0	0.0%	0		
\$100,000-124,999	379	7.3%	\$0	0.0%	0		
\$125,000-149,999	223	4.3%	\$0	0.0%	0		
\$150,000-199,999	190	3.7%	\$0	0.0%	0		
\$200,000+	183	3.5%	\$0	0.0%	0		
Total	5,195	100.0%		17.3%	899		

ASSUMPTIONS - @50%

ASSUMPTIONS - @50%					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	30%	70%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	80%	20%

Demand from New Renter Households 2019 to April 2022

Income Target Population	@50%
New Renter Households PMA	261
Percent Income Qualified	10.7%
New Renter Income Qualified Households	28

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	5,195
Income Qualified	17.3%
Income Qualified Renter Households	899
Percent Rent Overburdened Prj Mrkt Entry April 2022	32.8%
Rent Overburdened Households	294

Demand from Living in Substandard Housing

Income Qualified Renter Households	899
Percent Living in Substandard Housing	4.4%
Households Living in Substandard Housing	40

Total Demand

Total Demand from Existing Households	334
Total New Demand	28
Total Demand (New Plus Existing Households)	362

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	38.5%	139
Two Persons	25.7%	93
Three Persons	15.8%	57
Four Persons	12.5%	45
Five Persons	7.5%	27
Total	100.0%	362

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	125
Of two-person households in 1BR units	30%	28
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	14
Of two-person households in 2BR units	70%	65
Of three-person households in 2BR units	60%	34
Of four-person households in 2BR units	30%	14
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	23
Of four-person households in 3BR units	70%	32
Of five-person households in 3BR units	80%	22
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	20%	5
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		362

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	153	-	0	=	153
2 BR	127	-	0	=	127
3 BR	76	-	0	=	76
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	357		0		357

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	153	=	5.2%
2 BR	14	/	127	=	11.0%
3 BR	8	/	76	=	10.5%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	30		357		8.4%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$26,606		Maximum Income Limit		\$47,100	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry April 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	21			8.2%	\$0	0.0%
\$10,000-19,999	-1	-0.4%	\$0	0.0%	0		
\$20,000-29,999	1	0.4%	\$3,393	33.9%	0		
\$30,000-39,999	29	11.2%	\$9,999	100.0%	29		
\$40,000-49,999	-14	-5.3%	\$7,100	71.0%	-10		
\$50,000-59,999	24	9.3%	\$0	0.0%	0		
\$60,000-74,999	30	11.6%	\$0	0.0%	0		
\$75,000-99,999	45	17.1%	\$0	0.0%	0		
\$100,000-124,999	46	17.5%	\$0	0.0%	0		
\$125,000-149,999	21	8.2%	\$0	0.0%	0		
\$150,000-199,999	24	9.1%	\$0	0.0%	0		
\$200,000+	34	13.1%	\$0	0.0%	0		
Total	261	100.0%		7.6%	20		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$26,606		Maximum Income Limit		\$47,100	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	502			9.7%	\$0	0.0%
\$10,000-19,999	480	9.2%	\$0	0.0%	0		
\$20,000-29,999	592	11.4%	\$3,393	33.9%	201		
\$30,000-39,999	469	9.0%	\$9,999	100.0%	469		
\$40,000-49,999	480	9.2%	\$7,100	71.0%	341		
\$50,000-59,999	455	8.8%	\$0	0.0%	0		
\$60,000-74,999	784	15.1%	\$0	0.0%	0		
\$75,000-99,999	458	8.8%	\$0	0.0%	0		
\$100,000-124,999	379	7.3%	\$0	0.0%	0		
\$125,000-149,999	223	4.3%	\$0	0.0%	0		
\$150,000-199,999	190	3.7%	\$0	0.0%	0		
\$200,000+	183	3.5%	\$0	0.0%	0		
Total	5,195	100.0%		19.5%	1,011		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Rural		Maximum # of Occupants		0
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	30%	70%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	80%	20%

Demand from New Renter Households 2019 to April 2022

Income Target Population	@60%
New Renter Households PMA	261
Percent Income Qualified	7.6%
New Renter Income Qualified Households	20

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	5,195
Income Qualified	19.5%
Income Qualified Renter Households	1,011
Percent Rent Overburdened Prj Mrkt Entry April 2022	32.8%
Rent Overburdened Households	331

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,011
Percent Living in Substandard Housing	4.4%
Households Living in Substandard Housing	45

Total Demand

Total Demand from Existing Households	376
Total New Demand	20
Total Demand (New Plus Existing Households)	396

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	38.5%	152
Two Persons	25.7%	102
Three Persons	15.8%	63
Four Persons	12.5%	49
Five Persons	7.5%	30
Total	100.0%	396

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	137
Of two-person households in 1BR units	30%	30
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	15
Of two-person households in 2BR units	70%	71
Of three-person households in 2BR units	60%	38
Of four-person households in 2BR units	30%	15
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	25
Of four-person households in 3BR units	70%	35
Of five-person households in 3BR units	80%	24
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	20%	6
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		396

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	168	-	0	=	168
2 BR	139	-	0	=	139
3 BR	83	-	0	=	83
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	390		0		390

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	14	/	168	=	8.4%
2 BR	26	/	139	=	18.7%
3 BR	15	/	83	=	18.0%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	55		390		14.1%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$13,303		Maximum Income Limit		\$47,100	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2019 to Prj Mkt Entry April 2022						
\$0-9,999	21	8.2%	\$0	0.0%	0		
\$10,000-19,999	-1	-0.4%	\$6,696	67.0%	-1		
\$20,000-29,999	1	0.4%	\$9,999	100.0%	1		
\$30,000-39,999	29	11.2%	\$9,999	100.0%	29		
\$40,000-49,999	-14	-5.3%	\$7,100	71.0%	-10		
\$50,000-59,999	24	9.3%	\$0	0.0%	0		
\$60,000-74,999	30	11.6%	\$0	0.0%	0		
\$75,000-99,999	45	17.1%	\$0	0.0%	0		
\$100,000-124,999	46	17.5%	\$0	0.0%	0		
\$125,000-149,999	21	8.2%	\$0	0.0%	0		
\$150,000-199,999	24	9.1%	\$0	0.0%	0		
\$200,000+	34	13.1%	\$0	0.0%	0		
Total	261	100.0%		7.6%	20		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$13,303		Maximum Income Limit		\$47,100	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	502	9.7%	\$0	0.0%	0		
\$10,000-19,999	480	9.2%	\$6,696	67.0%	321		
\$20,000-29,999	592	11.4%	\$9,999	100.0%	592		
\$30,000-39,999	469	9.0%	\$9,999	100.0%	469		
\$40,000-49,999	480	9.2%	\$7,100	71.0%	341		
\$50,000-59,999	455	8.8%	\$0	0.0%	0		
\$60,000-74,999	784	15.1%	\$0	0.0%	0		
\$75,000-99,999	458	8.8%	\$0	0.0%	0		
\$100,000-124,999	379	7.3%	\$0	0.0%	0		
\$125,000-149,999	223	4.3%	\$0	0.0%	0		
\$150,000-199,999	190	3.7%	\$0	0.0%	0		
\$200,000+	183	3.5%	\$0	0.0%	0		
Total	5,195	100.0%		33.2%	1,723		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall					
Tenancy		Family		% of Income towards Housing	
Rural/Urban		Rural		Maximum # of Occupants	
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	30%	70%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	80%	20%

Demand from New Renter Households 2019 to April 2022

Income Target Population	Overall
New Renter Households PMA	261
Percent Income Qualified	7.6%
New Renter Income Qualified Households	20

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	5,195
Income Qualified	33.2%
Income Qualified Renter Households	1,723
Percent Rent Overburdened Prj Mrkt Entry April 2022	32.8%
Rent Overburdened Households	565

