

**A MARKET FEASIBILITY STUDY OF:
NEWBERRY ARMS**

A MARKET FEASIBILITY STUDY OF:

NEWBERRY ARMS

**186 Newberry Arms Drive
Newberry, Newberry County, South Carolina 29108**

**Effective Date: June 30, 2020
Report Date: September 10, 2020**

**Prepared for:
Justin Glanda
Related Affordable
60 Columbus Circle
New York, NY 10023**

**Prepared by:
Novogradac Consulting LLP
11044 Research Boulevard
Suite 400, Building C
Austin, Texas 78759
512.340.0420**





September 10, 2020

Justin Glanda
Related Affordable
60 Columbus Circle
New York, NY 10023

Re: Market Study for Newberry Arms, located in Newberry, Newberry County, South Carolina

Dear Mr. Glanda:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Newberry, Newberry County, South Carolina area relative to the above-referenced proposed affordable housing acquisition/rehabilitation project.

The purpose of this market study is to assess the viability of the acquisition/rehabilitation of Newberry Arms (Subject), an existing 60-unit HUD Section 8 multifamily property located at 186 Newberry Arms Drive, in Newberry, Newberry County, South Carolina. Currently, all 60 units operate with HUD Section 8 rental assistance. Post renovation, all of the units will be LIHTC-restricted to families earning at or below 60 percent of the area median income (AMI). In addition, all 60 LIHTC units will continue to benefit from the Section 8 contract.

We are concurrently preparing an appraisal for the Subject. 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. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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

Respectfully submitted,
Novogradac Consulting LLP



Brad Weinberg, MAI, CVA, CRE
Partner
Brad.Weinberg@Novoco.com



Lindsey Sutton
Principal
Lindsey.Sutton@Novoco.com



Justin Weaver
Analyst
Justin.Weaver@Novoco.com

The Covid-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact. At this point it is unclear how long it will be before the emergency restrictions are lifted or loosened or how the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the housing market. Our analysis and conclusions are based on the information available as of the date of this report.

TABLE OF CONTENTS

Executive Summary.....	0
A. Project Description.....	8
B. Site Description	12
C. Market Area	24
Primary Market Area	25
D. Market Area Economy	29
Market Area Economy.....	30
Commuting Patterns	36
Conclusion	36
E. Community Demographic Data	37
Household Trends	39
F. Project-Specific Demand Analysis.....	42
Project Specific Demand Analysis.....	43
G. Supply Analysis.....	53
Survey of Comparable Projects	54
Comparable Property Analysis.....	89
Reasonability of Rents	91
Summary Evaluation of the Proposed Project.....	92
H. Interviews	94
Interviews.....	95
I. Recommendations.....	96
J. Signed Statement Requirements	98
Addendum A.....	Qualifications of Consultants
Addendum B	Rent Comparability Grids

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Newberry Arms (Subject) is an existing 60-unit Section 8 property located at 186 Newberry Arms Drive, Newberry, Newberry County, South Carolina 29108. The Subject offers 12 one, 24 two, 18 three, and six four-bedroom units targeted toward the general population. Improvements consist of 12 two-story townhouse-style and three single-story residential buildings, as well as one single-story management building. All were built in 1980 and are in average condition. Currently, all units operate with HUD Section 8 rental assistance. Based on a rent roll dated June 30, 2020, the Subject was fully occupied and maintains an extensive waiting list. Post renovation, all of the units will be LIHTC-restricted to families earning at or below 60 percent of the area median income (AMI). In addition, all of the units will continue to benefit from the Section 8 contract.

Targeted Tenancy:

For SCHFA purposes, the tenancy is considered general population. The targeted tenancy is not age restricted and will consist of primarily one to six person households. All 60 of the units are subject to Section 8 restrictions.

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes. It should be noted that all 60 units will continue to benefit from Section 8 subsidies, and tenants will continue to contribute 30 percent of income as rent, not to exceed the lesser of the LIHTC rents and contract rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Proposed LIHTC Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>60% (Section 8)</i>								
1BR/1BA	638	12	\$579	\$595	\$105	\$700	\$700	\$558
2BR/1.5BA	919	24	\$675	\$696	\$145	\$841	\$841	\$735
3BR/1.5BA	1,098	18	\$730	\$792	\$180	\$972	\$972	\$999
4BR/2.5BA	1,227	6	\$844	\$878	\$206	\$1,084	\$1,084	\$1,137
		60						

Notes (1) Source of Utility Allowance provided by the HUD Rent Schedule, effective December 2019.

Scope of Renovations:

According to information provided by the developer, the total renovation hard costs are estimated to be approximately \$2,808,800 or \$46,813 per unit. The Subject’s scope of renovation will include, but will not be limited to:

SCOPE OF RENOVATIONS

Unit Renovations	
Bathroom Vanity, medicine cabinet, tub surround, lighting	Flooring replacement
Bathroom fixtures	Central air conditioning
Kitchen cabinets, counters, sinks	Interior doors
Kitchen appliances: stoves, microwaves, range hood, refrigerators	Hot water heaters
Drywall repair, paint	Outlet replacement/lighting
Unit Renovations	
Entry doors	Playground
Roofs	Security
Windows and patio doors	Parking lot repair, seal/stripe
Siding hardi, gutters, fascia	Concrete repair sidewalks/curbs
Landscaping	Mailboxes
Grading	Common area Wi-Fi
Unit Renovations	
Office/laundry upgrade	-

Market Vacancy

The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Clinton Green Apartments*	LIHTC	Family	40	0	0.0%
Fountain Hills*	LIHTC	Family	48	0	0.0%
Jacob Press Apartments*	LIHTC/ Market	Family	20	2	10.0%
Meadowbrook Apartments*	LIHTC	Family	48	2	4.2%
Newberry Green	LIHTC	Family	44	2	4.5%
Palmetto Pointe	LIHTC	Family	48	0	0.0%
Highland Park Apartments*	Market	Family	64	3	4.7%
Indian Land Apartments	Market	Family	52	3	5.8%
Magnolia Manor	Market	Family	14	1	7.1%
Oakland Mill	Market	Family	64	5	7.8%
Winter Ridge Apartments*	Market	Family	248	3	1.2%
Total LIHTC			248	6	2.4%
Total Market Rate			442	15	3.4%
Overall Total			690	21	3.0%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 10.0 percent. Jacob Press Apartments is a mixed income property, which reported the highest vacancy rate among the comparables. However, the property

manager at this property would not comment on the vacancy rate. Overall vacancy in the local market is operating at an average 3.0 percent vacancy rate. Managers at three of the LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.4 percent, below the 3.4 percent average reported by the market rate properties.

According to the rent roll dated June 30, 2020, the Subject is currently fully occupied and maintains an extensive waiting list. The Subject appears to be in average overall condition with average curb appeal. Post-renovation, the Subject will exhibit good overall condition. Therefore, we believe that the Subject will operate with a total vacancy rate of five percent or less.

It should be noted that a majority of the comparables reported no major issues or negative impact during the COVID-19 pandemic other than units taking longer to lease due to social distancing.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART - AS PROPOSED

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	247	0	247	12	4.9%
2BR @60%	338	0	338	24	7.1%
3BR @60%	325	0	325	18	5.5%
4BR @60%	74	0	74	6	8.1%
Overall	984	0	984	60	6.1%

CAPTURE RATE ANALYSIS CHART - ABSENT SUBSIDY

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	105	0	105	12	11.4%
2BR @60%	143	0	143	24	16.7%
3BR @60%	138	0	138	18	13.0%
4BR @60%	31	0	31	6	19.2%
Overall	418	0	418	60	14.4%

As the analysis illustrates, the Subject’s capture rates with subsidy at the 60 percent AMI level will range from 4.9 to 8.1 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 11.4 to 19.2 percent. The overall capture rates for the Subject’s units with and without subsidy are 6.1 and 14.4 percent, respectively. 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

None of the surveyed comparable properties were able to report relevant absorption data. As supplemental data, we have searched the region for LIHTC properties with recent absorption data. Absorption rates at these properties are 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
Willis Trace	LIHTC	Family	2016	28	28
Parkside At Verdae	LIHTC	Family	2012	56	30
Average					23

On average, these properties reported an absorption rate of 23 units per month. With the stable demographic base of low-income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the average. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, and an ample number income-qualified households, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of approximately three months. This is considered largely hypothetical due to the likelihood that all of the Subject’s current tenants will continue to be income eligible to remain at the property post-renovation. As such, we believe the Subject will stabilize within one month of rehabilitation completion.

Market Conclusions

Overall vacancy in the local market is performing well with a 3.0 percent vacancy rate among all 11 surveyed stabilized comparable projects. Excluding Jacob Press Apartments, Magnolia Manor and Oakland Mill, which reported that the current vacancy rates are slightly elevated, there are only four vacancies among the remaining 228 LIHTC units, and with the exception of Jacob Press Apartments, all of the LIHTC properties maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA. Market rate comparables are also performing well, with an overall vacancy rate of 3.4 percent among all of the market-rate comparables.

When compared to the current 60 percent AMI rents at the LIHTC properties, the Subject’s proposed 60 percent AMI rents appear reasonable at the maximum allowable levels, and they are 19.1 to 31.7 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

According to the South Carolina Department of Employment and Workforce (DEW), from May 31 to June 6, there were 22,734 people that filed for unemployment for the first time. That was a rise from the week of May 24-30, when 18,986 unemployment claims were made in South Carolina. In that time, the agency reports paying more than \$2.1 billion in a combination of state unemployment benefits, along with CARES Acts funds, Federal Pandemic Unemployment Compensation, Pandemic Unemployment, and Pandemic emergency Unemployment Compensation. The State labor agency said it is handling an unprecedented number of new claims. It’s a historic unemployment crisis that is expected to drain the state’s unemployment trust fund and require South Carolina to seek a federal loan, officials previously said.

The Covid-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact.

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports renovations of the Subject development as proposed. The overall capture rates for the Subject’s units with and without subsidy are 6.1 and 14.4 percent, respectively, which are within acceptable demand thresholds. Individual capture

rates by bedroom type range from 4.9 to 8.1 percent, with subsidy. Absent subsidy, the Subject's capture rates at the 60 percent AMI level will range from 11.4 to 19.2 percent. Property managers at area apartments in the PMA indicated that approximately ten percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately ten percent of the Subject's residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. In addition, the Subject is in a community (Newberry) that has few affordable housing alternatives. Between 2019 and market entry, the total number of households is expected to increase at a rate of 0.6 percent annually in the PMA. The Subject site is located within 1.5 miles of most community services and facilities that tenants would utilize on a consistent basis. Overall, we believe that the Subject will be successful in the local market as proposed.

Long Term Impact on Existing LIHTC Properties in the PMA

There are 92 total LIHTC units in the PMA that we included in this comparable analysis, of which, there are only six vacant units. Additionally, both of the LIHTC properties in the PMA that we included in this comparable analysis maintain waiting lists. Since the Subject is an existing Section 8 property that is fully occupied, operates with a subsidy and will continue to benefit from the Section 8 contract post-renovation, we do not expect any impact on the existing low-income rental assisted housing in the market.

NEWBERRY ARMS – NEWBERRY, SC – APPLICATION MARKET STUDY

2020 Exhibit S - SCSHFDA Primary Market Area Analysis Summary									
Development Name: Newberry Arms					Total # Units: 60				
Location: 186 Newberry Arms					# LIHTC Units: 60				
PMA Boundary: Newberry County					Farthest Boundary Distance to Subject: 20.7 miles				
Development Type: <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons									
RENTAL HOUSING STOCK***									
Type	# Properties	Total Units	Vacant Units	Average Occupancy					
All Rental Housing	18	780	62	92.1%					
Market-Rate	3	40	2	95.0%					
Assisted/Subsidized	6	296	18	93.9%					
LIHTC (All that are stabilized)*	7	327	14	95.7%					
Stabilized Comps**	18	663	34	94.9%					
Non-stabilized Comps	2	117	28	76.1%					
* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).									
** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.									
*** Based on CoStar data. Please refer to occupancy data on page 2 for data on comparables used in our survey, which range from 93.9 to 100 percent.									
Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
12	1	1	638	\$595	\$775	\$1.21	23.2%	\$758	\$1.19
24	2	1.5	919	\$696	\$860	\$0.94	19.1%	\$1,525	\$1.66
18	3	1.5	1,098	\$792	\$1,120	\$1.02	29.3%	\$1,660	\$1.51
6	4	2.5	1,227	\$878	\$1,285	\$1.05	31.7%	-	-
Gross Potential Rent Monthly*				\$43,368	\$57,810		25.0%		
*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.									
DEMOGRAPHIC DATA (found on page 40)									
	2010		2019		September 2021				
Renter Households	4,016	27.3%	4,380	28.3%	4,403	28.2%			
Income-Qualified Renter HHS (Subsidy)	N/A	N/A	2,936	67.0%	2,899	65.8%			
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 51)									
Type of Demand	60%	Other: __	Other: __	Other: __	Other: __	Other: __	Overall		
Renter Household Growth	-38	-	-	-	-	-	-38		
Existing Households (Overburd + Substand)	1,001	-	-	-	-	-	1,001		
Homeowner conversion (Seniors)	-	-	-	-	-	-	-		
Other:	-	-	-	-	-	-	-		
Less Comparable/Competitive Supply	-	-	-	-	-	-	-		
Net Income-qualified Renter HHS	963	-	-	-	-	-	963		
CAPTURE RATES (found on page 51)									
Targeted Population	60%	Other: __	Other: __	Other: __	Other: __	Other: __	Overall		
Capture Rate	6.1%	-	-	-	-	-	6.1%		
ABSORPTION RATE (found on page 52)									
Absorption Period Three months									

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
12	1 BR	\$595	\$7,140	\$775	\$9,300	23.2%
24	2 BR	\$696	\$16,704	\$860	\$20,640	19.1%
18	3 BR	\$792	\$14,256	\$1,120	\$20,160	29.3%
6	4 BR	\$878	\$5,268	\$1,285	\$7,710	31.7%
Totals	60		\$43,368		\$57,810	25.0%

Source: SCSHFDA, Novogradac & Company LLP, August 2019

A. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- Development Location:** The Subject is located at 186 Newberry Arms, Newberry, Newberry County, South Carolina 29108.
- Construction Type:** The Subject consists of 12 two-story townhouse-style and three single-story residential buildings, as well as one single-story management building.
- Year Built:** The Subject was originally built in 1980 and proposed for renovations.
- Occupancy Type:** For SCHFA purposes, the tenancy is considered general population. The targeted tenancy is not age restricted and will consist of primarily one to six person households. All 60 LIHTC units at the property will continue to be subject to Section 8 restrictions.
- Target Income Group:** The Subject will continue to target income-qualified family households with one to six persons. Based on the unit mix, the annual household income levels will range from \$23,349 to \$42,180 for the units at the 60 percent AMI level; however, the Subject will offer subsidized rents allowing tenants to pay 30 percent of their income toward rent, which effectively lowers the minimum income to \$0.
- Special Population Target:** None.
- Number of Units by Unit Type:** The Subject includes 12 one-bedroom units, 24 two-bedroom units, 18 three-bedroom units, and six four-bedroom units.
- Number of Buildings and Stories:** The Subject consists of 12 two-story townhouse-style and three single-story residential buildings, as well as one single-story management building.
- Unit Mix:** 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	12	638	7,656
2BR / 1.5BA	24	919	22,056
3BR / 1.5BA	18	1,098	19,764
4BR / 2.5BA	6	1,227	7,362
TOTAL	60		56,838

- Structure Type/Design:** The Subject offers two-story townhouse-style and single-story residential buildings, as well as a single-story management building.

Proposed Rents and Utility Allowance:

The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes. It should be noted that all 60 units will continue to benefit from Section 8 subsidies, and tenants will continue to contribute 30 percent of income as rent, not to exceed the lesser of the LIHTC rents and contract rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Proposed LIHTC Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>60% (Section 8)</i>								
1BR/1BA	638	12	\$579	\$595	\$105	\$700	\$700	\$558
2BR/1.5BA	919	24	\$675	\$696	\$145	\$841	\$841	\$735
3BR/1.5BA	1,098	18	\$730	\$792	\$180	\$972	\$972	\$999
4BR/2.5BA	1,227	6	\$844	\$878	\$206	\$1,084	\$1,084	\$1,137
		60						

Notes (1) Source of Utility Allowance provided by the HUD Rent Schedule, effective December 2019.

Utility Structure/Allowance:

The landlord is responsible for cold water, sewer, trash, and common area expenses. The tenant is responsible for all electric expenses including air conditioning, cooking, heating, water heating, and general electric. Post-renovation, the utility structure will remain the same. The Subject's utility allowance is based upon the utility allowance provided by the developer. For adjustment purposes, we have utilized the utility allowance provided by SC Housing (Midlands Region), effective January 1, 2020.

Existing or Proposed Project-Based Rental Assistance:

All 60 of the Subject’s LIHTC units will continue to operate with project-based rental assistance subsidy.

Community Amenities

The Subject will feature a central laundry, off-street parking, and on-site management. Additionally, the Subject will include patrol, perimeter fencing, and video surveillance as security features. Post renovation, the Subject will add a playground and community Wi-Fi.

Unit Amenities

The Subject’s unit amenities will include blinds, central air conditioning, coat closet, vinyl flooring, and washer and dryers hookups in the two and three-bedroom units. Appliances will include a range and refrigerator. Post renovation, the Subject will add a microwave.

Current Occupancy/Rent Levels:

The property currently offers 60 revenue-generating units, targeted toward the general population, which consist of one, two, three, and four-bedroom units in 12 two-story townhouse-style and three single-story residential buildings. Of the 60 units at the property, all are subject to Section 8 restrictions. According to the rent roll dated June 30, 2020, the Subject is currently fully occupied and maintains an extensive waiting list. The following table summarizes current tenant-paid rents at the Subject.

CURRENT TENANT PAID RENTS*

Unit Type	Number of Units	Vacant Units	Occupancy Rate	Minimum Paid Rent	Maximum Paid Rent	Average Tenant Paid Rent	Current Contract Rents
1BR/1BA	12	0	100.0%	\$0	\$179	\$70	\$579
2BR/1BA	24	0	100.0%	\$0	\$380	\$58	\$675
3BR/1BA	18	0	100.0%	\$0	\$570	\$76	\$730
4BR/1BA	6	0	100.0%	\$0	\$382	\$64	\$844

Source: Rent Roll dated 6/30/2020

*The property is fully subsidized; all tenants pay 30 percent of their income towards rent

Scope of Renovations:

According to information provided by the developer, the total renovation hard costs are estimated to be approximately \$2,808,800 or \$46,813 per unit. The Subject's scope of renovation will include, but will not be limited to:

SCOPE OF RENOVATIONS

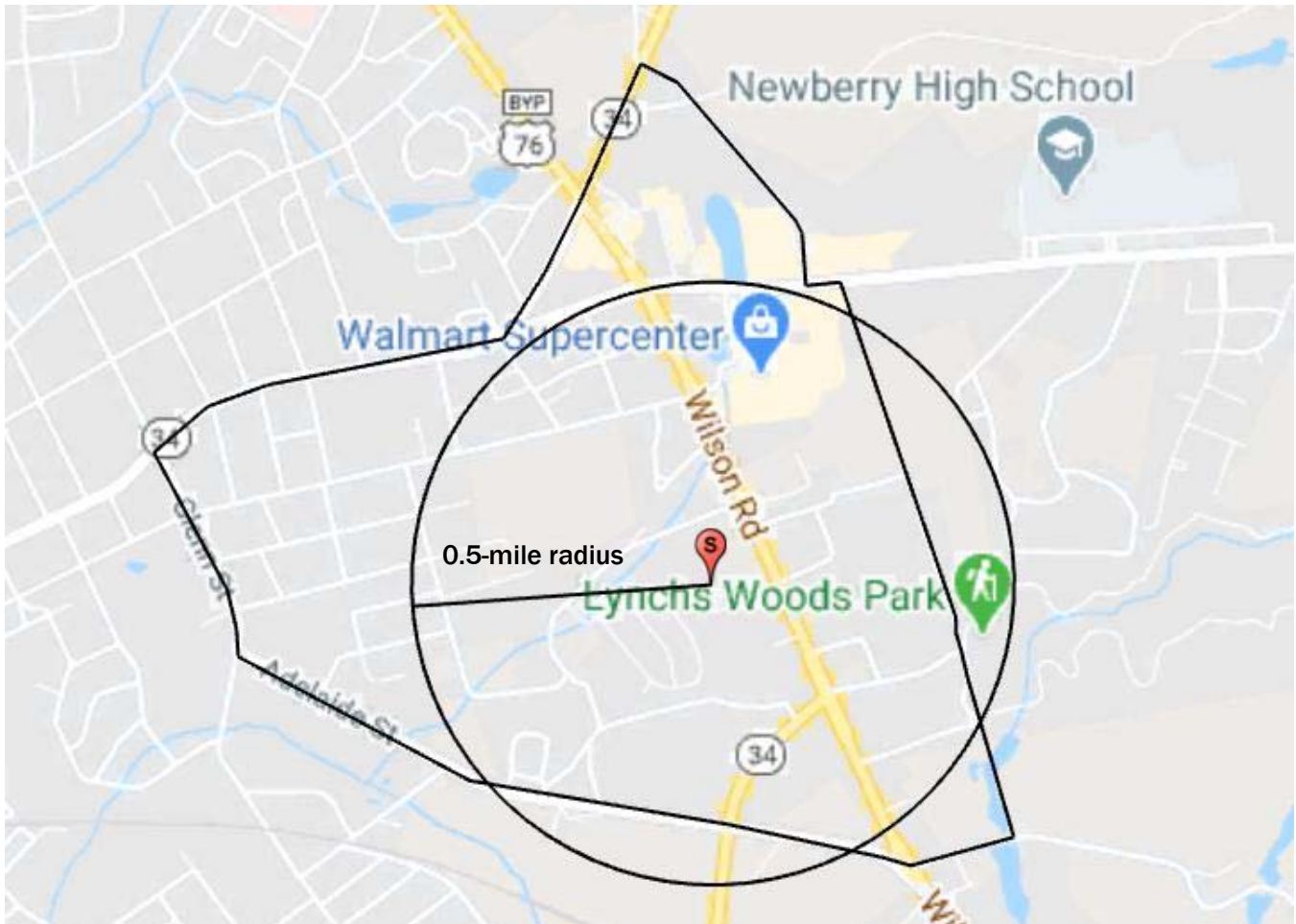
Unit Renovations	
Bathroom Vanity, medicine cabinet, tub surround, lighting	Flooring replacement
Bathroom fixtures	Central air conditioning
Kitchen cabinets, counters, sinks	Interior doors
Kitchen appliances: stoves, microwaves, range hood, refrigerators	Hot water heaters
Drywall repair, paint	Outlet replacement/lighting
Unit Renovations	
Entry doors	Playground
Roofs	Security
Windows and patio doors	Parking lot repair, seal/stripe
Siding hardi, gutters, fascia	Concrete repair sidewalks/curbs
Landscaping	Mailboxes
Grading	Common area Wi-Fi
Unit Renovations	
Office/laundry upgrade	-

B. SITE DESCRIPTION

SITE DESCRIPTION

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability. Additionally, the site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow. A map of the Subject's neighborhood follows, with general boundaries as indicated:

- North: Main Street
- East: Lynch's Woods
- South: Adelaide Street
- West: Glenn Street



Date of Site Visit: June 30, 2020.

Physical Features of Site: The site contains approximately 6.00 acres. It is irregular in shape and generally level. The site has frontage along the west side of Wilson Road (US Highway 76), while Newberry Arms serves as a private driveway to the Subject's parking areas. According to Ward Braswell with the City of Newberry planning and development services department, the Subject is zoned Residential Mix Use (RMX),

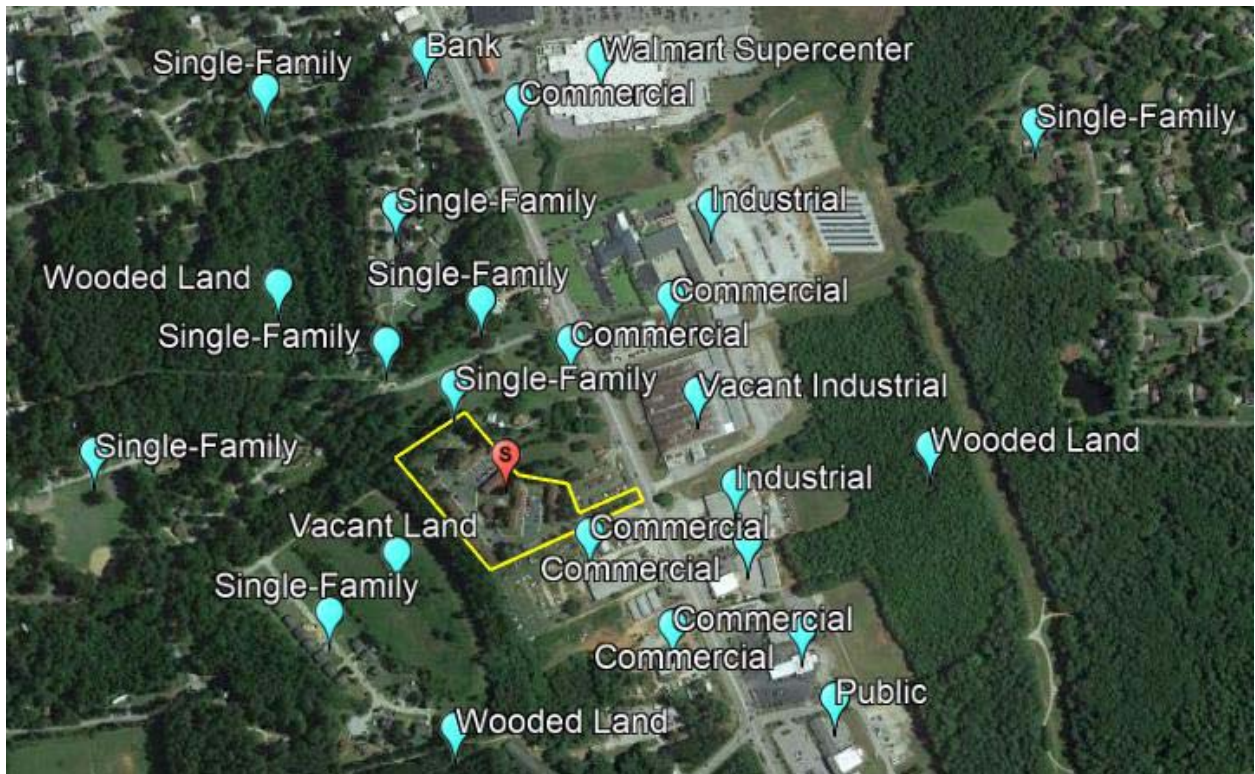
which purpose is to accommodate a mixture of a wide range of residential types at medium densities including single-family detached units, duplexes, multi-family developments, townhouses, and compatible non-residential uses. Multifamily residential density limits and parking requirements are established on a case-by-case basis with the context of its location by the City of Newberry.

Location/Surrounding Uses:

The Subject is located in a mixed use neighborhood consisting of commercial, industrial, and public uses, single-family homes in average to good condition, and wooded land. Immediately north and west of the Subject is wooded land followed by single-family homes. Further north are various commercial uses along Main Street and Wilson Road. Immediately east and south of the Subject are commercial and industrial uses, including a vacant industrial building, boat dealers, and small commercial uses. Further east, south, and west are wooded land and single-family homes. Retail in the area is in generally fair to average condition and appeared to be approximately 80 percent occupied. Overall, the Subject site is considered an adequate site for rental housing.

Surrounding Land Uses:

The following map and pictures illustrate the surrounding land uses.



Newberry Arms – Newberry, SC
Source: Karina Vargas, Novogradac
Date: 6/30/2020



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



MANAGEMENT OFFICE

Newberry Arms – Newberry, SC
Source: Karina Vargas, Novogradac
Date: 6/30/2020



CENTRAL LAUNDRY



CENTRAL MAILBOXES



TYPICAL KITCHEN



TYPICAL KITCHEN



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM

Newberry Arms – Newberry, SC
Source: Karina Vargas, Novogradac
Date: 6/30/2020



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



VIEW FROM SUBJECT LOOKING SOUTH ON HIGHWAY 76



VIEW FROM SUBJECT LOOKING NORTH ON HIGHWAY 76

Newberry Arms – Newberry, SC
Source: Karina Vargas, Novogradac
Date: 6/30/2020



TYPICAL RETAIL USES IN SUBJECT NEIGHBORHOOD



TYPICAL RETAIL USE IN SUBJECT NEIGHBORHOOD



TYPICAL RETAIL USE IN SUBJECT NEIGHBORHOOD



TYPICAL RETAIL USES IN SUBJECT NEIGHBORHOOD



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD

Visibility/Views:

The Subject is located in a mixed use neighborhood consisting of commercial uses, industrial uses, single-family homes, public uses, and wooded land. Immediately north and west of the Subject is wooded land followed by single-family homes. Immediately east and south of the Subject are commercial and industrial uses, including a vacant industrial building, boat dealers, and small commercial uses. Overall, visibility is fair and views are considered average.

Detrimental Influence:

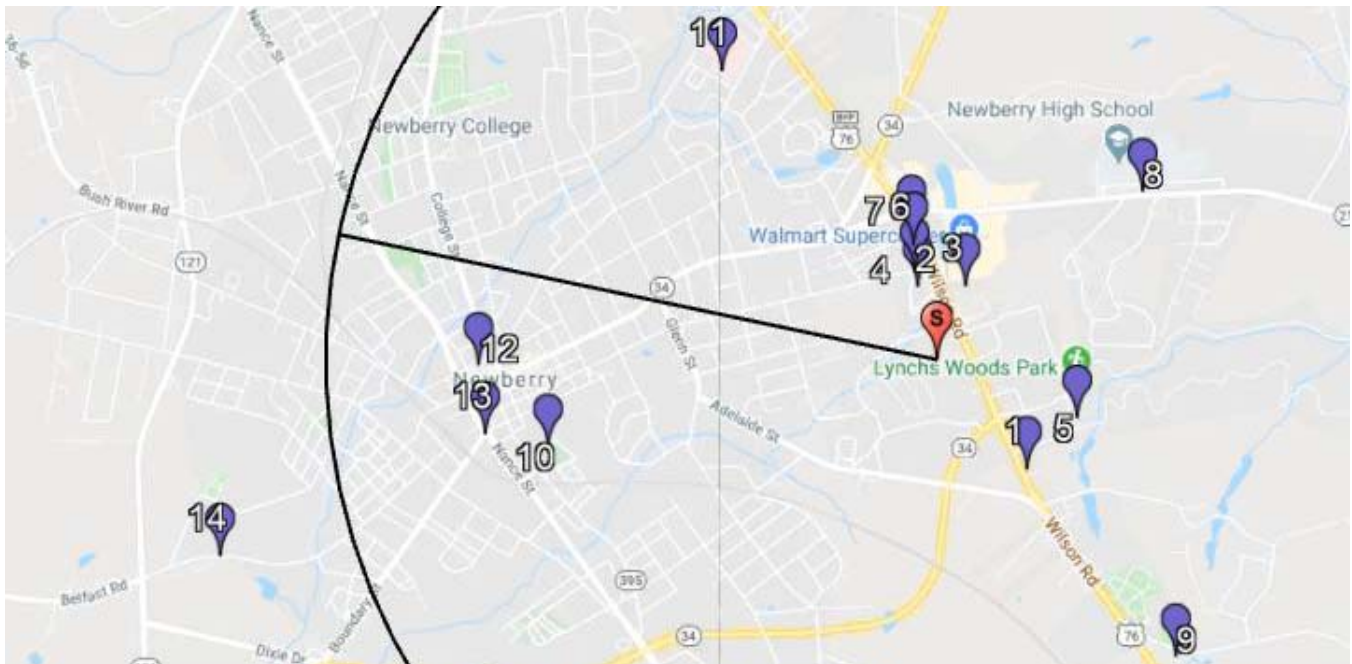
At the time of the site inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including a police station, fire department, Walmart Supercenter, bank, park, gas station, pharmacy, high school, YMCA, elementary school, hospital, post office, and library. The following table details the Subject’s distance from key locational amenities. A Locational Amenities Map, corresponding to the table below, is following.

LOCATIONAL AMENITIES

#	Service or Amenity	Distance	#	Service or Amenity	Distance
1	Newberry County Sheriff Office	0.4 miles	8	Newberry High School	1.0 miles
2	Newberry City Fire Department	0.4 miles	9	Newberry YMCA	1.1 miles
3	Walmart Supercenter	0.4 miles	10	Boundary Street Elementary	1.3 miles
4	South State Bank	0.4 miles	11	Newberry Hospital	1.3 miles
5	Lynchs Woods Park	0.5 miles	12	United States Postal Service	1.5 miles
6	Shell Gas Station	0.5 miles	13	Hal Kohn Memorial Library	1.5 miles
7	CVS Pharmacy	0.6 miles	14	Newberry Middle School	2.4 miles



Availability of Public Transportation: There is not currently any fixed-route public transportation available in the city of Newberry or surrounding Newberry County. Dial-a-ride services are offered to Newberry County residents age 60 and older through service provider Newberry County Council on Aging.

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 SMA.

2019 CRIME INDICES

	PMA	Newberry, SC Micropolitan Statistical Area
Total Crime*	90	84
Personal Crime*	130	113
Murder	130	84
Rape	77	67
Robbery	55	46
Assault	172	152
Property Crime*	85	80
Burglary	106	86
Larceny	80	81
Motor Vehicle Theft	69	65

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

*Unweighted aggregations

Total crime risk indices in the PMA are below the national average and slightly above the MSA. Both geographic areas feature crime risk indices below the overall nation. The Subject's security features include perimeter fencing, video surveillance, and a security patrol. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis.

Access and Traffic Flow: The Subject is accessible from the west side of Wilson Road (US Highway 76), a four-lane arterial road. Wilson Road provides access to Main Street (State Highway 219), approximately 0.4 miles to the north, and Columbia, SC, approximately 36.8 miles to the southeast. Main Street provides access to downtown Newberry, approximately 1.5 miles to the west, and Interstate 26, approximately 2.9 miles to the east. Interstate 26 connects with Interstate 385, approximately 22.0 miles to the northwest. Interstate 385 provides access to Greenville, approximately 59.5 miles to the northwest. Overall, access and traffic flow are considered good.

Positive/Negative Attributes: The Subject’s neighborhood appears to be an adequate location for an existing affordable multifamily development. Most desirable locational amenities are located within 1.5 miles from the Subject property including a police station, fire department, Walmart

Supercenter, bank, park, gas station, pharmacy, high school, YMCA, elementary school, hospital, post office, and library. The Subject is located in a mixed-use neighborhood and is a compatible use within the existing neighborhood. We did not observe any negative attributes pertaining to the Subject site during our 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 PMA is defined as Newberry County. We confirmed the PMA with property managers in the area, including the Subject’s property manager. We anticipate that the Subject will experience some “leakage” from outside of the PMA and we estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. 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: 18 miles
 East: 16 miles
 South: 15 miles
 West: 21 miles

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

CENSUS TRACTS	
450719501.00	450719505.02
450719502.01	450719506.01
450719502.02 (Subject)	450719506.02
450719503.00	450719507.00

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Newberry 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.

The secondary market area (SMA) for the Subject is considered to be Newberry, Fairfield, Richland, Lexington, Saluda, Greenwood, Laurens, and Union County.

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

2010 POPULATION BY RACE

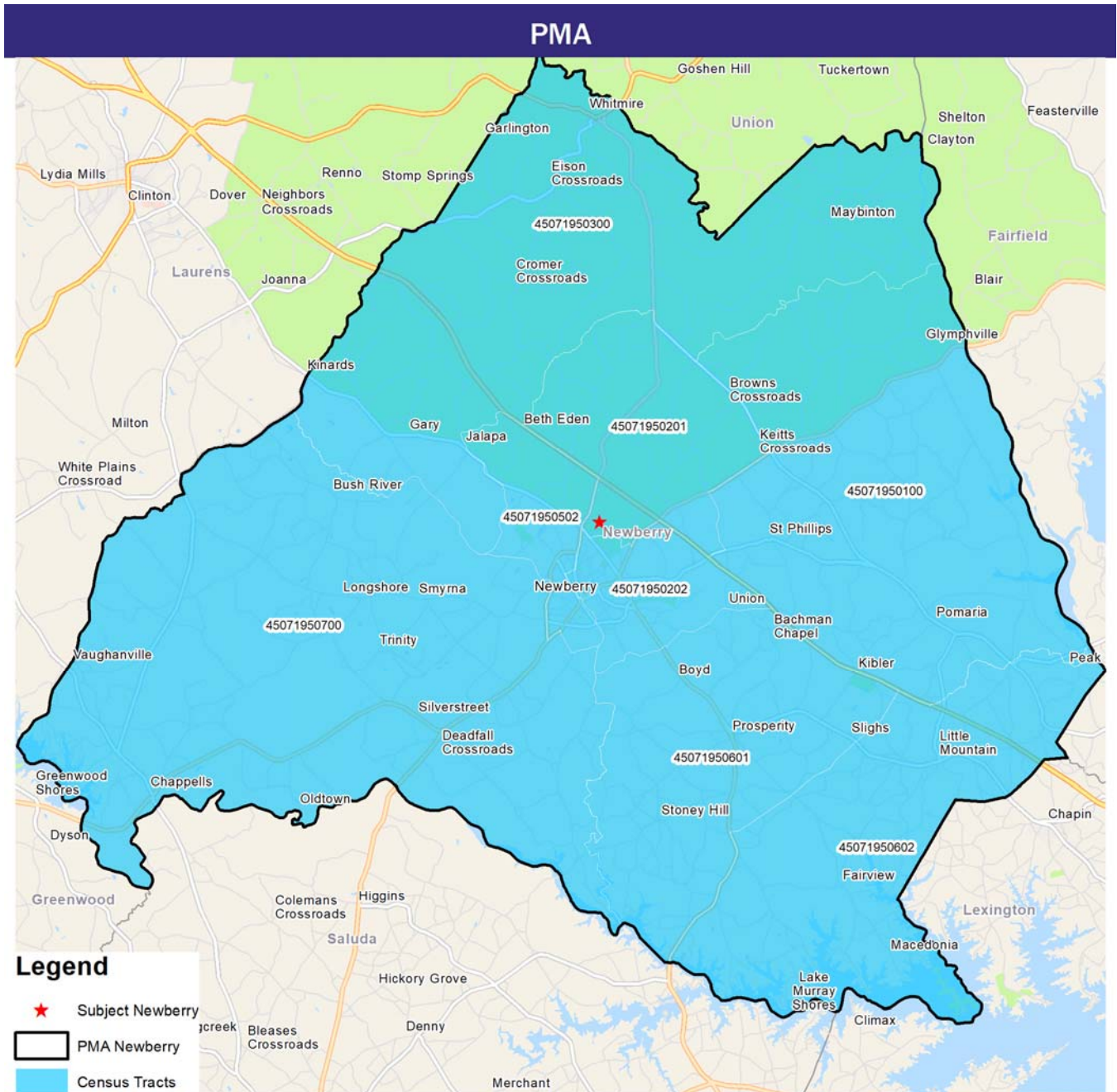
	PMA		SMA		USA	
Total	37,508	-	37,513	-	308,745,538	-
White	23,301	62.1%	23,306	62.1%	223,553,265	72.4%
Black	11,626	31.0%	11,626	31.0%	38,929,319	12.6%
American Indian	130	0.3%	130	0.3%	2,932,248	0.9%
Asian	122	0.3%	122	0.3%	14,674,252	4.8%
Pacific	35	0.1%	35	0.1%	540,013	0.2%
Other	1,858	5.0%	1,858	5.0%	19,107,368	6.2%
Two or More Races	436	1.2%	436	1.2%	9,009,073	2.9%
Total Hispanic	2,690	-	2,690	-	50,477,594	-
Hispanic: White	611	22.7%	611	22.7%	26,735,713	53.0%
Hispanic: Black	93	3.5%	93	3.5%	1,243,471	2.5%
Hispanic: American Indian	31	1.2%	31	1.2%	685,150	1.4%
Hispanic: Asian	6	0.2%	6	0.2%	209,128	0.4%
Hispanic: Pacific	25	0.9%	25	0.9%	58,437	0.1%
Hispanic: Other	1,822	67.7%	1,822	67.7%	18,503,103	36.7%
Hispanic: Two or More Races	102	3.8%	102	3.8%	3,042,592	6.0%

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

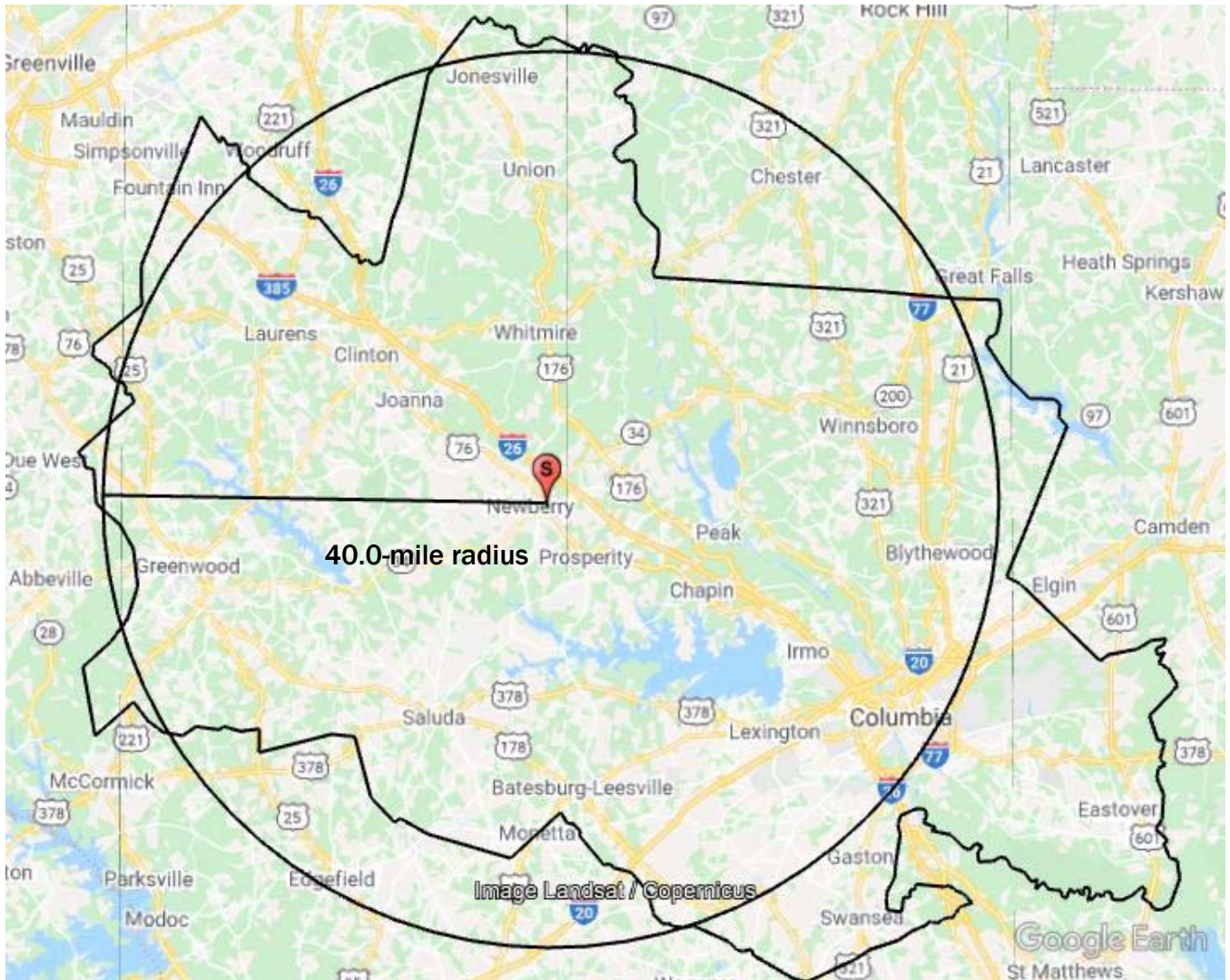
Per SCSHFDA guidelines, we have not accounted for leakage and have assumed 90 percent of demand will come from within the PMA boundaries.