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,723
Percent Living in Substandard Housing	4.4%
Households Living in Substandard Housing	77

Total Demand

Total Demand from Existing Households	641
Total New Demand	20
Total Demand (New Plus Existing Households)	661

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	38.5%	254
Two Persons	25.7%	170
Three Persons	15.8%	105
Four Persons	12.5%	82
Five Persons	7.5%	50
Total	100.0%	661

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	229
Of two-person households in 1BR units	30%	51
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	25
Of two-person households in 2BR units	70%	119
Of three-person households in 2BR units	60%	63
Of four-person households in 2BR units	30%	25
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	42
Of four-person households in 3BR units	70%	58
Of five-person households in 3BR units	80%	40
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	20%	10
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		661

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	280	-	0	=	280
2 BR	232	-	0	=	232
3 BR	139	-	0	=	139
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	651		0		651

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	24	/	280	=	8.6%
2 BR	42	/	232	=	18.1%
3 BR	24	/	139	=	17.2%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	90		651		13.8%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

	HH at @30% AMI (\$13,303 to \$23,550)	HH at @50% AMI (\$22,149 to \$39,250)	HH at @60% AMI (\$26,606 to \$47,100)	Overall Demand
Demand from New Households (age and income appropriate)	0	28	20	20
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	174	294	331	565
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	24	40	45	77
=	=	=	=	=
Equals Total Demand	197	362	396	661
Less	-	-	-	-
New Supply	0	0	0	0
Equals Net Demand	197	362	396	661

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @30%	84	0	84	2	2.4%
1BR @50%	153	0	153	8	5.2%
1BR @60%	168	0	168	14	8.4%
1BR Overall	280	0	280	24	8.6%
2BR @30%	69	0	69	2	2.9%
2BR @50%	127	0	127	14	11.0%
2BR @60%	139	0	139	26	18.7%
2BR Overall	232	0	232	42	18.1%
3BR @30%	42	0	42	1	2.4%
3BR @50%	76	0	76	8	10.5%
3BR @60%	83	0	83	15	18.0%
3BR Overall	139	0	139	24	17.2%
@30% Overall	194	0	194	5	2.6%
@50% Overall	357	0	357	30	8.4%
@60% Overall	390	0	390	55	14.1%
Overall	651	0	651	90	13.8%

As the analysis illustrates, the Subject’s capture rates vary from 2.4 to 18.7 percent with an overall capture rate of 13.8 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

One of the surveyed comparable properties was able to provide absorption data. Absorption rates at this property is detailed in the table below.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Pointe at Lake Murray	LIHTC	Family	2019	60	12

The Pointe at Lake Murray was completed in 2019 and reported an absorption rate of 12 units per month. With the increasing demographic base in the PMA and the relatively limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to this comparable. The LIHTC comparables report generally low effective vacancy, indicating demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject's tenancy, we believe that the Subject could absorb approximately 12 units per month upon opening. This equals an absorption period of seven months. We expect the Subject to reach stabilized occupancy of 93 percent within seven months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Fully subsidized properties were excluded due to differing rent structures from the Subject without a subsidy; however, it should be noted that subsidized properties in the market area were found to have stable occupancies.

The following table illustrates the excluded properties and the vacancy rates, where they were available, for the excluded properties. As noted, the property with high vacancy is a recently completed senior LIHTC development that opened in January 2020 and is in the early absorption phase. Based on the senior tenancy of this property, it will not compete directly with the Subject.

Property Name	Rent Structure	Tenancy	Reason for Exclusion	# of Units	Current Vacancy Rate
Autumnwood Crossing*	LIHTC	Senior	Tenancy	50	86.0%
Hampton's Crossing	LIHTC	Senior	Tenancy	48	0.0%
Pebble Creek	LIHTC	Senior	Tenancy	48	0.0%
Scarlett Oaks	LIHTC/USDA	Senior	Tenancy and subsidy	40	0.0%
Town & Country Apartments	LIHTC/USDA	Family	Tenancy and subsidy	46	2.2%
Westfield Gardens	LIHTC	Family	Unable to contact	24	n/a
Lexington South	Section 8	Senior	Subsidized	16	0.0%
Park North Apartments	Section 8	Family	Subsidized	84	0.0%
Total LIHTC Only				170	25.3%
Total LIHTC Only - Stabilized Only				120	0.0%
Total Assisted				186	0.5%
Total All Affordable				356	1.1%

*Property is in absorption

LIHTC Competition

According to the South Carolina State Housing Finance and Development Authority (SC Housing), there have been three properties allocated tax credits within the PMA between 2015 and present. The following table illustrates these allocations.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
Villas at Northlake	2019	LIHTC	Senior	43	0	Proposed
Autumnwood Crossing	2017	LIHTC	Senior	50	0	Complete
Hamptons Crossing	2015	LIHTC	Senior	48	0	Complete
				141	0	

Source: South Carolina State Housing Finance and Development Authority (SC Housing), February 2020

- Villas at Northlake was allocated tax credits in 2019 for the new construction of 43 LIHTC units for seniors age 55 and older. The property is currently in the planning process, but is expected to begin

construction in 2020. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis.

- Autumnwood Crossing was allocated tax credits in 2017 for the new construction of 50 LIHTC units for seniors age 55 and older. The property opened in January 2020 and offers one and two-bedroom units restricted at 50 and 60 percent AMI. The property is currently in the absorption phase. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis.
- Hampton's Crossing was allocated tax credits in 2015 for the new construction of 48 LIHTC units for seniors age 55 and older. The property opened in 2017 and offers one and two-bedroom units restricted at 50 and 60 percent AMI. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis. Further, this property has achieved stabilized operation.

Pipeline Construction

We spoke with Tori Bassett, Permit Technician for the Town of Lexington Planning, Building and Technology Department, who was unaware of any additional planned, proposed, or under construction multifamily developments in the Subject's area (besides those discussed above). Additionally, there are no planned or under construction multifamily developments in the PMA according to CoStar.

Comparable Properties

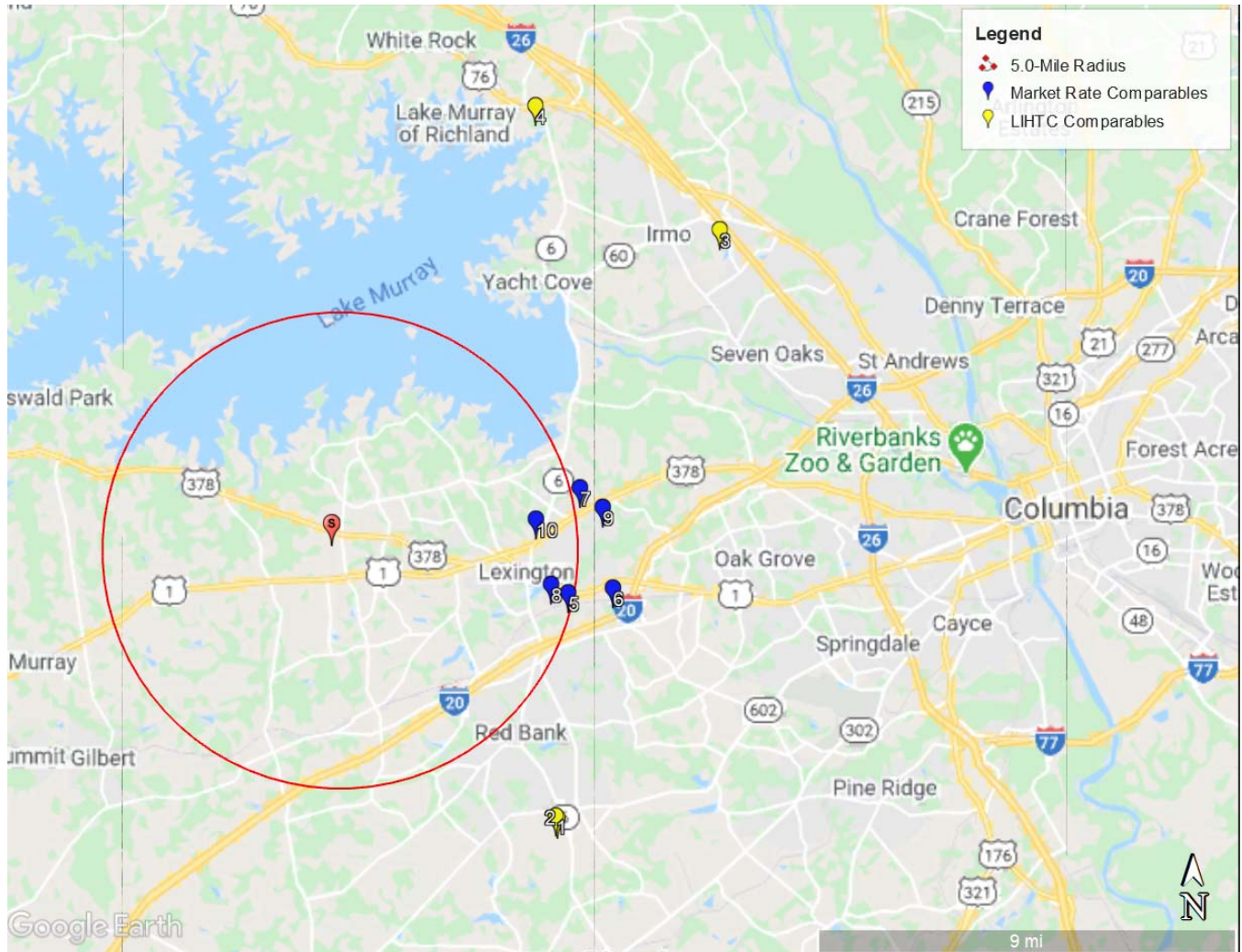
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes ten "true" comparable properties containing 1,708 units.

The availability of LIHTC data is considered fair, as there is only one general tenancy family LIHTC development located within the PMA, and this property is far inferior in age/condition as it was completed in 1988. Further, despite numerous attempts we were unable to contact management. However, all of the LIHTC comparables identified and interviewed are located near the PMA between 7.5 and 10.6 miles of the Subject. All of the comparable LIHTC properties target general tenancy, similar to the Subject. Other LIHTC properties within the PMA have been excluded because they are also benefitting from subsidy programs such as Rural Development (RD) or Section 8.

The availability of market-rate data is considered good. We included six conventional properties in our analysis of the competitive market, all of which are located within the PMA within 6.0 miles of the Subject. The comparables include the newest market rate properties in the area that will offer a similar age and condition to the Subject. Overall, we believe the market-rate properties we used in our analysis are the most comparable. Other market-rate properties were excluded based on proximity and unit types.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available. Throughout the course of performing this analysis of the local rental market, many apartment managers, realtors, leasing agents, and owners were contacted in person, or through the telephone or email.

COMPARABLE RENTAL PROPERTY MAP



Source: Google Earth, February 2020.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Oak	Lexington	LIHTC	Family	-
1	Fern Hall*	Lexington	LIHTC	Family	7.5 miles
2	Fern Hall Crossing*	Lexington	LIHTC/HOME	Family	7.6 miles
3	Harbison Gardens*	Columbia	LIHTC	Family	10.6 miles
4	The Pointe At Lake Murray*	Irmo	LIHTC	Family	10.2 miles
5	Cedarcrest Village Apartments	Lexington	Market	Family	5.1 miles
6	Lauren Ridge	Lexington	Market	Family	6.0 miles
7	Overlook At Golden Hills	Lexington	Market	Family	5.4 miles
8	Reserve At Mill Landing	Lexington	Market	Family	4.7 miles
9	River Bluff Of Lexington	Lexington	Market	Family	5.8 miles
10	The Waterway Apartment Homes	Lexington	Market	Family	4.3 miles