The following maps outline the PMA and SMA, and identifies the census tracts included within the PMA boundaries.

Primary Market Area Map



Secondary Market Area Map



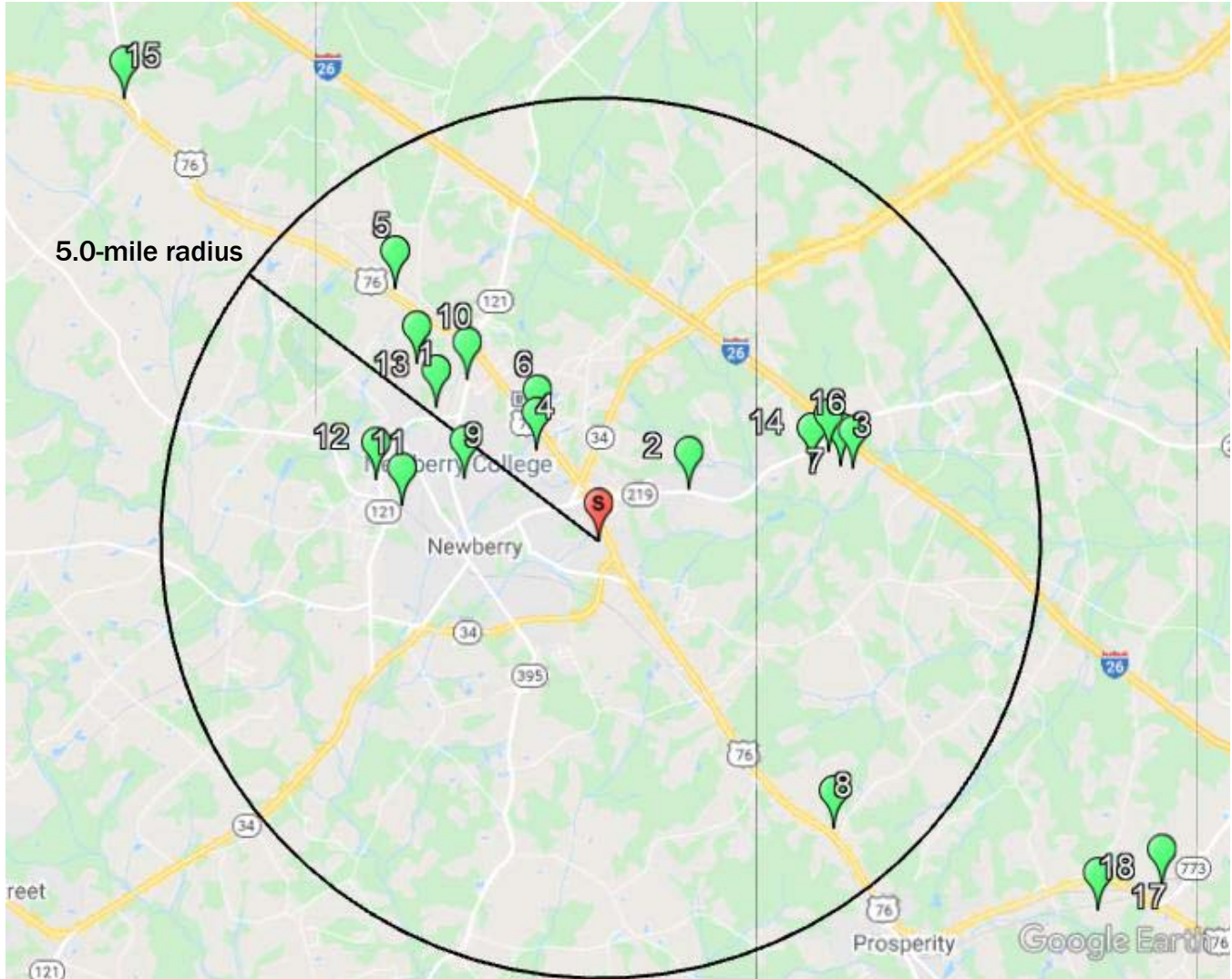
Source: Google Earth, July 2020

D. MARKET AREA ECONOMY

MARKET AREA ECONOMY

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
Manufacturing	3,905	21.2%	16,057,876	10.0%
Healthcare/Social Assistance	2,067	11.2%	22,612,482	14.1%
Retail Trade	1,630	8.8%	17,127,172	10.7%
Educational Services	1,457	7.9%	14,565,802	9.1%
Construction	1,437	7.8%	11,245,975	7.0%
Other Services	1,161	6.3%	8,141,078	5.1%
Public Administration	1,051	5.7%	7,828,907	4.9%
Accommodation/Food Services	1,007	5.5%	11,738,765	7.3%
Admin/Support/Waste Mgmt Svcs	928	5.0%	6,106,184	3.8%
Prof/Scientific/Tech Services	693	3.8%	11,744,228	7.3%
Wholesale Trade	645	3.5%	4,183,931	2.6%
Agric/Forestry/Fishing/Hunting	572	3.1%	1,915,709	1.2%
Finance/Insurance	515	2.8%	7,377,311	4.6%
Transportation/Warehousing	504	2.7%	7,876,848	4.9%
Utilities	256	1.4%	1,276,400	0.8%
Information	252	1.4%	3,157,650	2.0%
Real Estate/Rental/Leasing	238	1.3%	3,204,043	2.0%
Arts/Entertainment/Recreation	122	0.7%	3,332,132	2.1%
Mining	6	0.0%	819,151	0.5%
Mgmt of Companies/Enterprises	0	0.0%	237,307	0.1%
Total Employment	18,446	100.0%	160,548,951	100.0%

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

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 41.2 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. 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 manufacturing, agric/forestry/fishing/hunting, and admin/support/waste mgmt svcs industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, healthcare/social assistance, and transportation/warehousing 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
Manufacturing	4,452	27.2%	3,905	21.2%	-547	-0.6%
Healthcare/Social Assistance	1,547	9.4%	2,067	11.2%	520	1.8%
Retail Trade	1,804	11.0%	1,630	8.8%	-174	-0.5%
Educational Services	1,399	8.5%	1,457	7.9%	58	0.2%
Construction	1,237	7.5%	1,437	7.8%	200	0.9%
Other Services	697	4.3%	1,161	6.3%	464	3.5%
Public Administration	787	4.8%	1,051	5.7%	264	1.8%
Accommodation/Food Services	675	4.1%	1,007	5.5%	332	2.6%
Admin/Support/Waste Mgmt Svcs	415	2.5%	928	5.0%	513	6.5%
Prof/Scientific/Tech Services	315	1.9%	693	3.8%	378	6.3%
Wholesale Trade	459	2.8%	645	3.5%	186	2.1%
Agric/Forestry/Fishing/Hunting	486	3.0%	572	3.1%	86	0.9%
Finance/Insurance	453	2.8%	515	2.8%	62	0.7%
Transportation/Warehousing	494	3.0%	504	2.7%	10	0.1%
Utilities	584	3.6%	256	1.4%	-328	-3.0%
Information	238	1.5%	252	1.4%	14	0.3%
Real Estate/Rental/Leasing	190	1.2%	238	1.3%	48	1.3%
Arts/Entertainment/Recreation	126	0.8%	122	0.7%	-4	-0.2%
Mining	35	0.2%	6	0.0%	-29	-4.4%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Total Employment	16,393	100.0%	18,446	100.0%	2,053	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, July 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 0.7 percent between 2000 and 2019. The industries which expanded most substantially during this period include healthcare/social assistance, admin/support/waste mgmt svcs, and other services. Conversely, the manufacturing, utilities, and retail trade sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details major employers in Newberry County.

MAJOR EMPLOYERS – NEWBERRY COUNTY

#	Employer Name	Industry	Number of Employees
1	Kraft-Heinz	Manufacturing	2,700
2	Newberry County School District	Educational Services	830
3	Samsung	Manufacturing	800
4	Newberry County Memorial Hospital	Healthcare/Social Assistance	474
5	Shakespeare Composite Structures	Manufacturing	200
6	Newberry County	Public Administration	200
7	Trucast	Manufacturing	175
8	Pioneer Frozen Foods	Manufacturing	160
9	Newberry College	Educational Services	150
10	West Fraser Timber	Manufacturing	150
11	ISE America	Manufacturing	140
12	Macleam Fiberglass	Manufacturing	117
13	Packaging Corp of America	Manufacturing	100
14	Komatsu	Manufacturing	100
15	Metal Masters Inc	Manufacturing	85
16	Kiswire	Manufacturing	75
17	Graphic Packaging International	Manufacturing	50
18	Georgia-Pacific	Manufacturing	12
	Totals		6,518

Source: Central SC Alliance, January 2020

The major employers within Newberry County are heavily concentrated in the manufacturing sector, which accounts for 74.6 percent of the major employers. Additional employment concentrations are in the educational services, healthcare/social assistance, and public administration sectors, which account for 15.0, 7.3, and 3.1 percent of major employers, respectively. The manufacturing sector is prone to cyclical employment cycles, while the educational services, healthcare/social assistance, and public administration sectors are relatively stable during economic downturns. Overall, the major employers represent diverse industry sectors and account for a significant amount of the area's employment; however, the heavy concentration in the manufacturing sector could result in economic volatility during periods of economic growth or recession.

Expansions/Contractions

Business Expansions

According to the Central SC Alliance, there have been several business openings and expansions in Newberry County since 2016. The following table illustrates these openings and expansions.

BUSINESS OPENINGS AND EXPANSIONS - NEWBERRY COUNTY

Company	Industry	Type	Date Announced	Capital Investment	Jobs Added
KRA Operations LLC	Manufacturing	New	12/23/2019	\$11,500,000	57
lccate Energy West Newberry LL	Utilities	New	12/19/2019	\$5,000,000	N/A
MM Technics	Manufacturing	Expansion	10/3/2019	\$6,000,000	35
Big Gun Robotics	Manufacturing	Expansion	8/28/2019	\$3,600,000	16
Trucast	Manufacturing	Expansion	11/1/2017	\$3,000,000	10
Samsung	Manufacturing	New	6/28/2017	\$380,000,000	800
MM Technics	Manufacturing	New	12/14/2016	\$12,600,000	65
West Fraser Timber	Manufacturing	Expansion	10/18/2016	\$33,000,000	N/A
Falcon Boats	Manufacturing	Expansion	3/24/2016	\$1,500,000	35
Total				\$456,200,000	1,018

Source: Central SC Alliance, January 2020

As illustrated, there were nine significant business opening and expansions in Newberry County between 2016 and 2020 year-to-date. Eight of the projects were in the manufacturing sector, while the remaining was in the utilities sector (solar energy). Between 2016 and 2020 year-to-date, there were 1,018 new jobs created and \$456,200,000 in capital investment.

WARN Notices

According to the South Carolina Department of Employment and Workforce, there was one WARN listing in Newberry County between 2016 and July 2020.

- In April of 2016, Caterpillar announced that it would be closing its Newberry plant; resulting in 10 lost positions.

As illustrated above, there have only been 10 employees in Newberry County impacted by layoffs or closures since 2016. The only closure was in the manufacturing sector.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Greenville-Anderson-Mauldin, SC SMA from 2003 to October 2019.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Year	Newberry, SC Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	16,179	-	7.3%	-	139,252,000	-	5.5%	-
2005	16,438	1.6%	7.0%	-0.4%	141,730,000	1.8%	5.1%	-0.5%
2006	16,793	2.2%	6.4%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	17,008	1.3%	5.6%	-0.8%	146,047,000	1.1%	4.6%	0.0%
2008	17,289	1.7%	7.0%	1.3%	145,363,000	-0.5%	5.8%	1.2%
2009	16,351	-5.4%	11.4%	4.4%	139,878,000	-3.8%	9.3%	3.5%
2010	16,571	1.3%	10.8%	-0.6%	139,064,000	-0.6%	9.6%	0.3%
2011	16,653	0.5%	10.4%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	16,622	-0.2%	8.8%	-1.5%	142,469,000	1.9%	8.1%	-0.9%
2013	16,632	0.1%	7.3%	-1.6%	143,929,000	1.0%	7.4%	-0.7%
2014	17,488	5.1%	5.7%	-1.5%	146,305,000	1.7%	6.2%	-1.2%
2015	17,921	2.5%	5.3%	-0.4%	148,833,000	1.7%	5.3%	-0.9%
2016	18,365	2.5%	4.5%	-0.9%	151,436,000	1.7%	4.9%	-0.4%
2017	17,649	-3.9%	4.2%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018	18,383	4.2%	3.1%	-1.1%	155,761,000	1.6%	3.9%	-0.4%
2019	18,709	1.8%	2.7%	-0.5%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	18,208	-2.7%	4.3%	1.6%	148,193,000	-5.9%	7.9%	4.3%
Apr-2019	18,753	-	2.3%	-	156,710,000	-	3.3%	-
Apr-2020	16,863	-10.1%	8.8%	6.5%	133,326,000	-14.9%	14.4%	11.1%

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

*2020 data is through October

Since 2012, job growth in the MSA generally exceeded the nation. As of April 2020, MSA employment is below record levels; and is declining at an annualized rate of 10.1 percent, compared to a 14.9 percent decline across the overall nation. The recent decline in employment and increase in unemployment rates are likely due to COVID-19.

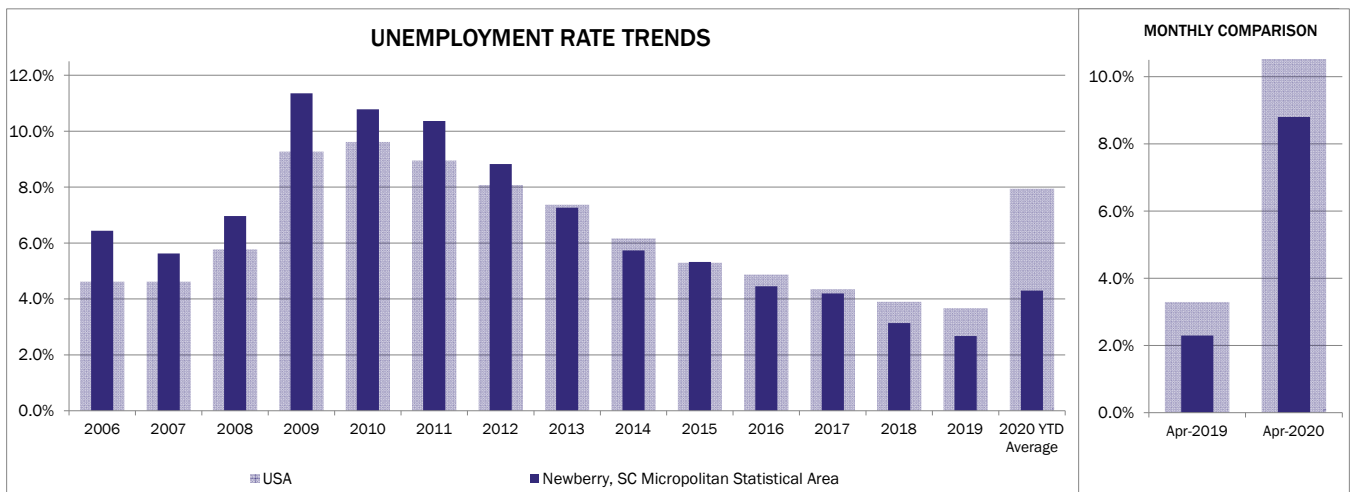
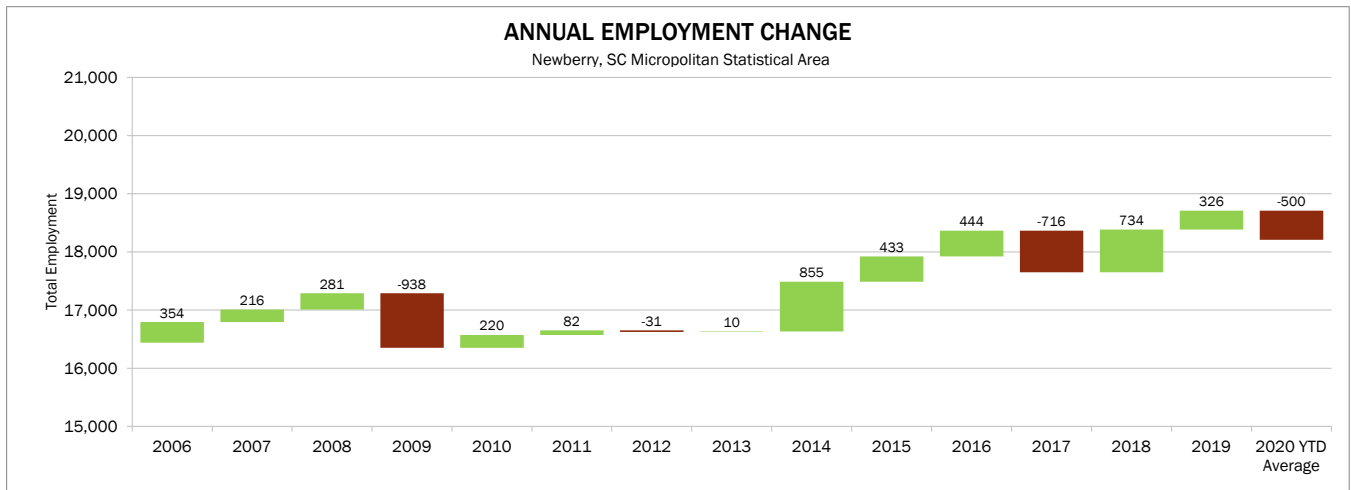
Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 8.8 percent, lower than the current national unemployment rate of 14.4 percent.

According to the South Carolina Department of Employment and Workforce (DEW), from May 31 to June 6, there were 22,734 people that filed for unemployment for the first time. That was a rise from the week of May

24-30, when 18,986 unemployment claims were made in South Carolina. In that time, the agency reports paying more than \$2.1 billion in a combination of state unemployment benefits, along with CARES Acts funds, Federal Pandemic Unemployment Compensation, Pandemic Unemployment, and Pandemic emergency Unemployment Compensation. The State labor agency said it is handling an unprecedented number of new claims. It’s a historic unemployment crisis that is expected to drain the state’s unemployment trust fund and require South Carolina to seek a federal loan, officials previously said.

The Covid-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact.

The following tables provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Housing and Economy

According to RealtyTrac’s May 2020 estimates, the city experienced a foreclosure rate of one in every 4,316 housing units. Newberry County experienced a similar foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 4,316 housing units in May 2020. The state of South Carolina had a

foreclosure rate of one in every 10,667 housing units, a rate much lower when compared to the city and county of Newberry.