*Located outside PMA

HAVENWOOD OAK – LEXINGTON, SC – APPLICATION MARKET STUDY

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

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Havenwood Oak 277 Charter Oak Road Lexington, SC 29072 Lexington County	-	Lowrise 3-stories 2022 / n/a Family	@30%, @50%, @60%	1BR / 1BA	2	2.2%	750	@30%	\$258	N/A	N/A	N/A	N/A
					1BR / 1BA	8	8.9%	750	@50%	\$516	N/A	N/A	N/A	N/A
					1BR / 1BA	14	15.6%	750	@60%	\$646	N/A	N/A	N/A	N/A
					2BR / 2BA	2	2.2%	900	@30%	\$316	N/A	N/A	N/A	N/A
					2BR / 2BA	1	1.1%	900	@50%	\$602	N/A	N/A	N/A	N/A
					2BR / 2BA	13	14.4%	900	@50%	\$602	N/A	N/A	N/A	N/A
					2BR / 2BA	26	28.9%	900	@60%	\$757	N/A	N/A	N/A	N/A
					3BR / 2BA	1	1.1%	1,100	@30%	\$339	N/A	N/A	N/A	N/A
					3BR / 2BA	1	1.1%	1,100	@50%	\$669	N/A	N/A	N/A	N/A
					3BR / 2BA	7	7.8%	1,100	@50%	\$669	N/A	N/A	N/A	N/A
						3BR / 2BA	15	16.7%	1,100	@60%	\$848	N/A	N/A	N/A
					90							N/A	N/A	
1	Fern Hall 600 Fern Hall Drive Lexington, SC 29073 Lexington County	7.5 miles	Garden 2-stories 2004 / n/a Family	@50%, @60%	2BR / 2BA	5	12.5%	959	@50%	\$634	Yes	No	N/A	N/A
					2BR / 2BA	11	27.5%	959	@60%	\$714	Yes	No	N/A	N/A
					3BR / 2BA	5	12.5%	1,183	@50%	\$795	Yes	No	N/A	N/A
					3BR / 2BA	19	47.5%	1,183	@60%	\$900	Yes	No	N/A	N/A
						40								
2	Fern Hall Crossing 123 Brevard Parkway Lexington, SC 29073 Lexington County	7.6 miles	Garden 3-stories 2007 / n/a Family	@50% (HOME), @60%	1BR / 1BA	4	8.3%	900	@50% (HOME)	\$532	Yes	No	N/A	N/A
					2BR / 2BA	10	20.8%	1,200	@50% (HOME)	\$612	Yes	No	N/A	N/A
					2BR / 2BA	10	20.8%	1,200	@60%	\$807	Yes	No	N/A	N/A
					3BR / 2BA	12	25.0%	1,300	@50% (HOME)	\$687	Yes	No	N/A	N/A
					3BR / 2BA	12	25.0%	1,300	@60%	\$912	Yes	No	N/A	N/A
	48									2	4.2%			
3	Harbison Gardens 401 Columbiana Dr Columbia, SC 29212 Richland County	10.6 miles	Garden 2-stories 1995 / 2013 Family	@60%	2BR / 1.5BA	20	11.1%	927	@60%	\$743	Yes	Yes	N/A	N/A
					3BR / 2BA	64	35.6%	1,157	@60%	\$780	No	No	N/A	N/A
					4BR / 2BA	96	53.3%	1,323	@60%	\$902	No	No	N/A	N/A
						180								
4	The Pointe At Lake Murray 110 Ballentine Park Rd Irmo, SC 29063 Richland County	10.2 miles	Garden 3-stories 2019 / n/a Family	@50%, @60%	2BR / 2BA	6	10.0%	956	@50%	\$500	No	No	1	16.7%
					2BR / 2BA	24	40.0%	956	@60%	\$720	No	No	1	4.2%
					3BR / 2BA	6	10.0%	1,119	@50%	\$601	No	No	1	16.7%
					3BR / 3BA	24	40.0%	1,119	@60%	\$812	No	No	1	4.2%
						60								
5	Cedarcrest Village Apartments 959 E Main St Lexington, SC 29072 Lexington County	5.1 miles	Garden 3-stories 2007 / n/a Family	Market	1BR / 1BA	30	10.0%	685	Market	\$799	N/A	No	0	0.0%
					1BR / 1BA	30	10.0%	771	Market	\$889	N/A	No	0	0.0%
					2BR / 2BA	90	30.0%	950	Market	\$919	N/A	No	2	2.2%
					2BR / 2BA	90	30.0%	1,035	Market	\$929	N/A	No	1	1.1%
					3BR / 2BA	60	20.0%	1,456	Market	\$1,045	N/A	No	3	5.0%
	300									6	2.0%			
6	Lauren Ridge 500 Carlen Avenue Lexington, SC 29072 Lexington County	6.0 miles	Garden 3-stories 2009 / n/a Family	Market	1BR / 1BA	48	22.2%	916	Market	\$1,039	N/A	No	1	2.1%
					2BR / 2BA	84	38.9%	1,086	Market	\$1,220	N/A	No	0	0.0%
					3BR / 2BA	84	38.9%	1,280	Market	\$1,297	N/A	No	1	1.2%
						216								
7	Overlook At Golden Hills 300 Caughman Farm Lane Lexington, SC 29072 Lexington County	5.4 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	54	26.5%	788	Market	\$955	N/A	Yes	2	3.7%
					1BR / 1BA	N/A	N/A	788	Market	\$1,000	N/A	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	788	Market	\$909	N/A	Yes	N/A	N/A
					2BR / 1BA	30	14.7%	922	Market	\$1,025	N/A	Yes	1	3.3%
					2BR / 1BA	N/A	N/A	922	Market	\$1,038	N/A	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	922	Market	\$1,011	N/A	Yes	N/A	N/A
					2BR / 2BA	96	47.1%	1,058	Market	\$1,035	N/A	Yes	4	4.2%
					2BR / 2BA	N/A	N/A	1,058	Market	\$1,104	N/A	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	1,058	Market	\$965	N/A	Yes	N/A	N/A
					3BR / 2BA	24	11.8%	1,206	Market	\$1,256	N/A	Yes	1	4.2%
					3BR / 2BA	N/A	N/A	1,206	Market	\$1,365	N/A	Yes	N/A	N/A
3BR / 2BA	N/A	N/A	1,206	Market	\$1,146	N/A	Yes	N/A	N/A					
	204									8	3.9%			
8	Reserve At Mill Landing 809 E Main Street Lexington, SC 29072 Lexington County	4.7 miles	Garden 3-stories 2000 / 2018 Family	Market	1BR / 1BA	44	16.9%	716	Market	\$919	N/A	No	2	4.6%
					1BR / 1BA	42	16.2%	780	Market	\$929	N/A	No	3	7.1%
					2BR / 2BA	64	24.6%	1,058	Market	\$1,059	N/A	No	2	3.1%
					2BR / 2BA	77	29.6%	1,145	Market	\$1,029	N/A	No	3	3.9%
					3BR / 2BA	33	12.7%	1,337	Market	\$1,351	N/A	No	1	3.0%
	260									11	4.2%			
9	River Bluff Of Lexington 300 Palmetto Park Boulevard Lexington, SC 29072 Lexington County	5.8 miles	Garden 2-stories 1996 / 2016 Family	Market	1BR / 1BA	82	41.0%	740	Market	\$1,071	N/A	No	2	2.4%
					2BR / 2BA	87	43.5%	954	Market	\$1,226	N/A	No	0	0.0%
					3BR / 2BA	31	15.5%	1,120	Market	\$1,361	N/A	No	1	3.2%
	200									3	1.5%			
10	The Waterway Apartment Homes 121 Northpoint Drive Lexington, SC 29072 Lexington County	4.3 miles	Garden 2-stories 2000 / 2017 Family	Market	1BR / 1BA	46	23.0%	798	Market	\$1,057	N/A	No	1	2.2%
					2BR / 2BA	73	36.5%	1,042	Market	\$1,097	N/A	No	1	1.4%
					2BR / 2BA	73	36.5%	1,149	Market	\$1,132	N/A	No	1	1.4%
					3BR / 2BA	8	4.0%	1,345	Market	\$1,267	N/A	No	0	0.0%
						200								

HAVENWOOD OAK – LEXINGTON, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

	Subject	Fern Hall	Fern Hall Crossing	Harbison Gardens	The Pointe At Lake Murray	Cedarcrest Village	Lauren Ridge	Overlook At Golden Hills	Reserve At Mill Landing	River Bluff Of Lexington	The Waterway
Rent Structure	LIHTC	LIHTC	LIHTC/HOME	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Building											
Property Type	Lowrise	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	3-stories	2-stories	3-stories	2-stories	3-stories	3-stories	3-stories	3-stories	3-stories	2-stories	2-stories
Year Built	2022	2004	2007	1995	2019	2007	2009	2008	2000	1996	2000
Year Renovated	n/a	n/a	n/a	2013	n/a	n/a	n/a	n/a	2018	2016	2017
Utility Structure											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	no	yes	yes	yes	no	no	no
Sewer	no	no	no	yes	no	yes	yes	yes	no	no	no
Trash	yes	yes	no	yes	yes	yes	yes	yes	yes	no	no
Unit Amenities											
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	yes	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	yes	no	no	yes	yes	yes	no	yes
Fireplace	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	yes	no	yes	no	no
Walk-In Closet	no	no	no	no	no	no	yes	yes	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	no	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	yes	no	yes	yes	yes	no	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community											
Business Center	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes	no	yes	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Recreation											
Exercise Facility	yes	no	no	no	yes	yes	yes	yes	yes	yes	yes
Playground	yes	yes	yes	yes	no	yes	no	no	yes	yes	yes
Swimming Pool	no	no	no	yes	no	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	yes	yes	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	yes	no	no
Theatre	no	no	no	no	no	yes	no	no	no	no	no
Recreational Area	no	no	no	no	no	yes	no	no	no	no	no
WiFi	no	yes	no	no	no	no	no	no	no	no	no
Security											
Patrol	no	no	no	no	no	no	no	no	no	yes	no
Perimeter Fencing	no	no	no	no	no	no	no	no	no	no	yes
Video Surveillance	no	no	no	no	yes	no	no	no	no	yes	no
Parking											
Garage	no	no	no	no	no	yes	yes	yes	yes	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$75	\$99	\$90	\$100	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

Fern Hall

Effective Rent Date	2/24/2020
Location	600 Fern Hall Drive Lexington, SC 29073 Lexington County
Distance	7.5 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Theresa
Phone	803-951-1874



Market Information

Program	@50%, @60%
Annual Turnover Rate	12%
Units/Month Absorbed	3
HCV Tenants	37%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased five to 11 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	5	959	\$634	\$0	@50%	No	N/A	N/A	yes	None
2	2	Garden (2 stories)	11	959	\$714	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (2 stories)	5	1,183	\$795	\$0	@50%	No	N/A	N/A	yes	None
3	2	Garden (2 stories)	19	1,183	\$900	\$0	@60%	No	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$634	\$0	\$634	\$0	\$634	2BR / 2BA	\$714	\$0	\$714	\$0	\$714
3BR / 2BA	\$795	\$0	\$795	\$0	\$795	3BR / 2BA	\$900	\$0	\$900	\$0	\$900

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Wi-Fi		

Comments

The property manager stated there is a need for more affordable housing in the area, particularly family housing.