COMMUTING PATTERNS

As shown in the preceding table, the weighted average commute time in the PMA is approximately 27 minutes. More than 59 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	642	4.1%
Travel Time 5-9 min	2,010	12.8%
Travel Time 10-14 min	2,642	16.9%
Travel Time 15-19 min	1,949	12.4%
Travel Time 20-24 min	2,131	13.6%
Travel Time 25-29 min	1,150	7.3%
Travel Time 30-34 min	1,606	10.3%
Travel Time 35-39 min	399	2.5%
Travel Time 40-44 min	406	2.6%
Travel Time 45-59 min	1,492	9.5%
Travel Time 60-89 min	921	5.9%
Travel Time 90+ min	317	2.0%
Weighted Average	27 minutes	

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

CONCLUSION

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 41.2 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. 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. Since 2012, job growth in the MSA generally exceeded the nation. As of April 2020, MSA employment is below record levels; and is declining at an annualized rate of 10.1 percent, compared to a 14.9 percent decline 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 8.8 percent, lower than the current national unemployment rate of 14.4 percent. The recent decline in employment and rise in unemployment rates is likely due to COVID-19. However, the MSA seems to be outperforming the overall nation.

The Covid-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact.

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 Secondary Market Area (SMA), are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, SMA, and nation.

Population Trends

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

Year	PMA		Newberry, SC Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	37,892	-	37,894	-	281,250,431	-
2010	37,508	-0.1%	37,508	-0.1%	308,745,538	1.0%
2019	39,347	0.5%	39,362	0.5%	332,417,793	0.8%
Projected Mkt Entry September 2021	39,721	0.4%	39,737	0.4%	338,081,377	0.8%
2024	40,211	0.4%	40,228	0.4%	345,487,602	0.8%

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

The PMA experienced declining population growth between 2000 and 2010, as did the surrounding MSA. Population growth in the PMA accelerated between 2010 and 2019, and grew at a rate similar to the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2024, similar to the MSA and below the nation.

Age Cohort	PMA				
	2000	2010	2019	Projected Mkt Entry September 2021	2024
0-4	2,127	2,426	2,284	2,281	2,278
5-9	2,399	2,352	2,355	2,344	2,329
10-14	2,533	2,364	2,371	2,402	2,443
15-19	2,389	2,643	2,437	2,536	2,665
20-24	1,898	2,507	2,372	2,318	2,248
25-29	2,253	2,138	2,386	2,216	1,993
30-34	2,321	2,053	2,376	2,345	2,305
35-39	2,834	2,314	2,336	2,369	2,413
40-44	2,770	2,284	2,166	2,253	2,366
45-49	2,688	2,664	2,396	2,345	2,279
50-54	2,671	2,704	2,478	2,488	2,501
55-59	2,468	2,611	2,803	2,705	2,576
60-64	2,205	2,489	2,898	2,937	2,987
65-69	2,096	1,974	2,627	2,710	2,818
70-74	1,692	1,398	2,061	2,173	2,319
75-79	1,340	1,011	1,347	1,516	1,736
80-84	726	751	807	913	1,051
85+	483	825	847	872	904
Total	37,893	37,508	39,347	39,721	40,211

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

The population in the PMA in 2019 was concentrated most heavily in the age groups of 60 to 64, 55 to 59, and 65 to 69. Combined, these age groups represent 21.2 percent of the total population in the PMA. Through market entry, the age groups of 60 to 64, 55 to 59, and 65 to 69 will continue to have the highest representation in the PMA.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Newberry, SC Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	15,505	-	15,505	-	105,409,439	-
2010	14,696	-0.5%	14,696	-0.5%	116,716,296	1.1%
2019	15,454	0.6%	15,455	0.6%	125,168,557	0.8%
Projected Mkt Entry September 2021	15,614	0.5%	15,616	0.5%	127,084,326	0.7%
2024	15,823	0.5%	15,826	0.5%	129,589,563	0.7%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Newberry, SC Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.43	-	2.43	-	2.59	-
2010	2.48	0.2%	2.48	0.2%	2.58	-0.1%
2019	2.47	0.0%	2.47	0.0%	2.59	0.1%
Projected Mkt Entry September 2021	2.47	0.0%	2.47	0.0%	2.60	0.1%
2024	2.47	0.0%	2.47	0.0%	2.60	0.1%

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

POPULATION IN GROUP QUARTERS

Year	PMA		Newberry, SC Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	237.00	-	237.00	-	7,772,539.00	-
2010	1,102.00	36.5%	1,102.00	36.5%	8,043,577.00	0.3%
2019	1,191.00	0.9%	1,191.00	0.9%	8,093,640.00	0.1%
Projected Mkt Entry September 2021	1,191.00	0.0%	1,191.00	0.0%	8,093,640.00	0.0%
2024	1,191.00	0.0%	1,191.00	0.0%	8,093,640.00	0.0%

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

The PMA experienced negative household growth between 2000 and 2010 and was similar to the surrounding MSA, but lagged behind the nation as a whole, which reported faster growth over the same time period. Household growth in the PMA increased between 2010 and 2019, and again was similar to the surrounding MSA and lagged behind the nation as a whole during the same time period. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased in the PMA between 2000 and 2019. Note that forecasted data for the population in group quarters

is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

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

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Newberry, SC Micropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	11,865	76.5%	3,640	23.5%	11,865	76.5%	3,640	23.5%
2010	10,680	72.7%	4,016	27.3%	10,680	72.7%	4,016	27.3%
2019	11,074	71.7%	4,380	28.3%	11,075	71.7%	4,380	28.3%
Projected Mkt Entry September 2021	11,211	71.8%	4,403	28.2%	11,213	71.8%	4,403	28.2%
2024	11,390	72.0%	4,433	28.0%	11,393	72.0%	4,433	28.0%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA remained relatively stable between 2000 and 2019, and is estimated to be 28.3 percent as of 2019. This is similar to the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2024.

Household Income Distribution

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

HOUSEHOLD INCOME PMA						
Income Cohort	PMA					
	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,307	8.5%	1,259	8.0%	-10	-0.7%
\$10,000-19,999	1,786	11.6%	1,756	11.1%	-6	-0.3%
\$20,000-29,999	2,180	14.1%	2,017	12.7%	-33	-1.5%
\$30,000-39,999	1,836	11.9%	1,873	11.8%	7	0.4%
\$40,000-49,999	1,377	8.9%	1,513	9.6%	27	2.0%
\$50,000-59,999	1,168	7.6%	1,111	7.0%	-11	-1.0%
\$60,000-74,999	1,648	10.7%	1,638	10.4%	-2	-0.1%
\$75,000-99,999	1,671	10.8%	1,789	11.3%	24	1.4%
\$100,000-124,999	1,049	6.8%	1,158	7.3%	22	2.1%
\$125,000-149,999	584	3.8%	674	4.3%	18	3.1%
\$150,000-199,999	446	2.9%	541	3.4%	19	4.3%
\$200,000+	402	2.6%	494	3.1%	18	4.6%
Total	15,454	100.0%	15,823	100.0%		

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

As proposed, the Subject will target households earning between \$0 and \$43,380 as proposed, and between \$24,000 and \$43,380 absent subsidy. As the table above depicts, approximately 46.1 percent of households in the PMA earned between \$0 and \$39,999 in 2019.

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 September 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	686	15.7%	674	15.3%	659	14.9%
\$10,000-19,999	828	18.9%	813	18.5%	794	17.9%
\$20,000-29,999	747	17.1%	720	16.4%	685	15.5%
\$30,000-39,999	581	13.3%	592	13.4%	606	13.7%
\$40,000-49,999	433	9.9%	455	10.3%	484	10.9%
\$50,000-59,999	309	7.1%	293	6.6%	271	6.1%
\$60,000-74,999	326	7.4%	325	7.4%	324	7.3%
\$75,000-99,999	151	3.4%	158	3.6%	167	3.8%
\$100,000-124,999	134	3.1%	151	3.4%	174	3.9%
\$125,000-149,999	55	1.3%	63	1.4%	74	1.7%
\$150,000-199,999	86	2.0%	100	2.3%	119	2.7%
\$200,000+	44	1.0%	58	1.3%	76	1.7%
Total	4,380	100.0%	4,403	100.0%	4,433	100.0%

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

Renter households with incomes between \$0 and \$39,999 represent 64.9 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 September 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,647	37.6%	1,663	37.8%	1,683	38.0%
2 Persons	1,072	24.5%	1,072	24.3%	1,072	24.2%
3 Persons	759	17.3%	763	17.3%	769	17.3%
4 Persons	408	9.3%	410	9.3%	412	9.3%
5+ Persons	494	11.3%	495	11.2%	497	11.2%
Total Households	4,380	100%	4,403	100%	4,433	100%

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

Approximately 62.1 percent of renter households resided in a one to two-person household in the PMA in 2019. Over the next five years, this percentage is projected to remain stable.

Conclusion

The PMA experienced declining population between 2000 and 2010 and was similar to the surrounding MSA, but lagged behind the nation as a whole, which reported a higher growth over the same time period. Population growth in the PMA increased between 2010 and 2019, and grew at a similar pace when compared to the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2024, similar to the MSA and below the overall nation. The average household sizes are expected to remain relatively stable for all areas of analysis. Renter households with incomes between \$0 and \$39,999 represent 64.9 percent of the renter households in the PMA in 2019, and this share is expected to decline slightly through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development 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 Consulting’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, as proposed with rental assistance and as proposed absent subsidy.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (Section 8)	
1BR	\$0	\$29,880
2BR	\$0	\$33,660
3BR	\$0	\$40,380
4BR	\$0	\$43,380

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$24,000	\$29,880
2BR	\$28,834	\$33,660
3BR	\$33,326	\$40,380
4BR	\$37,166	\$43,380

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 2021. 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 is rural and generally 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.

60% AMI – With Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$43,380	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry September 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-12			-50.9%	\$9,999	100.0%
\$10,000-19,999	-15	-64.2%	\$9,999	100.0%	-15		
\$20,000-29,999	-27	-117.0%	\$9,999	100.0%	-27		
\$30,000-39,999	11	47.2%	\$9,999	100.0%	11		
\$40,000-49,999	22	96.2%	\$3,380	33.8%	7		
\$50,000-59,999	-16	-71.7%	\$0	0.0%	0		
\$60,000-74,999	-1	-3.8%	\$0	0.0%	0		
\$75,000-99,999	7	30.2%	\$0	0.0%	0		
\$100,000-124,999	17	75.5%	\$0	0.0%	0		
\$125,000-149,999	8	35.8%	\$0	0.0%	0		
\$150,000-199,999	14	62.3%	\$0	0.0%	0		
\$200,000+	14	60.4%	\$0	0.0%	0		
Total	23	100.0%		-152.4%	-35		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$43,380	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	686			15.7%	\$9,999	100.0%
\$10,000-19,999	828	18.9%	\$9,999	100.0%	828		
\$20,000-29,999	747	17.1%	\$9,999	100.0%	747		
\$30,000-39,999	581	13.3%	\$9,999	100.0%	581		
\$40,000-49,999	433	9.9%	\$3,380	33.8%	146		
\$50,000-59,999	309	7.1%	\$0	0.0%	0		
\$60,000-74,999	326	7.4%	\$0	0.0%	0		
\$75,000-99,999	151	3.4%	\$0	0.0%	0		
\$100,000-124,999	134	3.1%	\$0	0.0%	0		
\$125,000-149,999	55	1.3%	\$0	0.0%	0		
\$150,000-199,999	86	2.0%	\$0	0.0%	0		
\$200,000+	44	1.0%	\$0	0.0%	0		
Total	4,380	100.0%		68.2%	2,988		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		6	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	60%	40%	0%	0%		
2	0%	10%	50%	40%	0%		
3	0%	0%	30%	70%	0%		
4	0%	0%	20%	60%	20%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2019 to September 2021

Income Target Population	@60%
New Renter Households PMA	23
Percent Income Qualified	-152.4%
New Renter Income Qualified Households	-35

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	4,380
Income Qualified	68.2%
Income Qualified Renter Households	2,988
Percent Rent Overburdened Prj Mrkt Entry September 2021	32.4%
Rent Overburdened Households	968

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,988
Percent Living in Substandard Housing	1.7%
Households Living in Substandard Housing	51

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	1,019
Total New Demand	-35
Total Demand (New Plus Existing Households)	984

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	37.8%	371
Two Persons	24.3%	240
Three Persons	17.3%	171
Four Persons	9.3%	92
Five Persons	11.2%	111
Total	100.0%	984

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	60%	223
Of two-person households in 1BR units	10%	24
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	40%	149
Of two-person households in 2BR units	50%	120
Of three-person households in 2BR units	30%	51
Of four-person households in 2BR units	20%	18
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	40%	96
Of three-person households in 3BR units	70%	119
Of four-person households in 3BR units	60%	55
Of five-person households in 3BR units	50%	55
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	20%	18
Of five-person households in 4BR units	50%	55
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		984

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	247	-	0	=	247
2 BR	338	-	0	=	338
3 BR	325	-	0	=	325
4 BR	74	-	0	=	74
5 BR	-	-	-	=	-
Total	984		0		984

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	12	/	247	=	4.9%
2 BR	24	/	338	=	7.1%
3 BR	18	/	325	=	5.5%
4 BR	6	/	74	=	8.1%
5 BR	-	/	-	=	-
Total	60		984		6.1%

60% AMI – Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$24,000		Maximum Income Limit		\$43,380	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Households PMA 2019 to Prj Mrkt Entry	September 2021					
\$0-9,999	-12	-50.9%	\$0	0.0%	0		
\$10,000-19,999	-15	-64.2%	\$0	0.0%	0		
\$20,000-29,999	-27	-117.0%	\$6,650	66.5%	-18		
\$30,000-39,999	11	47.2%	\$9,999	100.0%	11		
\$40,000-49,999	22	96.2%	\$3,380	33.8%	7		
\$50,000-59,999	-16	-71.7%	\$0	0.0%	0		
\$60,000-74,999	-1	-3.8%	\$0	0.0%	0		
\$75,000-99,999	7	30.2%	\$0	0.0%	0		
\$100,000-124,999	17	75.5%	\$0	0.0%	0		
\$125,000-149,999	8	35.8%	\$0	0.0%	0		
\$150,000-199,999	14	62.3%	\$0	0.0%	0		
\$200,000+	14	60.4%	\$0	0.0%	0		
Total	23	100.0%		1.9%	0		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$24,000		Maximum Income Limit		\$43,380	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	Households	%					
\$0-9,999	686	15.7%	\$0	0.0%	0		
\$10,000-19,999	828	18.9%	\$0	0.0%	0		
\$20,000-29,999	747	17.1%	\$6,650	66.5%	497		
\$30,000-39,999	581	13.3%	\$9,999	100.0%	581		
\$40,000-49,999	433	9.9%	\$3,380	33.8%	146		
\$50,000-59,999	309	7.1%	\$0	0.0%	0		
\$60,000-74,999	326	7.4%	\$0	0.0%	0		
\$75,000-99,999	151	3.4%	\$0	0.0%	0		
\$100,000-124,999	134	3.1%	\$0	0.0%	0		
\$125,000-149,999	55	1.3%	\$0	0.0%	0		
\$150,000-199,999	86	2.0%	\$0	0.0%	0		
\$200,000+	44	1.0%	\$0	0.0%	0		
Total	4,380	100.0%		27.9%	1,224		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		6	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	60%	40%	0%	0%		
2	0%	10%	50%	40%	0%		
3	0%	0%	30%	70%	0%		
4	0%	0%	20%	60%	20%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2019 to September 2021

Income Target Population	@60%
New Renter Households PMA	23
Percent Income Qualified	1.9%
New Renter Income Qualified Households	0

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	4,380
Income Qualified	27.9%
Income Qualified Renter Households	1,224
Percent Rent Overburdened Prj Mrkt Entry September 2021	32.4%
Rent Overburdened Households	397

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,224
Percent Living in Substandard Housing	1.7%
Households Living in Substandard Housing	21

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	417
Total New Demand	0
Total Demand (New Plus Existing Households)	418

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	37.8%	158
Two Persons	24.3%	102
Three Persons	17.3%	72
Four Persons	9.3%	39
Five Persons	11.2%	47
Total	100.0%	418

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	60%	95
Of two-person households in 1BR units	10%	10
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	40%	63
Of two-person households in 2BR units	50%	51
Of three-person households in 2BR units	30%	22
Of four-person households in 2BR units	20%	8
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	40%	41
Of three-person households in 3BR units	70%	51
Of four-person households in 3BR units	60%	23
Of five-person households in 3BR units	50%	23
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	20%	8
Of five-person households in 4BR units	50%	23
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		418

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	105	-	0	=	105
2 BR	143	-	0	=	143
3 BR	138	-	0	=	138
4 BR	31	-	0	=	31
5 BR	-	-	-	=	-
Total	418		0		418

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	12	/	105	=	11.4%
2 BR	24	/	143	=	16.7%
3 BR	18	/	138	=	13.0%
4 BR	6	/	31	=	19.2%
5 BR	-	/	-	=	-
Total	60		418		14.4%

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.

- The number of households in the PMA is expected to increase 0.6 percent between 2019 and projected market entry 2021.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately ten percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately ten percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

The following 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.

DEMAND AND NET DEMAND

	HH at @60% AMI With Subsidy (\$0 to \$43,380)	HH at @60% AMI Absent Subsidy (\$24,000 to \$43,380)
Demand from New Households (Age and Income Appropriate)	-38	-2
PLUS	+	+
Demand from Existing Renter Households – Rent Overburdened Households	951	380
PLUS	+	+
Demand from Existing Renter Households – Substandard Housing	50	20
=	=	=
Sub Total	963	397
Demand from Existing Households – Elderly Homeowner Turnover	0	0
Equals Total Demand	963	397
Less	-	-
New Supply	0	0
Equals Net Demand	963	397

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 - AS PROPOSED

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	247	0	247	12	4.9%
2BR @60%	338	0	338	24	7.1%
3BR @60%	325	0	325	18	5.5%
4BR @60%	74	0	74	6	8.1%
Overall	984	0	984	60	6.1%

CAPTURE RATE ANALYSIS CHART - ABSENT SUBSIDY

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	105	0	105	12	11.4%
2BR @60%	143	0	143	24	16.7%
3BR @60%	138	0	138	18	13.0%
4BR @60%	31	0	31	6	19.2%
Overall	418	0	418	60	14.4%

As the analysis illustrates, the Subject’s capture rates with subsidy at the 60 percent AMI level will range from 4.9 to 8.1 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 11.4 to 19.2 percent. The overall capture rates for the Subject’s units with and without subsidy are 6.1 to 14.4 percent, respectively. 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

None of the surveyed comparable properties were able to report relevant absorption data. As supplemental data, we have searched the region for LIHTC properties with recent absorption data. Absorption rates at these properties are 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
Willis Trace	LIHTC	Family	2016	28	28
Parkside At Verdae	LIHTC	Family	2012	56	30
Average					23

On average, these properties reported an absorption rate of 23 units per month. With the stable demographic base of low-income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the average. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, and an ample number income-qualified households, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of approximately three months. This is considered largely hypothetical due to the likelihood that all of the Subject’s current tenants will continue to be income eligible to remain at the property post-renovation. As such, we believe the Subject will stabilize within one month of rehabilitation completion.

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 within the Subject’s PMA.

EXCLUDED PROPERTIES			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Pineridge Apartments	LIHTC	Family	Unable to Contact
Drayton Street Activity Center Inc.	Section 8	Senior/Disabled	Differing Tenancy
Brookside Manor Apts	LIHTC/USDA	Senior	Subsidized Rents/Differing Tenancy
Heritage Square Apts	USDA	Family	Subsidized Rents
Indian Hills Apts	LIHTC/USDA	Family	Subsidized Rents
Jerine Apts	USDA	Family	Subsidized Rents
Newberry Senior Housing	LIHTC	Senior	Differing Tenancy
Pebblebrook Place	LIHTC	Family	Unable to Contact
Pineridge Apartments	LIHTC/USDA	Family	Subsidized Rents
Tremont Apartments	USDA	Family	Subsidized Rents
Nance Forest	Section 8	Family	Subsidized Rents
Regency Woods	Section 8	Senior	Subsidized Rents/Differing Tenancy
Bethlehem Community Project	Public Housing	Family	Public Housing
97 Subertown Road Apartments	Market	Family	Unable to Contact
Parkside Village Apartments	Market	Family	Unable to Contact
Holly Hall Apartments	Market	Family	Unable to Contact

LIHTC Competition

According to the SCSHFDA allocation list one projects was awarded tax credits in the PMA since 2016.

Indian Hills Apartments is a family development that was allocated tax credits in 2017 for the acquisition and rehabilitation of an existing LIHTC/USDA development that was placed in service in 2001. This property is fully-occupied. It should be noted, we did not utilize the development as a comparable due to subsidized rents.