Photos



PROPERTY PROFILE REPORT

Fern Hall Crossing

Effective Rent Date	2/24/2020
Location	123 Brevard Parkway Lexington, SC 29073 Lexington County
Distance	7.6 miles
Units	48
Vacant Units	2
Vacancy Rate	4.2%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Family
Contact Name	Theresa
Phone	844-718-8590



Market Information

Program	@50% (HOME), @60%
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to four percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	4	900	\$520	\$0	@50% (HOME)	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	10	1,200	\$600	\$0	@50% (HOME)	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	10	1,200	\$795	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	12	1,300	\$675	\$0	@50% (HOME)	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	12	1,300	\$900	\$0	@60%	No	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$520	\$0	\$520	\$12	\$532	2BR / 2BA	\$795	\$0	\$795	\$12	\$807
2BR / 2BA	\$600	\$0	\$600	\$12	\$612	3BR / 2BA	\$900	\$0	\$900	\$12	\$912
3BR / 2BA	\$675	\$0	\$675	\$12	\$687						

Fern Hall Crossing, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		

Comments

The property manager stated there is a need for more affordable housing in the area, particularly family housing.

Photos



PROPERTY PROFILE REPORT

Harbison Gardens

Effective Rent Date	2/26/2020
Location	401 Columbiana Dr Columbia, SC 29212 Richland County
Distance	10.6 miles
Units	180
Vacant Units	12
Vacancy Rate	6.7%
Type	Garden (2 stories)
Year Built/Renovated	1995 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Would not comment
Contact Name	Alicia
Phone	803-749-1255



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to three percent
Concession	None
Waiting List	Yes, for two-bedroom units (10 households)

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	20	927	\$829	\$0	@60%	Yes	N/A	N/A	yes	None
3	2	Garden (2 stories)	64	1,157	\$900	\$0	@60%	No	N/A	N/A	no	None
4	2	Garden (2 stories)	96	1,323	\$1,050	\$0	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$829	\$0	\$829	-\$86	\$743
3BR / 2BA	\$900	\$0	\$900	-\$120	\$780
4BR / 2BA	\$1,050	\$0	\$1,050	-\$148	\$902

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property manager stated that eight units are offline due a fire that destroyed portions of a building. The entire building was damaged and is being renovated, with expected completion by March 2020. Additionally, the contact stated that the waiting list is only for two-bedroom units and is 10 households. The manager reported that there are pending applicants for two of the remaining four vacancies, as well as pending applicants for several of the eight down units.

Photos



PROPERTY PROFILE REPORT

The Pointe At Lake Murray

Effective Rent Date	2/24/2020
Location	110 Ballentine Park Rd Irmo, SC 29063 Richland County
Distance	10.2 miles
Units	60
Vacant Units	4
Vacancy Rate	6.7%
Type	Garden (3 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families
Contact Name	Jamie
Phone	803-849-8878



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	12
HCV Tenants	10%
Leasing Pace	Within 30 days
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	6	956	\$500	\$0	@50%	No	1	16.7%	no	None
2	2	Garden (3 stories)	24	956	\$720	\$0	@60%	No	1	4.2%	no	None
3	2	Garden (3 stories)	6	1,119	\$601	\$0	@50%	No	1	16.7%	no	None
3	3	Garden (3 stories)	24	1,119	\$812	\$0	@60%	No	1	4.2%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$500	\$0	\$500	\$0	\$500	2BR / 2BA	\$720	\$0	\$720	\$0	\$720
3BR / 2BA	\$601	\$0	\$601	\$0	\$601	3BR / 3BA	\$812	\$0	\$812	\$0	\$812

The Pointe At Lake Murray, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

The property manager stated that it took the property five months to be fully occupied. Three of the four vacant units are currently pre-leased. The contact reported that the rents are below maximum allowable levels as the property recently opened and has yet to increase its rents. The contact stated that the property is currently waiting for approval from the state to increase its rents to maximum allowable levels, which the manager believes are achievable.

Photos



PROPERTY PROFILE REPORT

Cedarcrest Village Apartments

Effective Rent Date	2/24/2020
Location	959 E Main St Lexington, SC 29072 Lexington County
Distance	5.1 miles
Units	300
Vacant Units	6
Vacancy Rate	2.0%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Jervonte
Phone	(803) 957-2555



Market Information

Program	Market
Annual Turnover Rate	37%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	15-30 Days
Annual Chg. in Rent	Increased; % not provided
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	30	685	\$860	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	30	771	\$950	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	90	950	\$1,005	\$0	Market	No	2	2.2%	N/A	None
2	2	Garden (3 stories)	90	1,035	\$1,015	\$0	Market	No	1	1.1%	N/A	None
3	2	Garden (3 stories)	60	1,456	\$1,165	\$0	Market	No	3	5.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$860 - \$950	\$0	\$860 - \$950	-\$61	\$799 - \$889
2BR / 2BA	\$1,005 - \$1,015	\$0	\$1,005 - \$1,015	-\$86	\$919 - \$929
3BR / 2BA	\$1,165	\$0	\$1,165	-\$120	\$1,045

Amenities

In-Unit Balcony/Patio Cable/Satellite/Internet Central A/C Ceiling Fan Microwave Refrigerator	Blinds Carpeting Dishwasher Garbage Disposal Oven Washer/Dryer hookup	Security None	Services None
Property Business Center/Computer Lab Clubhouse/Meeting Room/Community Garage(\$75.00) Recreation Areas Theatre	Car Wash Exercise Facility Playground Swimming Pool	Premium None	Other None

Comments

The contact had no further comments.

Photos



PROPERTY PROFILE REPORT

Lauren Ridge

Effective Rent Date	2/24/2020
Location	500 Carlen Avenue Lexington, SC 29072 Lexington County
Distance	6 miles
Units	216
Vacant Units	2
Vacancy Rate	0.9%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cedar Crest, The Waterway Apartment Homes
Tenant Characteristics	None identified
Contact Name	Denise
Phone	803-520-4623



Market Information

Program	Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to five percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	916	\$1,100	\$0	Market	No	1	2.1%	N/A	None
2	2	Garden (3 stories)	84	1,086	\$1,306	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	84	1,280	\$1,417	\$0	Market	No	1	1.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,100	\$0	\$1,100	-\$61	\$1,039
2BR / 2BA	\$1,306	\$0	\$1,306	-\$86	\$1,220
3BR / 2BA	\$1,417	\$0	\$1,417	-\$120	\$1,297

Lauren Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Outdoor trails, Gameroom
Exercise Facility	Garage(\$99.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

The property has a \$99 fee for garage parking.

Photos



PROPERTY PROFILE REPORT

Overlook At Golden Hills

Effective Rent Date	2/24/2020
Location	300 Caughman Farm Lane Lexington, SC 29072 Lexington County
Distance	5.4 miles
Units	204
Vacant Units	8
Vacancy Rate	3.9%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lauren Ridge, River Bluff of Lexington, Lullwater
Tenant Characteristics	None identified
Contact Name	Dean
Phone	803-244-9287



Market Information

Program	Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes frequently depending on demand
Concession	None
Waiting List	Approximately 10 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	54	788	\$1,016	\$0	Market	Yes	2	3.7%	N/A	AVG*
1	1	Garden (3 stories)	N/A	788	\$1,061	\$0	Market	Yes	N/A	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	788	\$970	\$0	Market	Yes	N/A	N/A	N/A	LOW*
2	1	Garden (3 stories)	30	922	\$1,111	\$0	Market	Yes	1	3.3%	N/A	AVG*
2	1	Garden (3 stories)	N/A	922	\$1,124	\$0	Market	Yes	N/A	N/A	N/A	HIGH*
2	1	Garden (3 stories)	N/A	922	\$1,097	\$0	Market	Yes	N/A	N/A	N/A	LOW*
2	2	Garden (3 stories)	96	1,058	\$1,121	\$0	Market	Yes	4	4.2%	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,058	\$1,190	\$0	Market	Yes	N/A	N/A	N/A	HIGH*
2	2	Garden (3 stories)	N/A	1,058	\$1,051	\$0	Market	Yes	N/A	N/A	N/A	LOW*
3	2	Garden (3 stories)	24	1,206	\$1,376	\$0	Market	Yes	1	4.2%	N/A	AVG*
3	2	Garden (3 stories)	N/A	1,206	\$1,485	\$0	Market	Yes	N/A	N/A	N/A	HIGH*
3	2	Garden (3 stories)	N/A	1,206	\$1,266	\$0	Market	Yes	N/A	N/A	N/A	LOW*

Overlook At Golden Hills, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$970 - \$1,061	\$0	\$970 - \$1,061	-\$61	\$909 - \$1,000
2BR / 1BA	\$1,097 - \$1,124	\$0	\$1,097 - \$1,124	-\$86	\$1,011 - \$1,038
2BR / 2BA	\$1,051 - \$1,190	\$0	\$1,051 - \$1,190	-\$86	\$965 - \$1,104
3BR / 2BA	\$1,266 - \$1,485	\$0	\$1,266 - \$1,485	-\$120	\$1,146 - \$1,365

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$90.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

The property charges a \$90 fee for garage parking.

Photos



PROPERTY PROFILE REPORT

Reserve At Mill Landing

Effective Rent Date	2/24/2020
Location	809 E Main Street Lexington, SC 29072 Lexington County
Distance	4.7 miles
Units	260
Vacant Units	11
Vacancy Rate	4.2%
Type	Garden (3 stories)
Year Built/Renovated	2000 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cedar Crest, Overlook at Golden Hill
Tenant Characteristics	None identified
Contact Name	Rodman
Phone	803-599-2481



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Changes frequently depending on demand
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	44	716	\$919	\$0	Market	No	2	4.5%	N/A	None
1	1	Garden (3 stories)	42	780	\$929	\$0	Market	No	3	7.1%	N/A	None
2	2	Garden (3 stories)	64	1,058	\$1,059	\$0	Market	No	2	3.1%	N/A	None
2	2	Garden (3 stories)	77	1,145	\$1,029	\$0	Market	No	3	3.9%	N/A	None
3	2	Garden (3 stories)	33	1,337	\$1,351	\$0	Market	No	1	3.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$919 - \$929	\$0	\$919 - \$929	\$0	\$919 - \$929
2BR / 2BA	\$1,029 - \$1,059	\$0	\$1,029 - \$1,059	\$0	\$1,029 - \$1,059
3BR / 2BA	\$1,351	\$0	\$1,351	\$0	\$1,351

Reserve At Mill Landing, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$30.00)	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Complimentary Coffee Bar
Exercise Facility	Garage(\$100.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

The rents vary per lease term; the rents shown are for a 12-month lease. There is a fee for exterior storage: \$35 for smaller storage units and \$50 for larger storage units. There is a \$90 fee for garage parking; however, surface parking is free. The contact reported that parking is not an issue at the property. There are no security features at the property. The property has been performing ongoing renovations over the past two years as tenants vacant including new countertops and flooring. All of the available units have been renovated and the rents shown are for the renovated units.

Photos



PROPERTY PROFILE REPORT

River Bluff Of Lexington

Effective Rent Date	2/24/2020
Location	300 Palmetto Park Boulevard Lexington, SC 29072 Lexington County
Distance	5.8 miles
Units	200
Vacant Units	3
Vacancy Rate	1.5%
Type	Garden (2 stories)
Year Built/Renovated	1996 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Overlook at Golden Hills
Tenant Characteristics	None identified
Contact Name	Mike
Phone	(803) 356-8000



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased up to four percent
Concession	None
Waiting List	Yes; six

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	82	740	\$1,059	\$0	Market	No	2	2.4%	N/A	None
2	2	Garden (2 stories)	87	954	\$1,214	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	31	1,120	\$1,349	\$0	Market	No	1	3.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,059	\$0	\$1,059	\$12	\$1,071
2BR / 2BA	\$1,214	\$0	\$1,214	\$12	\$1,226
3BR / 2BA	\$1,349	\$0	\$1,349	\$12	\$1,361

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Patrol	None
Central A/C	Coat Closet	Video Surveillance	
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

This property was previously a LIHTC development known as Chimney Ridge but was acquired by new management in 2014 and converted all affordable units to market rate.

Photos



PROPERTY PROFILE REPORT

The Waterway Apartment Homes

Effective Rent Date	2/24/2020
Location	121 Northpoint Drive Lexington, SC 29072 Lexington County
Distance	4.3 miles
Units	200
Vacant Units	3
Vacancy Rate	1.5%
Type	Garden (2 stories)
Year Built/Renovated	2000 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Riverbluff of Lexington, Overlook at Golden Hills
Tenant Characteristics	None identified
Contact Name	Josh
Phone	803-790-7136



Market Information

Program	Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Changes frequently depending on demand
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	46	798	\$1,045	\$0	Market	No	1	2.2%	N/A	None
2	2	Garden (2 stories)	73	1,042	\$1,085	\$0	Market	No	1	1.4%	N/A	None
2	2	Garden (2 stories)	73	1,149	\$1,120	\$0	Market	No	1	1.4%	N/A	None
3	2	Garden (2 stories)	8	1,345	\$1,255	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,045	\$0	\$1,045	\$12	\$1,057
2BR / 2BA	\$1,085 - \$1,120	\$0	\$1,085 - \$1,120	\$12	\$1,097 - \$1,132
3BR / 2BA	\$1,255	\$0	\$1,255	\$12	\$1,267

The Waterway Apartment Homes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Dog Park, Putting green
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact indicated that three-bedroom units rarely become available. No utilities are included, but trash is a \$10 fee added onto rent. The contact indicated that the property was bought three years ago and has been completing renovations of units on an going basis including new countertops, appliances, and flooring.

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Hall*	LIHTC	Family	40	1	2.5%
Fern Hall Crossing*	LIHTC/HOME	Family	48	2	4.2%
Harbison Gardens*	LIHTC	Family	180	12	6.7%
The Pointe At Lake Murray*	LIHTC	Family	60	4	6.7%
Cedarcrest Village Apartments	Market	Family	300	6	2.0%
Lauren Ridge	Market	Family	216	2	0.9%
Overlook At Golden Hills	Market	Family	204	8	3.9%
Reserve At Mill Landing	Market	Family	260	11	4.2%
River Bluff Of Lexington	Market	Family	200	3	1.5%
The Waterway Apartment Homes	Market	Family	200	3	1.5%
Overall Total			1,708	52	3.0%
Overall Total - Excluding Down Units**			1,700	44	2.6%

*Located outside of the PMA

**Manager at Harbison Gardens reported eight units are down due to a recent fire

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Hall*	LIHTC	Family	40	1	2.5%
Fern Hall Crossing*	LIHTC/HOME	Family	48	2	4.2%
Harbison Gardens*	LIHTC	Family	180	12	6.7%
The Pointe At Lake Murray*	LIHTC	Family	60	4	6.7%
Total LIHTC			328	19	5.8%
Total LIHTC - Excluding Down Units**			320	11	3.4%

*Located outside of the PMA

**Manager at Harbison Gardens reported eight units are down due to a recent fire

MARKET VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Cedarcrest Village Apartments	Market	Family	300	6	2.0%
Lauren Ridge	Market	Family	216	2	0.9%
Overlook At Golden Hills	Market	Family	204	8	3.9%
Reserve At Mill Landing	Market	Family	260	11	4.2%
River Bluff Of Lexington	Market	Family	200	3	1.5%
The Waterway Apartment Homes	Market	Family	200	3	1.5%
Total Market Rate			1,380	33	2.4%

*Located outside of the PMA

Overall vacancy among the ten comparables is low at 3.0 percent. All of the comparable properties are located outside the PMA, indicating limited supply of general tenancy LIHTC units within the PMA. The LIHTC comparables demonstrate an overall weighted vacancy of 5.8 percent, which is slightly elevated due to down units at Harbison Gardens. The manager at Harbison Gardens reported that there was a fire in late 2019 that required vacating and renovating an entire building, which is still under construction as of our interview. As such, there are eight down units at this property, and the effective vacancy at this comparable is 2.3 percent (i.e. four vacant units.) Further, the manager reported that there are pending applicants for two of the four units, and the property maintains a short waiting list for select unit types. The manager at The Pointe at Lake Murray reported that vacancy is currently elevated; however, three of the four vacant units are pre-leased. The remaining two LIHTC comparables reported only three combined vacant units. Based on the fact that eight of the vacant LIHTC units are due to down units, the effective LIHTC market vacancy is 3.4 percent.