Pipeline Construction

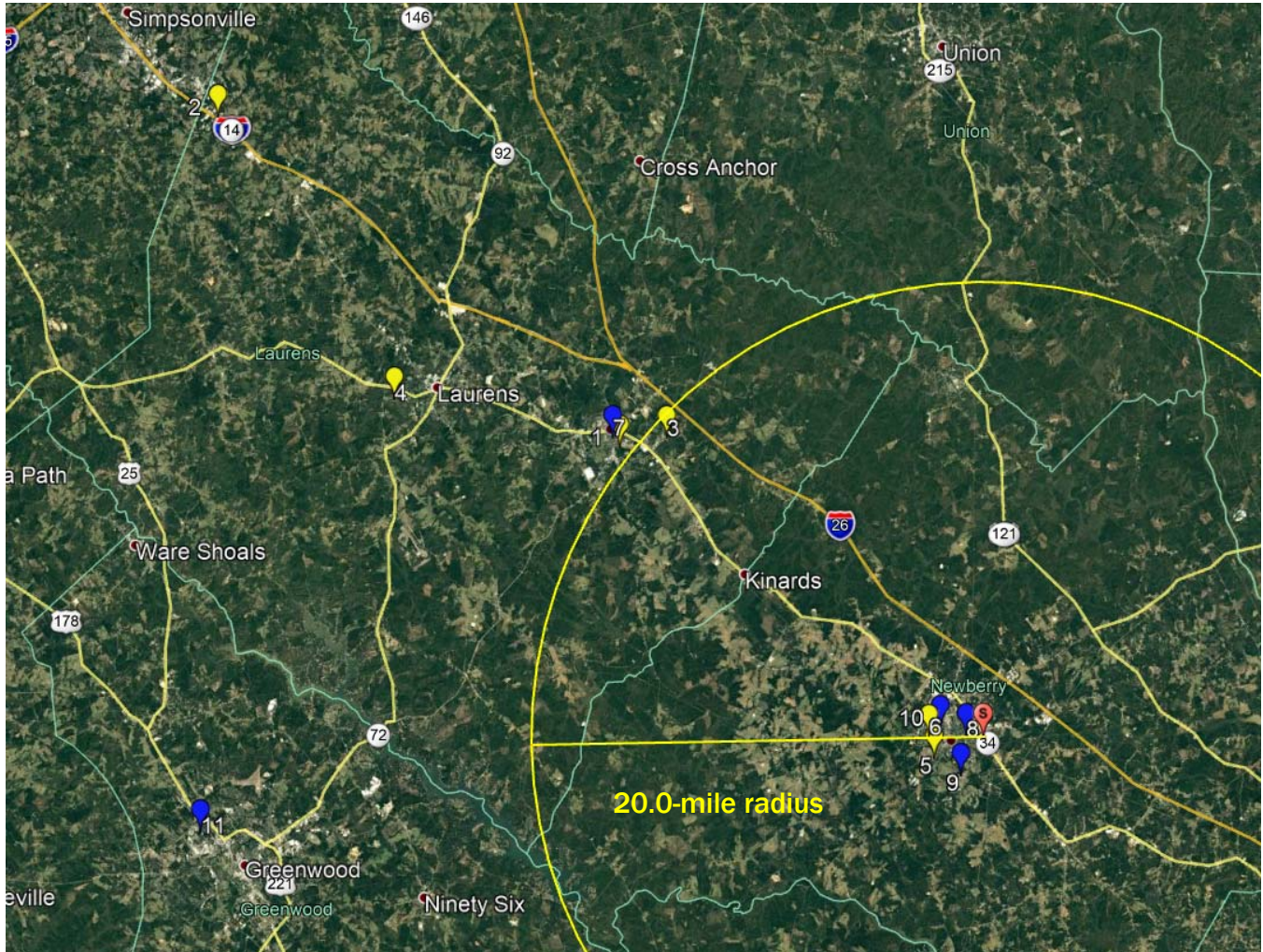
We were unable to reach a contact with the city of Newberry Planning Department regarding planned, proposed, or under construction developments in the PMA. Therefore, we conducted online research and utilized a CoStar new construction report. According to our online research and the CoStar database, there are no new or planned developments in the construction pipeline within Newberry County.

Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. To evaluate the competitive position of the Subject, 690 units in 11 rental properties were surveyed in depth. We included six affordable comparables and five market rate comparables that offer similar unit mixes; five of which are located in the PMA and six are located outside of the PMA. The affordable comparables were constructed or renovated between 2001 and 2010 and the market rate comparables were constructed or renovated between 2006 and 2020. Overall, the availability of LIHTC and market rate data is considered adequate to support our conclusions.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available. 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, July 2020

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Newberry Arms Apartments	Newberry	Section 8	Family	-
1	Clinton Green Apartments*	Clinton	LIHTC	Family	20.9 miles
2	Fountain Hills*	Fountain Inn	LIHTC	Family	43.8 miles
3	Jacob Press Apartments*	Clinton	LIHTC/ Market	Family	19.7 miles
4	Meadowbrook Apartments*	Laurens	LIHTC	Family	30.2 miles
5	Newberry Green	Newberry	LIHTC	Family	2.2 miles
6	Palmetto Pointe	Newberry	LIHTC	Family	2.5 miles
7	Highland Park Apartments*	Clinton	Market	Family	21.4 miles
8	Indian Land Apartments	Newberry	Market	Family	1.2 miles
9	Magnolia Manor	Newberry	Market	Family	1.3 miles
10	Oakland Mill	Newberry	Market	Family	2.3 miles
11	Winter Ridge Apartments*	Greenwood	Market	Family	34.5 miles

*Located outside PMA

NEWBERRY ARMS – NEWBERRY, 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	Newberry Arms Apartments 186 Newberry Arms Drive Newberry, SC 29108 Newberry County	-	Various 2-stories 1980 / 2021 Family	Section 8	1BR / 1BA	12	20.0%	638	@60% (Section 8)	\$595	Yes	Yes	0	0.0%						
					2BR / 1.5BA	24	40.0%	919	@60% (Section 8)	\$696	Yes	Yes	0	0.0%						
					3BR / 1.5BA	18	30.0%	1,098	@60% (Section 8)	\$792	Yes	Yes	0	0.0%						
					4BR / 2.5BA	6	10.0%	1,227	@60% (Section 8)	\$878	Yes	Yes	0	0.0%						
						60										0	0.0%			
1	Clinton Green Apartments 100 Houser Circle Clinton, SC 29325 Laurens County	20.9 miles	Garden 2-stories 2010 / n/a Family	@50%, @60%	2BR / 1BA	18	45.0%	887	@50%	\$484	Yes	Yes	0	0.0%						
					2BR / 1BA	10	25.0%	887	@60%	\$599	No	Yes	0	0.0%						
					3BR / 2BA	7	17.5%	1,094	@50%	\$575	Yes	Yes	0	0.0%						
					3BR / 2BA	5	12.5%	1,094	@60%	\$685	No	Yes	0	0.0%						
						40										0	0.0%			
2	Fountain Hills 201 Chapman Road Fountain Inn, SC 29644 Laurens County	43.8 miles	Garden 3-stories 2005 / n/a Family	@50%, @60%	2BR / 2BA	7	14.6%	1,100	@50%	\$609	Yes	Yes	0	0.0%						
					2BR / 2BA	17	35.4%	1,100	@60%	\$749	Yes	Yes	0	0.0%						
					3BR / 2BA	7	14.6%	1,208	@50%	\$696	Yes	Yes	0	0.0%						
					3BR / 2BA	17	35.4%	1,208	@60%	\$858	Yes	Yes	0	0.0%						
						48										0	0.0%			
3	Jacob Press Apartments 101 Clay Street Clinton, SC 29325 Laurens County	19.7 miles	Lowrise 2-stories 1910 / 2001 Family	@60%, Market	1BR / 1BA	6	30.0%	900	@60%	\$492	No	No	0	0.0%						
					1BR / 1BA	2	10.0%	900	Market	\$592	N/A	No	0	0.0%						
					2BR / 1BA	6	30.0%	1,100	@60%	\$574	No	No	1	16.7%						
					2BR / 1BA	1	5.0%	1,100	Market	\$642	N/A	No	0	0.0%						
					3BR / 2BA	4	20.0%	1,300	@60%	\$627	No	No	1	25.0%						
	3BR / 2BA	1	5.0%	1,300	Market	\$699	N/A	No	0	0.0%										
					20									2	10.0%					
4	Meadowbrook Apartments 201 Reedy Fork Road Laurens Inn, SC 29360 Laurens County	30.2 miles	Townhouse 2-stories 1979 / 2009 Family	@50% (RD 515), @60% (RD 515)	1BR / 1BA	4	8.3%	690	@50% (RD 515)	\$485	No	Yes	0	0.0%						
					1BR / 1BA	4	8.3%	690	@60% (RD 515)	\$552	No	Yes	0	0.0%						
					2BR / 1.5BA	13	27.1%	790	@50% (RD 515)	\$564	No	Yes	1	7.7%						
					2BR / 1.5BA	13	27.1%	790	@60% (RD 515)	\$631	No	Yes	1	7.7%						
					3BR / 1.5BA	7	14.6%	960	@50% (RD 515)	\$662	No	Yes	0	0.0%						
	3BR / 1.5BA	7	14.6%	960	@60% (RD 515)	\$729	No	Yes	0	0.0%										
					48									2	4.2%					
5	Newberry Green 411 Monroe Street Newberry, SC 29108 Newberry County	2.2 miles	Garden 2-stories 2009 / n/a Family	@50%	1BR / 1BA	4	9.1%	714	@50%	\$436	Yes	Yes	0	0.0%						
					2BR / 2BA	28	63.6%	954	@50%	\$500	Yes	Yes	2	7.1%						
					3BR / 2BA	12	27.3%	1,107	@50%	\$607	Yes	Yes	0	0.0%						
																		2	4.5%	
										44										
6	Palmetto Pointe 736 1st Street Newberry, SC 29108 Newberry County	2.5 miles	Garden 2-stories 2007 / n/a Family	@50%, @60%	1BR / 1BA	6	12.5%	800	@50%	\$420	No	Yes	0	0.0%						
					1BR / 1BA	6	12.5%	800	@60%	\$461	No	Yes	0	0.0%						
					2BR / 2BA	12	25.0%	1,100	@50%	\$505	No	Yes	0	0.0%						
					2BR / 2BA	12	25.0%	1,100	@60%	\$571	No	Yes	0	0.0%						
					3BR / 2BA	12	25.0%	1,300	@60%	\$720	No	Yes	0	0.0%						
					48									0	0.0%					
7	Highland Park Apartments 411-413 Musgrove Street Clinton, SC 29325 Laurens County	21.4 miles	Garden 3-stories 2013 / n/a Family	Market	1BR / 1BA	48	75.0%	700	Market	\$775	N/A	Yes	2	4.2%						
					2BR / 2BA	16	25.0%	1,050	Market	\$1,150	N/A	Yes	1	6.3%						
																		3	4.7%	
										64										
																			3	4.7%
8	Indian Land Apartments 1728 Indian Land Drive Newberry, SC 29108 Newberry County	1.2 miles	Garden 2-stories 1977 / 2020 Family	Market	2BR / 1BA	48	92.3%	859	Market	\$550	N/A	Yes	3	6.3%						
					3BR / 1.5BA	4	7.7%	980	Market	\$600	N/A	Yes	0	0.0%						
																		3	5.8%	
										52										
																			3	5.8%
9	Magnolia Manor 117 Caldwell Street Newberry, SC 29108 Newberry County	1.3 miles	Townhouse 2-stories 2007 / n/a Family	Market	2BR / 1.5BA	14	100.0%	1,035	Market	\$736	N/A	No	1	7.1%						
																		1	7.1%	
										14										
																			1	7.1%
10	Oakland Mill 2710 Fair Avenue Newberry, SC 29108 Newberry County	2.3 miles	Midrise 4-stories 1912 / 2013 Family	Market	1BR / 1BA	N/A	N/A	948	Market	\$775	N/A	No	N/A	N/A						
					2BR / 1BA	N/A	N/A	1,302	Market	\$1,000	N/A	No	N/A	N/A						
					2BR / 2BA	N/A	N/A	1,463	Market	\$1,085	N/A	No	N/A	N/A						
					2BR / 2BA	N/A	N/A	2,232	Market	\$1,525	N/A	No	N/A	N/A						
					3BR / 2BA	N/A	N/A	2,356	Market	\$1,480	N/A	No	N/A	N/A						
	3BR / 2BA	N/A	N/A	2,427	Market	\$1,660	N/A	No	N/A	N/A										
					64									5	7.8%					
11	Winter Ridge Apartments 102 Winter Way Greenwood, SC 29649 Greenwood County	34.5 miles	Garden 2-stories 2006 / n/a Family	Market	1BR / 1BA	64	25.8%	665	Market	\$758	N/A	No	0	0.0%						
					2BR / 2BA	80	32.3%	985	Market	\$918	N/A	No	3	3.8%						
					2BR / 2BA	52	21.0%	1,000	Market	\$923	N/A	No	0	0.0%						
					3BR / 2BA	52	21.0%	1,180	Market	\$1,137	N/A	No	0	0.0%						
						248												3	1.2%	

NEWBERRY ARMS – NEWBERRY, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.											
		Units Surveyed:	690	Weighted Occupancy:		97.0%	Weighted Occupancy:		97.0%		
		Market Rate	442	Market Rate		96.6%	Market Rate		96.6%		
		Tax Credit	248	Tax Credit		97.6%	Tax Credit		97.6%		
One Bedroom One Bath			Two Bedroom One and a Half Bath			Three Bedroom One and a Half Bath			Four Bedroom Two and a Half Bath		
Property	Average	Property	Average	Property	Average	Property	Average	Property	Average		
RENT											
Highland Park Apartments (Market)	\$775	Oakland Mill (Market)(2BA)	\$1,525	Oakland Mill (Market)(2BA)	\$1,660	Newberry Arms Apartments (@60%)	\$878				
Oakland Mill (Market)	\$775	Highland Park Apartments (Market)(2BA)	\$1,150	Oakland Mill (Market)(2BA)	\$1,480						
Winter Ridge Apartments (Market)	\$758	Oakland Mill (Market)(2BA)	\$1,085	Winter Ridge Apartments (Market)(2BA)	\$1,137						
Newberry Arms Apartments (@60%)	\$595	Oakland Mill (Market)(1BA)	\$1,000	Fountain Hills (@60%)(2BA)	\$958						
Jacob Press Apartments (Market)	\$592	Winter Ridge Apartments (Market)(2BA)	\$923	Newberry Arms Apartments (@60%)	\$792						
Meadowbrook Apartments (@60%)	\$552	Winter Ridge Apartments (Market)(2BA)	\$918	Meadowbrook Apartments (@60%)	\$729						
Jacob Press Apartments (@60%)	\$492	Fountain Hills (@60%)(2BA)	\$749	Palmetto Pointe (@60%)(2BA)	\$720						
Meadowbrook Apartments (@50%)	\$485	Magnolia Manor (Market)	\$736	Jacob Press Apartments (Market)(2BA)	\$699						
Palmetto Pointe (@60%)	\$461	Newberry Arms Apartments (@60%)	\$696	Fountain Hills (@50%)(2BA)	\$696						
Newberry Green (@50%)	\$436	Jacob Press Apartments (Market)(1BA)	\$642	Clinton Green Apartments (@60%)(2BA)	\$685						
Palmetto Pointe (@50%)	\$420	Meadowbrook Apartments (@60%)	\$631	Meadowbrook Apartments (@50%)	\$662						
		Fountain Hills (@50%)(2BA)	\$609	Jacob Press Apartments (@60%)(2BA)	\$627						
		Clinton Green Apartments (@60%)(1BA)	\$599	Newberry Green (@50%)(2BA)	\$607						
		Jacob Press Apartments (@60%)(1BA)	\$574	Indian Land Apartments (Market)	\$600						
		Palmetto Pointe (@60%)(2BA)	\$571	Clinton Green Apartments (@50%)(2BA)	\$575						
		Meadowbrook Apartments (@50%)	\$564								
		Indian Land Apartments (Market)(1BA)	\$550								
		Palmetto Pointe (@50%)(2BA)	\$505								
		Newberry Green (@50%)(2BA)	\$500								
		Clinton Green Apartments (@50%)(1BA)	\$484								
SQUARE FOOTAGE											
Oakland Mill (Market)	948	Oakland Mill (Market)(2BA)	2,232	Oakland Mill (Market)(2BA)	2,427	Newberry Arms Apartments (@60%)	1,227				
Jacob Press Apartments (Market)	900	Oakland Mill (Market)(2BA)	1,463	Oakland Mill (Market)(2BA)	2,356						
Jacob Press Apartments (@60%)	900	Oakland Mill (Market)(1BA)	1,302	Jacob Press Apartments (Market)(2BA)	1,300						
Palmetto Pointe (@50%)	800	Fountain Hills (@60%)(2BA)	1,100	Jacob Press Apartments (@60%)(2BA)	1,300						
Palmetto Pointe (@60%)	800	Jacob Press Apartments (@60%)(1BA)	1,100	Palmetto Pointe (@60%)(2BA)	1,300						
Newberry Green (@50%)	714	Jacob Press Apartments (Market)(1BA)	1,100	Fountain Hills (@50%)(2BA)	1,208						
Highland Park Apartments (Market)	700	Palmetto Pointe (@50%)(2BA)	1,100	Fountain Hills (@60%)(2BA)	1,208						
Meadowbrook Apartments (@60%)	690	Fountain Hills (@50%)(2BA)	1,100	Winter Ridge Apartments (Market)(2BA)	1,180						
Meadowbrook Apartments (@50%)	690	Palmetto Pointe (@60%)(2BA)	1,100	Newberry Green (@50%)(2BA)	1,107						
Winter Ridge Apartments (Market)	665	Highland Park Apartments (Market)(2BA)	1,050	Newberry Arms Apartments (@60%)	1,098						
Newberry Arms Apartments (@60%)	638	Magnolia Manor (Market)	1,035	Clinton Green Apartments (@50%)(2BA)	1,094						
		Winter Ridge Apartments (Market)(2BA)	1,000	Clinton Green Apartments (@60%)(2BA)	1,094						
		Winter Ridge Apartments (Market)(2BA)	985	Indian Land Apartments (Market)	980						
		Newberry Green (@50%)(2BA)	954	Meadowbrook Apartments (@60%)	960						
		Newberry Arms Apartments (@60%)	919	Meadowbrook Apartments (@50%)	960						
		Clinton Green Apartments (@60%)(1BA)	887								
		Clinton Green Apartments (@50%)(1BA)	887								
		Indian Land Apartments (Market)(1BA)	859								
		Meadowbrook Apartments (@60%)	790								
		Meadowbrook Apartments (@50%)	790								
RENT PER SQUARE FOOT											
Winter Ridge Apartments (Market)	\$1.14	Highland Park Apartments (Market)(2BA)	\$1.10	Winter Ridge Apartments (Market)(2BA)	\$0.96	Newberry Arms Apartments (@60%)	\$0.72				
Highland Park Apartments (Market)	\$1.11	Winter Ridge Apartments (Market)(2BA)	\$0.93	Meadowbrook Apartments (@60%)	\$0.76						
Newberry Arms Apartments (@60%)	\$0.93	Winter Ridge Apartments (Market)(2BA)	\$0.92	Newberry Arms Apartments (@60%)	\$0.72						
Oakland Mill (Market)	\$0.92	Meadowbrook Apartments (@60%)	\$0.80	Fountain Hills (@60%)(2BA)	\$0.71						
Meadowbrook Apartments (@60%)	\$0.80	Oakland Mill (Market)(1BA)	\$0.77	Meadowbrook Apartments (@50%)	\$0.69						
Meadowbrook Apartments (@50%)	\$0.70	Newberry Arms Apartments (@60%)	\$0.76	Oakland Mill (Market)(2BA)	\$0.68						
Jacob Press Apartments (Market)	\$0.66	Oakland Mill (Market)(2BA)	\$0.74	Oakland Mill (Market)(2BA)	\$0.63						
Newberry Green (@50%)	\$0.61	Meadowbrook Apartments (@50%)	\$0.71	Clinton Green Apartments (@60%)(2BA)	\$0.63						
Palmetto Pointe (@60%)	\$0.58	Magnolia Manor (Market)	\$0.71	Indian Land Apartments (Market)	\$0.61						
Jacob Press Apartments (@60%)	\$0.55	Oakland Mill (Market)(2BA)	\$0.68	Fountain Hills (@50%)(2BA)	\$0.58						
Palmetto Pointe (@50%)	\$0.53	Fountain Hills (@60%)(2BA)	\$0.68	Palmetto Pointe (@60%)(2BA)	\$0.55						
		Clinton Green Apartments (@60%)(1BA)	\$0.68	Newberry Green (@50%)(2BA)	\$0.55						
		Indian Land Apartments (Market)(1BA)	\$0.64	Jacob Press Apartments (Market)(2BA)	\$0.54						
		Jacob Press Apartments (Market)(1BA)	\$0.58	Clinton Green Apartments (@50%)(2BA)	\$0.53						
		Fountain Hills (@50%)(2BA)	\$0.55								
		Clinton Green Apartments (@50%)(1BA)	\$0.55								
		Newberry Green (@50%)(2BA)	\$0.52								
		Jacob Press Apartments (@60%)(1BA)	\$0.52								
		Palmetto Pointe (@60%)(2BA)	\$0.52								
		Palmetto Pointe (@50%)(2BA)	\$0.46								

NEWBERRY ARMS – NEWBERRY, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

	Subject	Clinton Green Apartments	Fountain Hills	Jacob Press Apartments	Meadowbrook Apartments	Newberry Green	Palmetto Pointe	Highland Park Apartments	Indian Land Apartments	Magnolia Manor	Oakland Mill	Winter Ridge Apartments
Rent Structure	Section 8	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building												
Property Type	Various	Garden	Garden	Lowrise	Townhouse	Garden	Garden	Garden	Garden	Townhouse	Midrise	Garden
# of Stories	2-stories	2-stories	3-stories	2-stories	2-stories	2-stories	2-stories	3-stories	2-stories	2-stories	4-stories	2-stories
Year Built	1980	2010	2005	1910	1979	2009	2007	2013	1977	2007	1912	2006
Year Renovated	2021	n/a	n/a	2001	2009	n/a	n/a	n/a	2020	n/a	2013	n/a
Elevators	no	no	no	no	no	no	no	no	no	no	yes	no
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	no	no	no	yes	yes	no	yes	no
Sewer	yes	no	no	yes	no	no	no	yes	yes	no	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Accessibility												
Unit Amenities												
Balcony/Patio	no	yes	no	no	no	yes	yes	no	no	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	yes	yes	yes	no	yes	yes	no	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Exterior Storage	no	no	no	no	yes	yes	yes	no	no	no	no	yes
Walk-In Closet	no	no	yes	no	no	yes	yes	no	no	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	no	no	yes	yes	no
W/D Hookup	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen												
Dishwasher	no	yes	yes	no	no	yes	yes	yes	no	yes	yes	yes
Disposal	no	yes	yes	no	no	yes	yes	yes	yes	no	yes	yes
Microwave	yes	no	yes	no	no	yes	yes	yes	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	no	yes	no	no	no	yes	yes	no	no	no	no	no
Community Room	no	yes	yes	no	no	yes	yes	no	no	no	yes	no
Central Laundry	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no
On-Site Mgmt	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	no	no	no	no	no	yes	no
Exercise Facility	no	no	no	no	no	no	yes	no	no	no	yes	no
Playground	yes	yes	yes	no	yes	yes	yes	no	yes	no	no	no
Picnic Area	no	yes	no	no	no	yes	yes	no	no	no	yes	no
WiFi	yes	no	no	no	no	no	no	yes	no	no	no	no
Security												
Intercom (Buzzer)	no	no	no	yes	no	no	no	no	no	no	yes	no
Intercom (Phone)	no	no	no	no	no	no	no	no	no	no	yes	no
Limited Access	no	no	no	yes	no	no	no	no	no	no	yes	no
Patrol	yes	no	yes	no	no	no	no	no	yes	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	no	no	yes	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no
Parking												
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$98	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

Clinton Green Apartments

Effective Rent Date	7/07/2020
Location	100 Houser Circle Clinton, SC 29325 Laurens County
Distance	20.9 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families with children
Contact Name	Ranella Wright
Phone	844-778-1963



Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2.7%-4%
Concession	None
Waiting List	Yes; 5-7 applicants.

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	1	Garden (2 stories)	18	887	\$398	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	10	887	\$513	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	7	1,094	\$455	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	5	1,094	\$565	\$0	@60%	Yes	0	0.0%	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 / 1BA	\$398	\$0	\$398	\$86	\$484	2BR / 1BA	\$513	\$0	\$513	\$86	\$599
3BR / 2BA	\$455	\$0	\$455	\$120	\$575	3BR / 2BA	\$565	\$0	\$565	\$120	\$685

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	Support Services Coordinator on
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

Comments

The contact reported stable occupancy so far in 2020. Rents increased in May bringing up the units at 50 percent AMI to the 2020 maximum allowable rates. Rents increased on the units at 60 percent AMI but those are still under the max rates since most households would be overburdened paying the max. The contact noted there has been no negative impact on the property from COVID-19 and no major job losses amongst tenants although some have had reduced work hours in some instances. She added there have been no issues with rent collection during the past four months during the pandemic.

Trend Report

Vacancy Rates

4Q09	1Q18	1Q20	3Q20
100.0%	5.0%	2.5%	0.0%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$380 - \$395	\$0	\$380 - \$395	\$466 - \$481
2018	1	11.1%	\$412	\$0	\$412	\$498
2020	1	0.0%	\$383	\$0	\$383	\$469
2020	3	0.0%	\$398	\$0	\$398	\$484

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$440 - \$455	\$0	\$440 - \$455	\$560 - \$575
2018	1	0.0%	\$450	\$0	\$450	\$570
2020	1	0.0%	\$440	\$0	\$440	\$560
2020	3	0.0%	\$455	\$0	\$455	\$575

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$495	\$0	\$495	\$581
2018	1	0.0%	\$495	\$0	\$495	\$581
2020	1	10.0%	\$498	\$0	\$498	\$584
2020	3	0.0%	\$513	\$0	\$513	\$599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$550	\$0	\$550	\$670
2018	1	0.0%	\$550	\$0	\$550	\$670
2020	1	0.0%	\$550	\$0	\$550	\$670
2020	3	0.0%	\$565	\$0	\$565	\$685

Trend: Comments

4Q09	The property is a proposed combination LIHTC and HOME development, targeted toward families. The units will be contained in five garden-style apartment buildings, with Hardi-Plank siding and brick (40%) exterior. There will be a separate leasing/community building. There will be 81 parking spaces provided.
1Q18	The contact at this development began working here in 2011 and was unable to provide the absorption pace.
1Q20	No additional comments.
3Q20	The contact reported stable occupancy so far in 2020. Rents increased in May bringing up the units at 50 percent AMI to the 2020 maximum allowable rates. Rents increased on the units at 60 percent AMI but those are still under the max rates since most households would be overburdened paying the max. The contact noted there has been no negative impact on the property from COVID-19 and no major job losses amongst tenants although some have had reduced work hours in some instances. She added there have been no issues with rent collection during the past four months during the pandemic.

Photos



PROPERTY PROFILE REPORT

Fountain Hills

Effective Rent Date	7/07/2020
Location	201 Chapman Road Fountain Inn, SC 29644 Laurens County
Distance	43.8 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	10/01/2005
Leasing Began	1/01/2006
Last Unit Leased	4/01/2006
Major Competitors	None Reported
Tenant Characteristics	Majority are from the local area- mix of families, singles, young professionals
Contact Name	Raina
Phone	(864) 408-9820



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	16
HCV Tenants	15%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2%-3%
Concession	None
Waiting List	Yes, 20 households in length.

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)	7	1,100	\$523	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	17	1,100	\$663	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	7	1,208	\$576	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	17	1,208	\$738	\$0	@60%	Yes	0	0.0%	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	\$523	\$0	\$523	\$86	\$609	2BR / 2BA	\$663	\$0	\$663	\$86	\$749
3BR / 2BA	\$576	\$0	\$576	\$120	\$696	3BR / 2BA	\$738	\$0	\$738	\$120	\$858

Fountain Hills, continued

Amenities

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

Comments

The contact reported there has been no negative impact on the property due to COVID-19 and the ensuing economic downturn. No major issues with job losses amongst tenancy or rent collection were reported but there are a small number for both during the past four months of the pandemic.

Trend Report

Vacancy Rates

4Q12	1Q19	1Q20	3Q20
0.0%	6.2%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$443	\$0	\$443	\$529
2019	1	0.0%	\$464	\$0	\$464	\$550
2020	1	0.0%	\$511	\$0	\$511	\$597
2020	3	0.0%	\$523	\$0	\$523	\$609

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$509	\$0	\$509	\$629
2019	1	0.0%	\$511	\$0	\$511	\$631
2020	1	0.0%	\$560	\$0	\$560	\$680
2020	3	0.0%	\$576	\$0	\$576	\$696

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$593	\$0	\$593	\$679
2019	1	11.8%	\$624	\$0	\$624	\$710
2020	1	0.0%	\$647	\$0	\$647	\$733
2020	3	0.0%	\$663	\$0	\$663	\$749

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$680	\$0	\$680	\$800
2019	1	5.9%	\$693	\$0	\$693	\$813
2020	1	0.0%	\$718	\$0	\$718	\$838
2020	3	0.0%	\$738	\$0	\$738	\$858

Trend: Comments

- 4Q12 Management reported that they currently have zero vacancies but that they have three units slated to move out over the course of the month, but that they already have them filled with tenants who are have been qualified. Management stated they maintain a wait list or callback list that is approximately 400 to 500 people long and see a strong demand for LIHTC properties in Laurens County, but did not know about anything about surrounding Newberry County.
- The local police department patrols the complex four to five times daily.
- 1Q19 The property is not currently achieving the maximum allowable LIHTC rents. However, the manager indicated that higher rents are achievable in the market, and the property has been gradually increasing rents closer to the maximum allowable rents. The manager indicated that there is strong demand for affordable housing in the market.
- The local police department patrols the complex four to five times daily.
- 1Q20 No additional comments.
- 3Q20 The contact reported there has been no negative impact on the property due to COVID-19 and the ensuing economic downturn. No major issues with job losses amongst tenancy or rent collection were reported but there are a small number for both during the past four months of the pandemic.

Photos



PROPERTY PROFILE REPORT

Jacob Press Apartments

Effective Rent Date	7/07/2020
Location	101 Clay Street Clinton, SC 29325 Laurens County
Distance	19.7 miles
Units	20
Vacant Units	2
Vacancy Rate	10.0%
Type	Lowrise (2 stories)
Year Built/Renovated	1910 / 2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Boyd Management
Tenant Characteristics	Predominantly local families
Contact Name	Andrea
Phone	864-938-0403



Market Information

Program	@60%, Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within one month
Annual Chg. in Rent	N/Av
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	Lowrise (2 stories)	6	900	\$492	\$0	@60%	No	0	0.0%	no	None
1	1	Lowrise (2 stories)	2	900	\$592	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	6	1,100	\$574	\$0	@60%	No	1	16.7%	no	None
2	1	Lowrise (2 stories)	1	1,100	\$642	\$0	Market	No	0	0.0%	N/A	None
3	2	Lowrise (2 stories)	4	1,300	\$627	\$0	@60%	No	1	25.0%	no	None
3	2	Lowrise (2 stories)	1	1,300	\$699	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$492	\$0	\$492	\$0	\$492	1BR / 1BA	\$592	\$0	\$592	\$0	\$592
2BR / 1BA	\$574	\$0	\$574	\$0	\$574	2BR / 1BA	\$642	\$0	\$642	\$0	\$642
3BR / 2BA	\$627	\$0	\$627	\$0	\$627	3BR / 2BA	\$699	\$0	\$699	\$0	\$699

Jacob Press Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Ceiling Fan	Oven		
Refrigerator			
Property		Premium	Other
Off-Street Parking		None	None

Comments

The contact provided limited data and would not comment on the effects of the COVID-19 pandemic on the property.

Jacob Press Apartments, continued

Trend Report

Vacancy Rates

4Q09	1Q14	1Q20	3Q20
5.0%	15.0%	20.0%	10.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$397	\$0	\$397	\$397
2020	1	N/A	\$492	\$0	\$492	\$492
2020	3	0.0%	\$492	\$0	\$492	\$492

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$472	\$0	\$472	\$472
2020	1	N/A	\$574	\$0	\$574	\$574
2020	3	16.7%	\$574	\$0	\$574	\$574

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$547	\$0	\$547	\$547
2020	1	N/A	\$627	\$0	\$627	\$627
2020	3	25.0%	\$627	\$0	\$627	\$627

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	0.0%	\$469	\$0	\$469	\$469
2014	1	0.0%	\$487	\$0	\$487	\$487
2020	1	N/A	\$592	\$0	\$592	\$592
2020	3	0.0%	\$592	\$0	\$592	\$592

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	0.0%	\$519	\$0	\$519	\$519
2014	1	0.0%	\$537	\$0	\$537	\$537
2020	1	N/A	\$642	\$0	\$642	\$642
2020	3	0.0%	\$642	\$0	\$642	\$642

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	0.0%	\$669	\$0	\$669	\$669
2014	1	0.0%	\$687	\$0	\$687	\$687
2020	1	N/A	\$699	\$0	\$699	\$699
2020	3	0.0%	\$699	\$0	\$699	\$699

Trend: Comments

4Q09	The contact reported that management has had difficulty leasing the one vacant unit, which has been vacant since August 2009. The leasing agent stated that there is greater demand for market rate units due to Presbyterian College and the contact anticipates that demand for market rate units will increase as the college is building a new pharmacy school. Professors occupy the property's four market rate units.
1Q14	The contact could not provide the property's annual turnover rate. The contact noted one of the units has been sitting on the market since January 3rd. He indicated that many families in the area choose to live in single family homes, accounting for the high vacancy rate in the LIHTC units.
1Q20	The contact could not provide the property's annual turnover rate. The contact reported that the current vacancy rate is elevated due to four leases ending the same month. Generally, occupancy is around 95 percent.
3Q20	The contact provided limited data and would not comment on the effects of the COVID-19 pandemic on the property.

Photos



PROPERTY PROFILE REPORT

Meadowbrook Apartments

Effective Rent Date	7/02/2020
Location	201 Reedy Fork Road Laurens, SC 29360 Laurens County
Distance	30.2 miles
Units	48
Vacant Units	2
Vacancy Rate	4.2%
Type	Townhouse (2 stories)
Year Built/Renovated	1979 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Chateau Arms Apartments
Tenant Characteristics	Tenants are mostly single mothers with an average household size of 3-4 and an average age of 25-30.
Contact Name	Morgan
Phone	(864) 984-2748



Market Information

Program	@50% (RD 515), @60% (RD 515)
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Within two week
Annual Chg. in Rent	Increased 1-5%
Concession	N/A
Waiting List	Yes; approximately six months in length.

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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	Townhouse (2 stories)	4	690	\$424	\$0	@50% (RD 515)	Yes	0	0.0%	no	None
1	1	Townhouse (2 stories)	4	690	\$491	\$0	@60% (RD 515)	Yes	0	0.0%	no	None
2	1.5	Townhouse (2 stories)	13	790	\$478	\$0	@50% (RD 515)	Yes	1	7.7%	no	None
2	1.5	Townhouse (2 stories)	13	790	\$545	\$0	@60% (RD 515)	Yes	1	7.7%	no	None
3	1.5	Townhouse (2 stories)	7	960	\$542	\$0	@50% (RD 515)	Yes	0	0.0%	no	None
3	1.5	Townhouse (2 stories)	7	960	\$609	\$0	@60% (RD 515)	Yes	0	0.0%	no	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	\$424	\$0	\$424	\$61	\$485	1BR / 1BA	\$491	\$0	\$491	\$61	\$552
2BR / 1.5BA	\$478	\$0	\$478	\$86	\$564	2BR / 1.5BA	\$545	\$0	\$545	\$86	\$631
3BR / 1.5BA	\$542	\$0	\$542	\$120	\$662	3BR / 1.5BA	\$609	\$0	\$609	\$120	\$729

Meadowbrook Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Exterior Storage	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		

Comments

None of the units receive Rental Assistance, but 11 units are occupied by Housing Choice Voucher holders. The contact reported that both of the vacant units are pre-leased from the waiting list. There have been no major issues or negative impact on the property relating to COVID-19.

Meadowbrook Apartments, continued

Trend Report

Vacancy Rates

4Q06	2Q08	1Q20	3Q20
12.5%	20.8%	6.2%	4.2%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	0.0%	\$424	\$0	\$424	\$485
2020	3	0.0%	\$424	\$0	\$424	\$485

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	7.7%	\$478	\$0	\$478	\$564
2020	3	7.7%	\$478	\$0	\$478	\$564

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	0.0%	\$542	\$0	\$542	\$662
2020	3	0.0%	\$542	\$0	\$542	\$662

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	25.0%	\$491	\$0	\$491	\$552
2020	3	0.0%	\$491	\$0	\$491	\$552

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	7.7%	\$545	\$0	\$545	\$631
2020	3	7.7%	\$545	\$0	\$545	\$631

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	0.0%	\$609	\$0	\$609	\$729
2020	3	0.0%	\$609	\$0	\$609	\$729

Trend: Comments

4Q06	Meadowbrook Apartments is a subsidized property offering a total of 48 one-, two- and three-bedroom units. The rents presented are basic rents quoted by the manager. The manager also provided note rents which are \$486 for the one-bedroom units, \$537 for the two-bedroom units, and \$609 for the three-bedroom units. The manager noted approximately 24 households pay the basic rents, 12 households utilize Section 8 vouchers, and the remaining 12 households pay 30 percent of income towards the rent. There are currently six vacancies and the property does not maintain a waiting list at this time.
2Q08	Contact stated that the property just completed renovation to the property. There was a seven percent increase on the one and two-bedroom units, and a six percent increase on the three-bedroom units.
1Q20	None of the units receive Rental Assistance, but 11 units are occupied by Housing Choice Voucher holders. The contact reported that all four of the vacant leases are pre-leased from the waiting list.
3Q20	None of the units receive Rental Assistance, but 11 units are occupied by Housing Choice Voucher holders. The contact reported that both of the vacant units are pre-leased from the waiting list. There have been no major issues or negative impact on the property relating to COVID-19.

Photos



PROPERTY PROFILE REPORT

Newberry Green

Effective Rent Date	7/09/2020
Location	411 Monroe Street Newberry, SC 29108 Newberry County
Distance	2.2 miles
Units	44
Vacant Units	2
Vacancy Rate	4.5%
Type	Garden (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	2/02/2009
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families, some seniors
Contact Name	Ranzella Wright
Phone	803-276-0064



Market Information

Program	@50%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None Reported
Concession	None
Waiting List	Yes; 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	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 (2 stories)	4	714	\$375	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	28	954	\$414	\$0	@50%	Yes	2	7.1%	no	None
3	2	Garden (2 stories)	12	1,107	\$487	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	\$61	\$436
2BR / 2BA	\$414	\$0	\$414	\$86	\$500
3BR / 2BA	\$487	\$0	\$487	\$120	\$607

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	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			

Comments

The contact reported rents have not increased to the 2020 maximum allowable rates and was unsure at what point they would increase. Otherwise, there has been no negative impact on the property related to COVID-19.

Trend Report

Vacancy Rates

4Q14	1Q18	1Q20	3Q20
2.3%	2.3%	4.5%	4.5%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	25.0%	\$378	\$0	\$378	\$439
2018	1	0.0%	\$375	\$0	\$375	\$436
2020	1	0.0%	\$375	\$0	\$375	\$436
2020	3	0.0%	\$375	\$0	\$375	\$436

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$398	\$0	\$398	\$484
2018	1	3.6%	\$414	\$0	\$414	\$500
2020	1	7.1%	\$414	\$0	\$414	\$500
2020	3	7.1%	\$414	\$0	\$414	\$500

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$442	\$0	\$442	\$562
2018	1	0.0%	\$487	\$0	\$487	\$607
2020	1	0.0%	\$487	\$0	\$487	\$607
2020	3	0.0%	\$487	\$0	\$487	\$607

Trend: Comments

4Q14	The manager stated that the property currently maintains a waiting list that consist of 13 households.
1Q18	While this property does accept Housing Choice Vouchers, there are currently no tenants utilizing them. The manager stated that the property currently maintains a waiting list that consists of ten households.
1Q20	N/A
3Q20	The contact reported rents have not increased to the 2020 maximum allowable rates and was unsure at what point they would increase. Otherwise, there has been no negative impact on the property related to COVID-19.

Photos



PROPERTY PROFILE REPORT

Palmetto Pointe

Effective Rent Date	7/10/2020
Location	736 1st Street Newberry, SC 29108 Newberry County
Distance	2.5 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pebblebrook
Tenant Characteristics	Mixed tenancy; singles, families, seniors
Contact Name	Lacey
Phone	803-321-1951



Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	21%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None Reported
Concession	None
Waiting List	Yes; 20 households per units type.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	6	800	\$359	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	800	\$400	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,100	\$419	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,100	\$485	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	12	1,300	\$600	\$0	@60%	Yes	0	0.0%	no	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	\$359	\$0	\$359	\$61	\$420	1BR / 1BA	\$400	\$0	\$400	\$61	\$461
2BR / 2BA	\$419	\$0	\$419	\$86	\$505	2BR / 2BA	\$485	\$0	\$485	\$86	\$571
						3BR / 2BA	\$600	\$0	\$600	\$120	\$720

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	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	Playground		

Comments

This property currently maintains a waiting list that consists of approximately 20 households in length, per unit type. The contact stated no major issues related to COVID-19 at this time.

Trend Report

Vacancy Rates

4Q14	4Q17	1Q20	3Q20
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$365	\$0	\$365	\$426
2017	4	0.0%	\$359	\$0	\$359	\$420
2020	1	0.0%	\$359	\$0	\$359	\$420
2020	3	0.0%	\$359	\$0	\$359	\$420

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$439	\$0	\$439	\$525
2017	4	0.0%	\$419	\$0	\$419	\$505
2020	1	0.0%	\$419	\$0	\$419	\$505
2020	3	0.0%	\$419	\$0	\$419	\$505

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$380	\$0	\$380	\$441
2017	4	0.0%	\$400	\$0	\$400	\$461
2020	1	0.0%	\$400	\$0	\$400	\$461
2020	3	0.0%	\$400	\$0	\$400	\$461

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$455	\$0	\$455	\$541
2017	4	0.0%	\$485	\$0	\$485	\$571
2020	1	0.0%	\$485	\$0	\$485	\$571
2020	3	0.0%	\$485	\$0	\$485	\$571

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$570	\$0	\$570	\$690
2017	4	0.0%	\$600	\$0	\$600	\$720
2020	1	0.0%	\$600	\$0	\$600	\$720
2020	3	0.0%	\$600	\$0	\$600	\$720

Trend: Comments

4Q14	The manager stated that the property currently maintains a waiting list that consists of approximately 15 households.
4Q17	This property currently maintains a waiting list that consists of approximately 50 households in length. The contact was unable to comment on why they have not raised rents to maximum allowable levels for its units at the 60 percent of AMI level.
1Q20	This property currently maintains a waiting list that consists of approximately 20 households in length, per unit type. The contact was unable to comment on why they have not raised rents to maximum allowable levels for its units at the 60 percent of AMI level.
3Q20	This property currently maintains a waiting list that consists of approximately 20 households in length, per unit type. The contact stated no major issues related to COVID-19 at this time.