Among the market rate properties, vacancy is low at 2.4 percent, indicating a strong market for conventional apartments. All of the market rate comparable properties reported vacancy rates at or below 4.2 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists at most of those properties, we expect that after completion of absorption, the Subject will likely operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are no LIHTC units in the PMA included in this comparable analysis. There is one general tenancy LIHTC development located in the PMA that operates without subsidy, Westfield Gardens Apartments, which was constructed in 1988 and as such will be far inferior to the Subject upon completion. There are three senior LIHTC developments within the PMA, but these will not compete directly with the Subject based on the targeted tenancy. The four comparables used in our analysis are located just beyond the PMA to the south, east and north, and interviews with property managers at all of the comparables indicated strong demand for affordable housing in the general market area.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Upstate Region, effective January 1, 2020, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following tables summarize the Subject's proposed 30, 50 and 60 percent AMI net rents compared to the maximum allowable 30, 50 and 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents. Of note, the AMI in Lexington County decreased slightly in 2019, and as such the comparables that are placed in service in 2018 or prior are held harmless at prior year maximum rent levels.

LIHTC RENT COMPARISON @30%

Property Name	Tenancy	1BR	2BR	3BR
Havenwood Oak	Family	\$258	\$316	\$339
2019 LIHTC Maximum Rent (Net)		\$258	\$291	\$310
2020 LIHTC Maximum Rent (Net)		\$278	\$316	\$339
Achievable LIHTC Rent		\$258	\$316	\$339

LIHTC RENT COMPARISON @50%

Property Name	Tenancy	1BR	2BR	3BR
Havenwood Oak	Family	\$516	\$602	\$669
2019 LIHTC Maximum Rent (Net)		\$516	\$602	\$669
2020 LIHTC Maximum Rent (Net)		\$551	\$643	\$717
Fern Hall	Family	-	\$634	\$795
Fern Hall Crossing	Family	\$532	\$612	\$687
The Pointe At Lake Murray	Family	-	\$500	\$601
Average		\$532	\$582	\$694
Achievable LIHTC Rent		\$516	\$602	\$669

LIHTC RENT COMPARISON @60%

Property Name	Tenancy	1BR	2BR	3BR
Havenwood Oak	Family	\$646	\$757	\$848
2019 LIHTC Maximum Rent (Net)		\$646	\$757	\$848
2020 LIHTC Maximum Rent (Net)		\$687	\$807	\$906
Fern Hall	Family	-	\$714	\$900
Fern Hall Crossing	Family	-	\$807	\$912
Harbison Gardens	Family	-	\$743	\$780
The Pointe At Lake Murray	Family	-	\$720	\$812
Average		-	\$746	\$851
Achievable LIHTC Rent		\$646	\$757	\$848

The Subject’s proposed 30 percent AMI rents are set at or slightly below the 2020 maximum allowable rent levels and the 50 percent AMI HOME and 60 percent AMI rents are all set slightly below the 2020 maximum allowable levels (but at the 2019 maximum allowable rent levels.) There are no comparables with 30 percent AMI rents. These rents will be the lowest non-subsidized rents in the market area, and based on the depth of demand, we believe the maximum allowable 30 percent AMI rents are achievable.

Of note, all of the comparables were surveyed before release of the 2020 maximum allowable rent levels, and as such all comparables were subject to 2019 maximum allowable rent levels. Average 50 percent AMI rents in the market are similar to the Subject’s proposed rents at the 50 percent AMI level. One of the comparables, The Pointe at Lake Murray, reported that, although maximum allowable rents are achievable the property recently opened, and, as such, the property is waiting on state approval to increase rents. Average 60 percent AMI rents in the market are similar to the Subject’s proposed rents at the 60 percent AMI level. Again, management at The Pointe at Lake Murray, which is the most recently completed property but has the lowest rents, reported that rents could be increased to maximum allowable levels but that the rent increases are pending state approval. The LIHTC comparables were constructed or renovated from 2004 through 2019 and range from good to excellent condition, inferior to similar to the Subject upon

completion. The Subject will offer a similar to slightly superior location, similar unit amenities, and similar to slightly inferior property amenities. The Subject’s unit sizes range from similar to slightly inferior to the comparables.

Compared to Fern Hall and Fern Hall Crossing, the Subject offers a similar location, superior condition, similar to inferior unit sizes, and similar to slightly superior amenities. These properties reported achieving the maximum allowable rents. Overall, the Subject will be similar to superior to the LIHTC comparables. The LIHTC comparables all reported low effective vacancy and strong demand with most units released upon moveouts.

Given the Subject’s anticipated superiority to the comparable properties, we believe it can achieve the proposed rents at the 50 and 60 percent AMI levels.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$258	\$799	\$1,071	\$957	\$950	73%
1BR / 1BA	@30%	\$258	\$799	\$1,071	\$957	\$950	73%
1BR / 1BA	@50%	\$516	\$799	\$1,071	\$957	\$950	46%
1BR / 1BA	@60%	\$646	\$799	\$1,071	\$957	\$950	32%
2BR / 2BA	@30%	\$316	\$919	\$1,226	\$1,056	\$1,075	71%
2BR / 2BA	@50%	\$602	\$919	\$1,226	\$1,056	\$1,075	44%
2BR / 2BA	@50%	\$602	\$919	\$1,226	\$1,056	\$1,075	44%
2BR / 2BA	@60%	\$757	\$919	\$1,226	\$1,056	\$1,075	30%
3BR / 2BA	@30%	\$339	\$1,045	\$1,365	\$1,261	\$1,225	72%
3BR / 2BA	@50%	\$669	\$1,045	\$1,365	\$1,261	\$1,225	45%
3BR / 2BA	@60%	\$848	\$1,045	\$1,365	\$1,261	\$1,225	31%

All of the market rate properties were built between 1996 and 2009 although several were recently renovated from 2016 through 2019. The market rate comparables are considered slightly inferior to the proposed Subject with respect to age and condition, as all are in good condition. All of the comparables are located in Lexington within 3.3 miles of the Subject. Reserve at Mill Landing and The Waterway Apartment Homes were constructed in 2000 and renovated in 2018 and 2017, respectively, and are considered the most similar to the Subject upon completion.

Reserve at Mill Landing is located 4.7 miles from the Subject in a similar location. Reserve at Mill Landing was constructed in 2000 and renovated in 2018 and is in good condition, slightly inferior to the Subject upon completion. Reserve at Mill Landing features similar to superior unit sizes, similar unit amenities, and slightly superior property amenities, as it offers a swimming pool, which the Subject will not offer. Overall, Reserve at Mill Landing is considered similar to the Subject based on the balance of advantages and disadvantages.