Photos



Highland Park Apartments, continued

Comments

The contact stated all vacant units are currently preleased for end of month move ins. She noted some tenants are students at the Presbyterian College School of Pharmacy. No issues with COVID-19 were reported.

Highland Park Apartments, continued

Trend Report

Vacancy Rates

3Q17	1Q18	1Q20	3Q20
4.7%	6.2%	1.6%	4.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$700	\$0	\$700	\$700
2018	1	N/A	\$700	\$0	\$700	\$700
2020	1	N/A	\$725	\$0	\$725	\$725
2020	3	4.2%	\$775	\$0	\$775	\$775

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,100	\$0	\$1,100	\$1,100
2018	1	N/A	\$1,100	\$0	\$1,100	\$1,100
2020	1	N/A	\$1,100	\$0	\$1,100	\$1,100
2020	3	6.2%	\$1,150	\$0	\$1,150	\$1,150

Trend: Comments

3Q17	The contact was unable to report the breakdown between one and two-bedroom units at the property. The property consists of three buildings that contain a mix of one and two-bedroom units.
1Q18	N/A
1Q20	The property was purchased by new owners in February 2018.
3Q20	The contact stated all vacant units are currently preleased for end of month move ins. She noted some tenants are students at the Presbyterian College School of Pharmacy. No issues with COVID-19 were reported.

Photos



PROPERTY PROFILE REPORT

Indian Land Apartments

Effective Rent Date	7/10/2020
Location	1728 Indian Land Drive Newberry, SC 29108 Newberry County
Distance	1.2 miles
Units	52
Vacant Units	3
Vacancy Rate	5.8%
Type	Garden (2 stories)
Year Built/Renovated	1977 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Will
Phone	803.276.6990



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 10% for updated units
Concession	None
Waiting List	Yes; undisclosed length.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	48	859	\$550	\$0	Market	Yes	3	6.2%	N/A	None
3	1.5	Garden (2 stories)	4	980	\$600	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$550	\$0	\$550	\$0	\$550
3BR / 1.5BA	\$600	\$0	\$600	\$0	\$600

Amenities

In-Unit	Security	Services
Blinds	Patrol	None
Central A/C	Perimeter Fencing	
Ceiling Fan		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Central Laundry	None	None
On-Site Management	Off-Street Parking	
	Playground	

Comments

The contact reported that the property is currently undergoing major renovations which includes updating all of the appliances, new flooring, new counters, and new lights as well as refurbishing the exterior and installing new sheet rock. Units are renovated as they become available. No major issues related to COVID-19 were reported. It is unknown if the rents are reflective of the updated units.

Indian Land Apartments, continued

Trend Report

Vacancy Rates

4Q12	1Q18	1Q20	3Q20
0.0%	7.7%	15.4%	5.8%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$535	\$0	\$535	\$535
2018	1	N/A	\$550 - \$600	\$0	\$550 - \$600	\$550 - \$600
2020	1	N/A	\$550	\$0	\$550	\$550
2020	3	6.2%	\$550	\$0	\$550	\$550

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$580	\$0	\$580	\$580
2018	1	0.0%	\$600	\$0	\$600	\$600
2020	1	N/A	\$600	\$0	\$600	\$600
2020	3	0.0%	\$600	\$0	\$600	\$600

Trend: Comments

4Q12	<p>Management reported that they currently have zero vacancies but do not currently have a waiting list. Management estimated to have ten units vacate annually for their annual turnover rate.</p> <p>The property currently does not accept housing choice vouchers. The property has perimeter fencing around the community and has local police patrol twice daily.</p>
1Q18	<p>The contact reported that the property is currently undergoing major renovations. These renovations include updating all of the appliances in the rooms as well as refurbishing the exterior and installing new sheet rock. The contact indicated that the construction is the reason for the elevated vacancy rate, as this development is typically at or near full occupancy. Note that the rents listed in this profile are all for non-upgraded units.</p> <p>The property currently does not accept Housing Choice Vouchers. The property has perimeter fencing around the community and has local police patrol twice daily.</p>
1Q20	<p>The contact reported that the property is currently undergoing major renovations. These renovations include updating all of the appliances in the rooms as well as refurbishing the exterior and installing new sheet rock. Units are renovated as they become available. The contact indicated that the construction is the reason for the elevated vacancy rate, as this development is typically at or near full occupancy. Note that the rents listed in this profile are all for non-upgraded units.</p> <p>The property currently does not accept Housing Choice Vouchers. The property has perimeter fencing around the community and has local police patrol twice daily.</p>
3Q20	<p>The contact reported that the property is currently undergoing major renovations which includes updating all of the appliances, new flooring, new counters, and new lights as well as refurbishing the exterior and installing new sheet rock. Units are renovated as they become available. No major issues related to COVID-19 were reported. It is unknown if the rents are reflective of the updated units.</p>

Photos



PROPERTY PROFILE REPORT

Magnolia Manor

Effective Rent Date	7/10/2020
Location	117 Caldwell Street Newberry, SC 29108 Newberry County
Distance	1.3 miles
Units	14
Vacant Units	1
Vacancy Rate	7.1%
Type	Townhouse (2 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	Mixed local tenancy
Contact Name	Gail at Newberry Realty
Phone	803-276-9223



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 5%
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	1.5	Townhouse (2 stories)	14	1,035	\$650	\$0	Market	No	1	7.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$650	\$0	\$650	\$86	\$736

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Oven		
Walk-In Closet		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking	None	None

Comments

The contact stated the property typically stays fully occupied. No major issues with COVID-19 reported as far as rent collection and job losses.

Trend Report

Vacancy Rates

4Q06	4Q12	1Q18	3Q20
7.1%	7.1%	7.1%	7.1%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	7.1%	\$700	\$0	\$700	\$786
2012	4	7.1%	\$700	\$0	\$700	\$786
2018	1	7.1%	\$791	\$0	\$791	\$877
2020	3	7.1%	\$650	\$0	\$650	\$736

Trend: Comments

4Q06	Magnolia Manor is the first larger scale market rate apartment property to be built in Newberry in over 25 years. It consists of 14, two-bedroom townhouse units. The first units were completed in September 2006 and the entire project is scheduled for completion in October 2006. To date, 13 of the 14 units have been leased, which indicates strong demand in this market.
4Q12	<p>Management indicated that they currently have one vacancy at the property. We asked management about their initial lease-up absorption, and they commented that it took longer than normal and provided the following explanation as to why their absorption figures would not accurately reflect absorption. According to management, initially the property was slated to rent seven of the units, and sell the other seven units. The property opened and leasing began in October of 2011. Management stated the initial seven units rented quickly, but the other units for sale sat for a while. Approximately 10 months after October, management decided to lease the remaining seven units, instead of letting them sit and not gain any revenue off of them.</p> <p>Management commented that the Newberry area definitely needs additional LIHTC housing. The property currently has three residents utilizing housing choice vouchers.</p> <p>Management estimated approximately one move out annually and stated the majority of their tenancy has been their since they opened as they offer some of the nicer housing in town.</p> <p>Management stated all units have washer and dryers hook ups, and 11 of the total 14 have washer and dryer included with rent.</p>
1Q18	The contact indicated the property typically maintains a waiting list but no list is maintained at this time.
3Q20	The contact stated the property typically stays fully occupied. No major issues with COVID-19 reported as far as rent collection and job losses.

Photos



PROPERTY PROFILE REPORT

Oakland Mill

Effective Rent Date	7/09/2020
Location	2710 Fair Avenue Newberry, SC 29108 Newberry County
Distance	2.3 miles
Units	64
Vacant Units	5
Vacancy Rate	7.8%
Type	Midrise (4 stories)
Year Built/Renovated	1912 / 2013
Marketing Began	N/A
Leasing Began	7/01/2013
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Large number of students at Newberry College
Contact Name	JoAnn
Phone	803-276-0182



Market Information

Program	Market
Annual Turnover Rate	19%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None Reported
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	Midrise (4 stories)	N/A	948	\$775	\$0	Market	No	N/A	N/A	N/A	None
2	1	Midrise (4 stories)	N/A	1,302	\$1,000	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,463	\$1,085	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	2,232	\$1,525	\$0	Market	No	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	2,356	\$1,480	\$0	Market	No	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	2,427	\$1,660	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$775	\$0	\$775	\$0	\$775
2BR / 1BA	\$1,000	\$0	\$1,000	\$0	\$1,000
2BR / 2BA	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525
3BR / 2BA	\$1,480 - \$1,660	\$0	\$1,480 - \$1,660	\$0	\$1,480 - \$1,660

Oakland Mill, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Intercom (Phone)	
Dishwasher	Ceiling Fan	Limited Access	
Garbage Disposal	Hand Rails		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

The contact stated the property is fully preleased for August move ins. No major issues reported related to COVID-19.

Trend Report

Vacancy Rates

4Q14	1Q18	1Q20	3Q20
N/A	3.1%	31.2%	7.8%

Trend: Market

1BR / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	N/A	\$0	N/A	N/A

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$775	\$0	\$775	\$775
2020	1	N/A	\$775	\$0	\$775	\$775
2020	3	N/A	\$775	\$0	\$775	\$775

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,000	\$0	\$1,000	\$1,000
2018	1	N/A	\$1,000	\$0	\$1,000	\$1,000
2020	1	N/A	\$1,000	\$0	\$1,000	\$1,000
2020	3	N/A	\$1,000	\$0	\$1,000	\$1,000

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525	\$1,085 - \$1,525
2018	1	N/A	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525	\$1,085 - \$1,525
2020	1	N/A	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525	\$1,085 - \$1,525
2020	3	N/A	\$1,085 - \$1,525	\$0	\$1,085 - \$1,525	\$1,085 - \$1,525

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,480 - \$1,495	\$0	\$1,480 - \$1,495	\$1,480 - \$1,495
2018	1	N/A	\$1,480 - \$1,495	\$0	\$1,480 - \$1,495	\$1,480 - \$1,495
2020	1	N/A	\$1,480 - \$1,660	\$0	\$1,480 - \$1,660	\$1,480 - \$1,660
2020	3	N/A	\$1,480 - \$1,660	\$0	\$1,480 - \$1,660	\$1,480 - \$1,660

Trend: Comments

4Q14 N/A

1Q18 The contact indicated that this property typically maintains a waiting list but does not have one at the moment.

1Q20 The contact reported that the elevated vacancy rate is due to a large company releasing 25 units of corporate housing within the last two months. The property manager expects the units to be filled in the near future through another corporate housing partnership.

3Q20 The contact stated the property is fully preleased for August move ins. No major issues reported related to COVID-19.

Photos



PROPERTY PROFILE REPORT

Winter Ridge Apartments

Effective Rent Date	7/02/2020
Location	102 Winter Way Greenwood, SC 29649 Greenwood County
Distance	34.5 miles
Units	248
Vacant Units	3
Vacancy Rate	1.2%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	6/03/2006
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed Tenancy
Contact Name	Kim
Phone	(864) 610-5288



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	32
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 5-10%
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)	64	665	\$685	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	80	985	\$820	\$0	Market	No	3	3.8%	N/A	None
2	2	Garden (2 stories)	52	1,000	\$825	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	52	1,180	\$1,005	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$685	\$0	\$685	\$73	\$758
2BR / 2BA	\$820 - \$825	\$0	\$820 - \$825	\$98	\$918 - \$923
3BR / 2BA	\$1,005	\$0	\$1,005	\$132	\$1,137

Winter Ridge Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Off-Street Parking	On-Site Management	None	None

Comments

No additional comments.

Winter Ridge Apartments, continued

Trend Report

Vacancy Rates

4Q17	4Q19	1Q20	3Q20
9.5%	0.0%	0.0%	1.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$645	\$17	\$628	\$701
2019	4	0.0%	\$665	\$0	N/A	N/A
2020	1	0.0%	\$685	\$0	\$685	\$758
2020	3	0.0%	\$685	\$0	\$685	\$758

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$785	\$17	\$768	\$866
2019	4	0.0%	\$785 - \$795	\$0	\$785 - \$795	\$883 - \$893
2020	1	0.0%	\$805 - \$815	\$0	\$805 - \$815	\$903 - \$913
2020	3	2.3%	\$820 - \$825	\$0	\$820 - \$825	\$918 - \$923

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$950	\$17	\$933	\$1,065
2019	4	0.0%	\$960	\$0	\$960	\$1,092
2020	1	0.0%	\$995	\$0	\$995	\$1,127
2020	3	0.0%	\$1,005	\$0	\$1,005	\$1,137

Trend: Comments

4Q17	The contact stated there is a five person waiting list for the property, but was unable to state for which units specifically.
4Q19	No additional comments
1Q20	No additional comments.
3Q20	N/A

Photos



COMPARABLE PROPERTY ANALYSIS

Following are relevant characteristics of comparable properties surveyed:

Location

The following table illustrates the Subject and comparable property household incomes, median rent, and median home values.

LOCATION COMPARISON						
No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential
S	Newberry Arms Apartments	29108	\$36,614	\$734	\$83,200	-
1	Clinton Green Apartments*	29325	\$36,466	\$754	\$87,100	2.7%
2	Fountain Hills*	29644	\$57,111	\$786	\$135,600	6.6%
3	Jacob Press Apartments*	29325	\$36,466	\$754	\$87,100	2.7%
4	Meadowbrook Apartments*	29360	\$37,431	\$658	\$92,800	-11.6%
5	Newberry Green	29108	\$36,614	\$734	\$83,200	0.0%
6	Palmetto Pointe	29108	\$36,614	\$734	\$83,200	0.0%
7	Highland Park Apartments	29325	\$36,466	\$754	\$87,100	2.7%
8	Indian Land Apartments	29108	\$36,614	\$734	\$83,200	0.0%
9	Magnolia Manor	29108	\$36,614	\$734	\$83,200	0.0%
10	Oakland Mill	29108	\$36,614	\$734	\$83,200	0.0%
11	Winter Ridge Apartments*	29649	\$46,331	\$713	\$148,200	-2.9%

*Located outside of the PMA

The Subject is located in a mixed-use neighborhood in Newberry. Five of the 11 comparables are located in Newberry, within 2.5 miles of the Subject. Indian Land Apartments, Magnolia Manor, and Oakland Mill are all located in Newberry, in average locations, similar to the Subject. Highland Park Apartments is located in Clinton in an average location, similar to the Subject. Winter Ridge Apartments is located in Greenwood, SC in what is considered a slightly superior location. Therefore we applied a negative \$25 adjustment to this comparable in the rent grids. Winter Ridge Apartments is located in an inferior market and we applied a positive \$25 adjustment. The remaining comparables are located in average locations, similar to the Subject.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject's unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON				
Bedroom Type	1BR	2BR	3BR	4BR
Subject	638	919	1,098	1,227
Average	781	1,097	1,320	0
Min	665	790	960	0
Max	948	2,232	2,427	0
Advantage/Disadvantage	-18%	-16%	-17%	-17%

The Subject's unit sizes are smaller than the average among the comparables, but within the comparable range, except for the Subject's one-bedroom units, which are below the range of the comparables. It should be noted that none of the comparables offer four-bedroom units. The Subject's unit sizes should continue to be well accepted in the market as an affordable property. However, we considered the Subject's proposed unit sizes in our determination of achievable rents.

Vacancy

The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Clinton Green Apartments*	LIHTC	Family	40	0	0.0%
Fountain Hills*	LIHTC	Family	48	0	0.0%
Jacob Press Apartments*	LIHTC/ Market	Family	20	2	10.0%
Meadowbrook Apartments*	LIHTC	Family	48	2	4.2%
Newberry Green	LIHTC	Family	44	2	4.5%
Palmetto Pointe	LIHTC	Family	48	0	0.0%
Highland Park Apartments*	Market	Family	64	3	4.7%
Indian Land Apartments	Market	Family	52	3	5.8%
Magnolia Manor	Market	Family	14	1	7.1%
Oakland Mill	Market	Family	64	5	7.8%
Winter Ridge Apartments*	Market	Family	248	3	1.2%
Total LIHTC			248	6	2.4%
Total Market Rate			442	15	3.4%
Overall Total			690	21	3.0%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 10.0 percent. It should be noted that Jacob Press Apartments is a mixed income development and has the highest vacancy rate among the comparables. However, this development offers only two vacant units. Overall vacancy in the local market is operating at an average 3.0 percent vacancy rate. Managers at three of the six LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.4 percent, below the 3.4 percent average reported by the market rate properties. It should be noted that the Jacob Press Apartments small number of units affects the vacancy rate.

According to the rent roll dated June 30, 2020, the Subject is currently fully occupied and maintains an extensive waiting list. The Subject appears to be in average overall condition with average curb appeal. Post-renovation, the Subject will exhibit good overall condition. Therefore, we believe that the Subject will operate with a total vacancy rate of four percent or less.

It should be noted that a majority of the comparables reported no major issues or negative impact during the COVID-19 pandemic other than units taking longer to lease due to social distancing.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 92 total LIHTC units in the PMA that we included in this comparable analysis, of which, there are only two vacant units. Additionally, both of the LIHTC properties in the PMA that we included in this comparable analysis maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SC Regional Housing Authority No. 1 utility allowance, 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 table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents in the MSA where comparables are located and the net 60 percent AMI rents at the comparables.

LIHTC RENT COMPARISON @60%							
Property Name	County	Tenancy	1BR	2BR	3BR	4BR	Rents at Max?
Newberry Arms Apartments	Newberry	Family	\$595	\$696	\$792	\$878	YES
LIHTC Maximum Rent (Net)	Newberry		\$595	\$696	\$792	\$878	
LIHTC Maximum Rent (Net) - Held Harmless	Newberry		\$523	\$609	\$690	\$766	
Clinton Green Apartments	Laurens	Family	-	\$599	\$685	-	NO
Fountain Hills	Laurens	Family	-	\$749	\$858	-	YES
Jacob Press Apartments	Laurens	Family	\$492	\$574	\$627	-	NO
Meadowbrook Apartments	Laurens	Family	\$552	\$631	\$729	-	NO
Palmetto Pointe	Newberry	Family	\$461	\$571	\$720	-	NO
Average			\$502	\$625	\$724	-	
Achievable LIHTC Rent			\$595	\$696	\$792	\$878	

The Subject’s proposed 60 percent AMI rents are set at the 2020 maximum allowable levels. Fountain Hills reported achieving the 2020 LIHTC maximum allowable rents at 60 percent AMI. Newberry Green reported achieving the 2019 LIHTC maximum allowable rents at 50 percent AMI, but has yet to increase to the 2020 maximum allowable rents due to the uncertainty of COVID-19. Additionally, Meadowbrook Apartments and Palmetto Pointe reported achieving rents just below the 2020 LIHTC maximum allowable level. The proposed Subject is considered most similar to Meadowbrook Apartments and Palmetto Pointe, both of which offer a similar unit mix and similar unit sizes.

Meadowbrook Apartments is a 48-unit, development located 30.2 miles northwest of the Subject site, in a neighborhood considered superior relative to the Subject's location. This property was constructed in 1979 and renovated in 2009, and currently exhibits similar condition relative to the proposed Subject, which was built in 1980 and is proposed for renovations. The manager at Meadowbrook Apartments reported a low vacancy rate of 4.2 percent, indicating the current rents are well accepted in the market. The in-unit and property amenity packages offered by Meadowbrook Apartments are similar and slightly inferior relative to the Subject, respectively. In overall terms, we believe the Subject will be a similar product relative to Meadowbrook Apartments.

Palmetto Pointe is a 48-unit garden-style development located 2.5 miles west of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2007 and currently exhibits similar condition relative to the proposed Subject, which was built in 1980 and is proposed for renovations. The manager at Palmetto Pointe reported the property as fully occupied, indicating the current rents are well accepted in the market. The in-unit and property amenity packages offered by Palmetto Pointe are similar relative to the Subject. In overall terms, we believe the Subject will be a similar product relative to Meadowbrook Apartments.

It should be noted that none of the comparables offer four-bedroom units. However, given the significant rent advantage presented below, we believe maximum rents are achievable for the Subject’s four-bedroom units.

Based on the rents being achieved at the most comparables LIHTC developments, the Subject’s proposed newly renovated condition, and generally superior amenities, we believe max allowable 60 percent AMI rents are achievable, or **\$595, \$696, \$792, and \$878** for its one, two, three, and four-bedroom units, respectively.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are below the achievable market rates for the Subject’s area. We have prepared Section 8 rent adjustment grids in the Addenda to this report. The following table shows both adjusted market rent comparisons and achievable market rents.

COMPARABLE PROPERTY RENT SUMMARY - AFTER ADJUSTMENT

Unit Type	Size	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	638	\$595	\$636	\$838	\$719	\$775	23.2%
2BR / 1.5BA	919	\$696	\$700	\$1,035	\$858	\$860	19.1%
3BR / 1.5BA	1098	\$792	\$745	\$1,240	\$1,038	\$1,120	29.3%
4BR / 2.5BA	1227	\$878	\$895	\$1,395	\$1,205	\$1,285	31.7%

The Subject’s achievable LIHTC rents are well below the achievable market rents, and below to within the range of the market rate comparables. The Subject’s achievable LIHTC rents represent a rent advantage of 19.1 to 31.7 percent over the achievable market rents.

In conclusion, we believe that the Subject’s achievable market rents are **\$775, \$860, \$1,120, and \$1,285** for its one, two, three, and four-bedroom units, respectively. Our concluded market rents result in a rent advantage of 19.1 to 31.7 percent for the Subject’s achievable LIHTC rents.

Impact of Subject on Other Affordable Units in Market

The average vacancy rate reported by the affordable comparables was 2.4 percent, and excluding Jacob Press Apartments, 1.7 percent. Additionally, three of the six LIHTC comparables reported being fully occupied and five of the six maintain waiting lists. Since the Subject operates with a subsidy and will upon completion of renovations, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is a limited supply of LIHTC units in the PMA. There are only six vacant LIHTC units among the six LIHTC comparables surveyed, and five of the LIHTC comparables maintain waiting lists. Therefore, the availability of LIHTC housing targeting low and moderate incomes is considered inadequate given the demographic growth of the PMA. The renovation of the Subject would improve the existing housing stock in the PMA for affordable housing.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with a 3.0 percent vacancy rate among all 11 surveyed stabilized comparable projects. Additionally, there are only six vacancies among the 244 LIHTC units, and with the exception of Jacob Press Apartments, all of the LIHTC properties maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA. Market rate comparables are also performing well, with an overall vacancy rate of 3.4 percent among all of the market-rate comparables.

When compared to the current 60 percent AMI rents at the LIHTC properties, the Subject's proposed 60 percent AMI rents appear reasonable at the maximum allowable levels, and they are 19.1 to 31.7 percent below what we have determined to be the achievable market rents. 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

We were unable to reach a contact with the city of Newberry Planning Department regarding planned, proposed, or under construction developments in the PMA. Therefore, we conducted online research and utilized a CoStar new construction report. According to our online research and the CoStar database, there are no new or planned developments in the construction pipeline within Newberry County.

Section 8/Public Housing

We spoke with Carrie Epting, Section 8 Coordinator, with the Newberry Housing Authority. According to Ms. Epting, the Newberry Housing Authority administers 235 Housing Choice Vouchers within Newberry County. Of the total 235 vouchers, 186 are currently in use. Prior to the recent opening of the waiting list in January 2020, the waiting list for Housing Choice Vouchers was closed since the summer of 2016. The list opening is conducted using a random lottery system. We were unable to get the payment standards from the Newberry Housing Authority; however, as the Subject operates as a fully subsidized development, Housing Choice Vouchers will not be necessary for the Subject's tenants.

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 renovations of the Subject development as proposed. The overall capture rates for the Subject's units with and without subsidy are 6.1 and 14.4 percent, respectively, which are within acceptable demand thresholds. Individual capture rates by bedroom type range from 4.9 to 8.1 percent, with subsidy. Absent subsidy, the Subject's capture rates at the 60 percent AMI level will range from 19.1 to 31.7 percent. Property managers at area apartments in the PMA indicated that approximately ten percent of residents are from outside the PMA. Therefore, we conservatively estimate that approximately ten percent of the Subject's residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative. In addition, the Subject is in a community (Newberry) that has few affordable housing alternatives. Between 2019 and market entry, the total number of households is expected to increase at a rate of 0.6 percent annually in the PMA. The Subject site is located within 1.5 miles of most community services and facilities that tenants would utilize on a consistent basis. Overall, we believe that the Subject will be successful in the local market as proposed.

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 Consulting LLP

Date: September 10, 2020



Justin Weaver
Analyst



Karina Vargas
Novogradac

ADDENDUM A
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

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

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)

Member, The Counselors of Real Estate (CRE)

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628

State of California – Certified General Real Estate Appraiser, No. 27638

Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340

State of Florida – Certified General Real Estate Appraiser; No. RZ3249

State of Maine – Certified General Real Estate Appraiser, No. CG3435

State of Maryland – Certified General Real Estate Appraiser; No. 6048

Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769

State of Michigan – Certified General Real Estate Appraiser, No. 1201074327

State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R

State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900

State of Ohio – Certified General Real Estate Appraiser; No. 2006007302

State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111

State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

Vice President, The Community Partners Realty Advisory Services Group, LLC

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

IV. Professional Training

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

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

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country
Participated in several industry forums regarding the Military Housing Privatization Initiative

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

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS LINDSEY SUTTON

EDUCATION

Texas State University, Bachelor of Business Administration in Finance

LICENSING AND AFFILIATIONS

Certified General Real Estate Appraiser – State of Texas (TX 1380684-G)

Certified General Real Estate Appraiser – State of Washington (1102489)

Certified General Real Estate Appraiser – State of Colorado (CG.200001730)

Candidate for Designation in the Appraisal Institute

Member – Commercial Real Estate Women (CREW) Network

EXPERIENCE

Novogradac & Company LLP, Principal

Novogradac & Company LLP, Manager

Novogradac & Company LLP, Real Estate Analyst

Novogradac & Company LLP, Real Estate Researcher

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Report Writing and Case Studies

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

Expert Witness for Commercial Appraisers

Commercial Appraisal Review

Real Estate Finance Statistics and Valuation Modeling

General Appraiser Income Approach Part II

General Appraiser Income Approach Part I

General Appraiser Market Analysis and Highest & Best Use

Basic Appraisal Procedures

Basic Appraisal Principles

Advanced Hotel Appraising – Full Service Hotels

Basic Hotel Appraising – Limited Service Hotels

Appraisal of Assisted Living Facilities

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Managed and completed hundreds of market studies and appraisals for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expense comparability analysis, and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.

- Complete agency and HUD appraisals using the cost approach, income capitalization approach, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development, and Section 8 properties. Additional assignments also include

partnership valuations and commercial land valuation.

- Prepared HUD Market-to-Market rent comparability studies for Section 8 multifamily developments.
- Perform valuations of General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Prepare Fair Market Value analyses for solar panel installations in connection with financing and structuring analyses performed for various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, these reports can be used in connection with application for the Federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and the ITC funding process.
- Perform market studies and appraisals for proposed and existing multifamily properties under the HUD MAP program. These reports meet the requirements outlined in Chapter 7 of the HUD MAP Guide for the 221(d)4, 223(f), and the LIHTC Pilot Program.
- Consult with lenders and developers and complete valuation assignments for developments converting under the RAD program.
- Prepare valuations for unique redevelopment sites with mixed uses including a variety of commercial, multifamily, and recreational uses. Further, performing analysis and valuations for assisted living facilities for potential acquisition, hold or trade purposes.

ADDENDUM B
Rent Comparability Grids

Subject		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
Newberry Arms Apartments		Highland Park Apartments		Indian Land Apartments		Magnolia Manor		Oakland Mill		Winter Ridge Apartments	
186 Newberry Arms Drive		411-413 Musgrove Street		1728 Indian Land Drive		117 Caldwell Street		2710 Fair Avenue		102 Winter Way	
Newberry, Newberry		Clinton, Laurens County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Greenwood, Greenwood County, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$775	N	\$550	N	\$650	N	\$775	N	\$685	N
2	Date Last Leased (mo/yr)	Jun-20		Jul-20		Jul-20		Jul-20		Jul-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	95.8%		93.8%		92.9%		92.2%		100.0%	
5	Effective Rent & Rent / sq. ft	\$775	\$1.11	\$550	\$0.64	\$650	\$0.63	\$775	\$0.82	\$685	\$1.03
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	S/1	\$50	G / 3	\$50	T / 2	\$50	E / 4	\$50	G / 2	\$50
7	Yr. Built / Yr. Renovated	1980 / 2021		2013		1977 / 2020		2007		1912 / 2013	
8	Condition / Street Appeal	G	(\$50)	E	\$100	F		G		G	
9	Neighborhood	A	(\$25)	AA		A		A		F	\$25
10	Same Market? Miles to Subj.			Yes/21.4		Yes/1.2		Yes/1.3		Yes/2.3	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1	(\$50)	2	(\$50)	1		1	
12	# Bathrooms	1		1	(\$15)	1	(\$15)	1		1	
13	Unit Interior Sq. Ft.	638	(\$15)	700	(\$35)	859	(\$35)	1,035	(\$65)	948	(\$5)
14	Balcony / Patio	N		N		N		Y	(\$5)	N	(\$5)
15	AC: Central / Wall	C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M	(\$5)	M / D	\$5	N		D		M / D	(\$5)
18	Washer / Dryer	L/HU		L/HU		L/HU	(\$25)	WD	(\$25)	HU	\$5
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	Wifi		Wifi		N	\$25	N	\$25	N	\$25
22	Special Features	None		None		Ceiling Fan	(\$5)	Ceiling Fan, WIC	(\$10)	Ceiling Fan, WIC	(\$10)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L		L	
25	Extra Storage	N		N		N		N		Y	(\$5)
26	Security	Y	\$10	N		Y	\$10	Y		Y	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	N	
28	Pool / Recreation Areas	R	\$5	N		R	\$5	E/R	(\$5)	N	\$5
29	Business Ctr / Nhd Network	N		N		N		N		N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y		Y/Y		Y/Y	\$61	Y/Y		N/N	\$61
39	Trash / Recycling	Y		Y		Y		Y		N	\$12
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	(4)	4	(3)	4	(6)	2	(5)	5	(5)
41	Sum Adjustments B to D	\$65	(\$95)	\$180	(\$90)	\$90	(\$165)	\$75	(\$115)	\$110	(\$30)
42	Sum Utility Adjustments					\$61				\$73	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	(\$30)	\$160	\$90	\$270	(\$14)	\$316	(\$40)	\$190	\$153	\$213
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$745		\$640		\$636		\$735		\$838	
45	Adj Rent / Last rent		96%		116%		98%		95%		122%
46	Estimated Market Rent	\$775	\$1.21 Estimated Market Rent / Sq. Ft.								

6/30/2020

Date

Attached are explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted rents

c. how this analysis was used for a similar unit type

Subject		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
Newberry Arms Apartments		Highland Park Apartments		Indian Land Apartments		Magnolia Manor		Oakland Mill		Winter Ridge Apartments	
186 Newberry Arms Drive		411-413 Musgrove Street		1728 Indian Land Drive		117 Caldwell Street		2710 Fair Avenue		102 Winter Way	
Newberry, Newberry		Clinton, Laurens County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Greenwood, Greenwood County, SC	
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$1,150	N	\$550	N	\$650	N	\$1,000	N	\$820	N
2	Date Last Leased (mo/yr)	Jun-20		Jul-20		Jul-20		Jul-20		Jul-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	93.8%		93.8%		92.9%		92.2%		96.3%	
5	Effective Rent & Rent / sq. ft	\$1,150	\$1.10	\$550	\$0.64	\$650	\$0.63	\$1,000	\$0.77	\$820	\$0.83
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition											
6	Structure / Stories	T/2	G / 3	G / 2		T / 2		E / 4		G / 2	
7	Yr. Built / Yr. Renovated	1980 / 2021	2013	1977 / 2020		2007		1912 / 2013		2006	
8	Condition / Street Appeal	G	E (\$50)	F	\$100	G		G		G	
9	Neighborhood	A	AA (\$25)	A		A		A		F	\$25
10	Same Market? Miles to Subj.		Yes/21.4	Yes/1.2		Yes/1.3		Yes/2.3		Yes/34.5	
C. Unit Equipment / Amenities											
11	# Bedrooms	2	2	2		2		2		2	
12	# Bathrooms	1.5	2 (\$15)	1	\$15	1.5		1	\$15	2	(\$15)
13	Unit Interior Sq. Ft.	919	1,050 (\$35)	859	\$10	1,035	(\$20)	1,302	(\$75)	985	(\$15)
14	Balcony / Patio	N	N	N		Y	(\$5)	N		Y	(\$5)
15	AC: Central / Wall	C	C	C		C		C		C	
16	Range / Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M	M / D (\$5)	N	\$5	D		D		M / D	(\$5)
18	Washer / Dryer	L/HU	L/HU	L/HU		WD	(\$25)	WD	(\$25)	HU	\$5
19	Floor Coverings	C	C	C		C		C		C	
20	Window Coverings	B	B	B		B		B		B	
21	Cable / Satellite / Internet	Wifi	Wifi	N	\$25	N	\$25	N	\$25	N	\$25
22	Special Features	None	None	Ceiling Fan	(\$5)	Ceiling Fan, WIC	(\$10)	Ceiling Fan, WIC	(\$10)	Ceiling Fan, WIC	(\$10)
23											
D. Site Equipment / Amenities											
24	Parking (\$ Fee)	L	L	L		L		L		L	
25	Extra Storage	N	N	N		N		N		Y	(\$5)
26	Security	Y	N \$10	Y		N	\$10	Y		Y	
27	Clubhouse / Meeting Rooms	N	N	N		N		MR	(\$10)	N	
28	Pool / Recreation Areas	R	N \$5	R		N	\$5	E/R	(\$5)	N	\$5
29	Business Ctr / Nhd Network	N	N	N		N		N		N	
30	Service Coordination	N	N	N		N		N		N	
31	Non-shelter Services	N	N	N		N		N		N	
32	Neighborhood Network	N	N	N		N		N		N	
E. Utilities											
33	Heat (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C	N/C	N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
37	Other Electric	N	N	N		N		N		N	
38	Cold Water / Sewer	Y/Y	Y/Y	Y/Y		N/N	\$86	Y/Y		N/N	\$86
39	Trash / Recycling	Y	Y	Y		Y		Y		N	\$12
F. Adjustments Recap											
40	# Adjustments B to D	2	(5)	5	(1)	3	(4)	2	(5)	4	(6)
41	Sum Adjustments B to D	\$15	(\$130)	\$155	(\$5)	\$40	(\$60)	\$40	(\$125)	\$60	(\$55)
42	Sum Utility Adjustments					\$86				\$98	
43	Net / Gross Adjustments B to E	(\$115)	\$145	\$150	\$160	\$66	\$186	(\$85)	\$165	\$103	\$213
G. Adjusted & Market Rents											
44	Adjusted Rent (5 + 43)	\$1,035		\$700		\$716		\$915		\$923	
45	Adj Rent / Last rent		90%		127%		110%		92%		113%
46	Estimated Market Rent	\$860	\$0.94 Estimated Market Rent / Sq. Ft.								

6/30/2020

Date

Attached are explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted rents

c. how this analysis was used for a similar unit type

Subject		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
Newberry Arms Apartments		Highland Park Apartments		Indian Land Apartments		Magnolia Manor		Oakland Mill		Winter Ridge Apartments	
186 Newberry Arms Drive		411-413 Musgrove Street		1728 Indian Land Drive		117 Caldwell Street		2710 Fair Avenue		102 Winter Way	
Newberry, Newberry		Clinton, Laurens County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Greenwood, Greenwood County, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,150	N	\$600	N	\$650	N	\$1,480	N	\$1,005	N
2	Date Last Leased (mo/yr)	Jun-20		Jul-20		Jul-20		Jul-20		Jul-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	93.8%		100.0%		92.9%		92.2%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,150	\$1.10	\$600	\$0.61	\$650	\$0.63	\$1,480	\$0.63	\$1,005	\$0.85
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T/2		G / 3		G / 2		T / 2		E / 4	
7	Yr. Built / Yr. Renovated	1980 / 2021		2013		1977 / 2020		2007		1912 / 2013	
8	Condition / Street Appeal	G		E	(\$50)	F	\$100	G		G	
9	Neighborhood	A		AA	(\$25)	A		A		F	\$25
10	Same Market? Miles to Subj.			Yes/21.4		Yes/1.2		Yes/1.3		Yes/2.3	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	\$100	2		3		2	\$100	3	
12	# Bathrooms	1.5	(\$15)	2		1.5		2	(\$15)	2	(\$15)
13	Unit Interior Sq. Ft.	1,098	\$15	1,050		980	\$20	1,035	\$10	2,356	(\$200)
14	Balcony / Patio	N		N		N		Y	(\$5)	N	
15	AC: Central / Wall	C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M	(\$5)	M / D		N	\$5	D		D	(\$5)
18	Washer / Dryer	L/HU		L/HU		L/HU		WD	(\$25)	WD	(\$25)
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	Wifi		Wifi		N	\$25	N	\$25	N	\$25
22	Special Features	None		None		Ceiling Fan	(\$5)	Ceiling Fan, WIC	(\$10)	Ceiling Fan, WIC	(\$10)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L		L	
25	Extra Storage	N		N		N		N		Y	(\$5)
26	Security	Y	\$10	N		Y		N	\$10	Y	
27	Clubhouse / Meeting Rooms	N		N		N		N		MR	(\$10)
28	Pool / Recreation Areas	R	\$5	N		R		N	\$5	E/R	(\$5)
29	Business Ctr / Nhd Network	N		N		N		N		N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y		Y/Y		Y/Y		N/N	\$120	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		N	\$12
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(4)	4	(1)	5	(3)	1	(6)	4	(6)
41	Sum Adjustments B to D	\$130	(\$95)	\$150	(\$5)	\$150	(\$40)	\$25	(\$265)	\$60	(\$55)
42	Sum Utility Adjustments					\$120				\$132	
43	Net / Gross Adjustments B to E	\$35	\$225	\$145	\$155	\$230	\$310	(\$240)	\$290	\$137	\$247
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,185		\$745		\$680		\$1,240		\$1,142	
45	Adj Rent / Last rent		103%		124%		135%		84%		114%
46	Estimated Market Rent	\$1,120		\$1.02 Estimated Market Rent / Sq. Ft.							

6/30/2020

Date

Attached are explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted rents

c. how this analysis was used for a similar unit type

Subject		Comp #8		Comp #10		Comp #11		-	-
Newberry Arms Apartments		Indian Land Apartments		Oakland Mill		Winter Ridge Apartments		-	-
186 Newberry Arms Drive		1728 Indian Land Drive		2710 Fair Avenue		102 Winter Way		-	-
Newberry, Newberry		Newberry, Newberry County, SC		Newberry, Newberry County, SC		Greenwood, Greenwood County, SC		-	-
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$600	N	\$1,480	N	\$1,005	N		
2	Date Last Leased (mo/yr)	Jul-20		Jul-20		Jul-20			
3	Rent Concessions	N		N		N			
4	Occupancy for Unit Type	100.0%		92.2%		100.0%			
5	Effective Rent & Rent / sq. ft	\$600	\$0.61	\$1,480	\$0.63	\$1,005	\$0.85		
In Parts B thru E, adjust only for differences the subject's market values.									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T/2		G / 2		E / 4		G / 2	
7	Yr. Built / Yr. Renovated	1980 / 2021		1977 / 2020		1912 / 2013		2006	
8	Condition / Street Appeal	G	\$100	F		G		G	
9	Neighborhood	A		A		F	\$25		
10	Same Market? Miles to Subj.			Yes/1.2		Yes/2.3		Yes/34.5	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4	\$100	3	\$100	3	\$100		
12	# Bathrooms	2.5	\$30	1.5	\$30	2	\$15		
13	Unit Interior Sq. Ft.	1,227	\$40	980	(\$175)	2,356	\$10	1,180	\$10
14	Balcony / Patio	N		N		Y	(\$5)		
15	AC: Central / Wall	C		C		C			
16	Range / Refrigerator	R/F		R/F		R/F			
17	Microwave / Dishwasher	M	\$5	N		D	(\$5)	M / D	(\$5)
18	Washer / Dryer	L/HU		L/HU	(\$25)	WD	\$5	HU	
19	Floor Coverings	C		C		C		C	
20	Window Coverings	B		B		B		B	
21	Cable / Satellite / Internet	W/ifi	\$25	N		N	\$25	N	\$25
22	Special Features	None		Ceiling Fan	(\$5)	Ceiling Fan, WIC	(\$10)	Ceiling Fan, WIC	(\$10)
23									
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L	
25	Extra Storage	N		N		N	(\$5)	Y	
26	Security	Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	N		N		MR	(\$10)	N	
28	Pool / Recreation Areas	R		R	(\$5)	E/R		N	\$5
29	Business Ctr / Nbnhd Network	N		N		N		N	
30	Service Coordination	N		N		N		N	
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Network	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water / Sewer	Y/Y		Y/Y		Y/Y	\$148	N/N	
39	Trash / Recycling	Y		Y		Y	\$12	N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	(1)	3	(5)	7	(4)		
41	Sum Adjustments B to D	\$300	(\$5)	\$140	(\$225)	\$185	(\$25)		
42	Sum Utility Adjustments					\$160			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	\$295	\$305	(\$85)	\$365	\$320	\$370		
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$895		\$1,395		\$1,325			
45	Adj Rent / Last rent		149%		94%		132%		
46	Estimated Market Rent	\$1,285		\$1.05 Estimated Market Rent / Sq. Ft.					

6/30/2020

Date

Attached are explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted rents

c. how this analysis was used for a similar unit type