The Waterway Apartment Homes is located 4.3 miles from the Subject in a similar location. The Waterway Apartment Homes was constructed in 2000 and renovated in 2017 and is in good condition, slightly inferior to the Subject upon completion. The Waterway Apartment Homes features similar to superior unit sizes. This

property offers slightly superior unit amenities, as it offers balcony/patios and in-unit washer/dryers, which the Subject will not offer. The comparable also offers slightly superior property amenities as it offers a swimming pool, which the Subject will not offer. Overall, The Waterway Apartment Homes is considered similar to the Subject based on the balance of advantages and disadvantages.

The Subject property is considered similar to Reserve at Mill Landing and Waterway Apartment Homes. Thus, we concluded to achievable market rents of **\$950, \$1,075 and \$1,225** for the Subject's one, two and three-bedroom units, respectively. The Subject's proposed LIHTC rents will have advantages of 30 to 73 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are no LIHTC units in the PMA included in this comparable analysis. There is one general tenancy LIHTC development located in the PMA that operates without subsidy, Westfield Gardens Apartments, which was constructed in 1988 and as such will be far inferior to the Subject upon completion. There are three senior LIHTC developments within the PMA, but these will not compete directly with the Subject based on the targeted tenancy. The four comparables used in our analysis are located just beyond the PMA to the south, east and north, and all indicated strong demand for affordable housing in the general market area. With a very limited supply of affordable housing options in the market and a growing demographic base, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 2.1 percent annually in the PMA, outpacing the MSA and nation overall. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is only one general tenancy LIHTC property without subsidies in the PMA, Westfield Gardens, and it was constructed in 1988, totaling 24 units, and we were unable to contact management. Therefore, the availability of LIHTC housing targeting family tenancy is considered very limited given the depth of demand within the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with an effective LIHTC vacancy rate of 3.4 percent and a 3.0 percent vacancy overall among all ten comparable properties. The LIHTC properties reported that the majority of vacancies are preleased, and one of the comparables reported maintaining a waiting list. Market rate comparables are also performing well, with an overall vacancy rate of 2.4 percent among all of the market rate comparables.

When compared to the current rents at the LIHTC properties, the Subject's proposed 30, 50 and 60 percent AMI rents appear reasonable, and overall they are 37.4 percent below our estimated achievable market rents. Further, the proposed rents offer a 32.8 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

The following section details interviews with local market participants regarding the housing market.

Planning

According to the South Carolina State Housing Finance and Development Authority (SC Housing), there have been three properties allocated tax credits within the PMA between 2015 and present. The following table illustrates these allocations.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
Villas at Northlake	2019	LIHTC	Senior	43	0	Proposed
Autumnwood Crossing	2017	LIHTC	Senior	50	0	Complete
Hamptons Crossing	2015	LIHTC	Senior	48	0	Complete
				141	0	

Source: South Carolina State Housing Finance and Development Authority (SC Housing), February 2020

- Villas at Northlake was allocated tax credits in 2019 for the new construction of 43 LIHTC units for seniors age 55 and older. The property is currently in the planning process, but is expected to begin construction in 2020. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis.
- Autumnwood Crossing was allocated tax credits in 2017 for the new construction of 50 LIHTC units for seniors age 55 and older. The property opened in January 2020 and offers one and two-bedroom units restricted at 50 and 60 percent AMI. The property is currently in the absorption phase. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis.
- Hampton’s Crossing was allocated tax credits in 2015 for the new construction of 48 LIHTC units for seniors age 55 and older. The property opened in 2017 and offers one and two-bedroom units restricted at 50 and 60 percent AMI. As this property targets senior tenancy, it is not considered directly competitive with the Subject, and, thus, we have not deducted these units in our demand analysis. Further, this property has achieved stabilized operation.

We spoke with Tori Bassett, Permit Technician for the Town of Lexington Planning, Building and Technology Department, who was unaware of any additional planned, proposed, or under construction multifamily developments in the Subject’s area (besides those discussed above). Additionally, there are no planned or under construction multifamily developments in the PMA according to CoStar.

Section 8/Public Housing

We spoke with Ron Phillips, Housing Director with the South Carolina State Housing Authority (SC Housing). According to Mr. Phillips, SC Housing administers 928 Housing Choice Vouchers within Lexington County. A total of 935 vouchers are currently in use within the county given that a few vouchers from other counties have been used within Lexington County. The waiting list for Housing Choice Vouchers in Lexington County has been closed since June 9015. Mr. Phillips was unable to comment on when the waiting list would reopen but indicated that there are currently 148 households on the list. There is a preference for disabled persons and veterans. The payment standards for one, two, and three-bedroom units are \$922, \$1,055, and \$1,381, respectively. As the Subject’s proposed rents are below these payment standards, voucher tenants would be able to reside at the Subject’s units without paying additional rent out of pocket.

Property Managers

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

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 13.8 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 2.4 to 18.7 percent, which are all considered achievable in the PMA. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 2.1 percent annually in the PMA. The Subject site is located within 1.0 mile of most community services and facilities that tenants would utilize on a consistent basis, which is similar to superior to the comparable properties.

The effective LIHTC vacancy among the comparables (excluding down units) is 3.4 percent. There are limited general tenancy LIHTC units within the market area, with only one 24-unit development constructed in 1988 that we were unable to contact (Westfield Gardens). As such, the Subject will represent the first general tenancy LIHTC development completed within the PMA since 1988. The developer's LIHTC rents represent a 37.4 percent overall advantage below achievable market rents. Further, the proposed rents offer a 32.8 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. The proposed rents will be similar to current rents at LIHTC comparables.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

March 9, 2020

Date



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LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Ethan Houts
Analyst

ADDENDA

ADDENDUM A
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

State of South Carolina Certified General Real Property Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
ETHAN C. HOUTS**

I. Education

Taylor University, Upland, IN
Bachelor of Science, Finance (*Magna Cum Laude*)

II. State Certification and Professional Affiliation

State of Ohio Certified General Real Estate Appraiser No. 2017002055
Candidate for Designation, Appraisal Institute
Housing Credit Certified Professional (HCCP) (*Inactive*)

III. Professional Experience

Analyst / Consultant, Novogradac & Company LLP
Principal / Analyst, 27ONE Consulting LLC
Manager, Novogradac & Company LLP
Analyst, Wallick Communities
Analyst, Novogradac & Company LLP

IV. Professional Training

Basic Appraisal Procedures, January 2012
Basic Appraisal Principles, January 2012
National Uniform Standards of Professional Appraisal Practice, February 2012
Real Estate Finance, Statistics, & Valuation Modeling, January 2013
General Appraiser Sales Comparison Approach, January 2014
Business Practices & Ethics, January 2014
National USPAP 7-Hour Update, February 2014
General Appraiser Income Approach Part I, June 2014
General Appraiser Income Approach Part II, July 2014
General Appraiser Market Analysis and Highest and Best Use, October 2014
General Appraiser Report Writing and Case Studies, January 2015
Advanced Market Analysis and Highest & Best Use, October 2015
General Appraiser Site Valuation and Cost Approach, January 2016

V. Real Estate Assignments

A representative sample of Market Research, Due Diligence, and Valuation Engagements includes the following:

- Conducted numerous market and feasibility studies for affordable housing projects on a national basis. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: physical inspection of the site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Conducted numerous rent comparability studies of proposed new construction and existing subsidized properties in accordance with HUD guidelines.

- Conducted numerous appraisals of proposed new construction and existing subsidized properties in accordance with HUD guidelines.
- Conducted numerous appraisals of proposed new construction and existing LIHTC properties. Analysis typically includes physical inspection of the property and market, concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination, operating expense analysis to determine cost estimates, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Conducted numerous appraisals of retail, office, industrial, hospitality, special use, and commercial land properties.