

# Market Feasibility Analysis

Leyland Grove  
Village Drive  
Chester, Chester County, South Carolina 29706

*Prepared For*

Mr. Clyde Windsor  
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4201 West Martin Luther King Blvd.  
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*Effective Date*

December 18, 2012

*Job Reference Number*

12-493 CR/PB



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## TABLE OF CONTENTS

- A. Primary Market Area Analysis Summary (Exhibit S-2)
- B. Project Description
- C. Site Description and Evaluation
- D. Primary Market Area Delineation
- E. Market Area Economy
- F. Community Demographic Data
- G. Project-Specific Demand Analysis
- H. Rental Housing Analysis (Supply)
  - I. Interviews
  - J. Recommendations
- K. Signed Statement Requirement
- L. Qualifications
- M. Methodologies, Disclaimers & Sources
  - Addendum A – Field Survey of Conventional Rentals
  - Addendum B – NCHMA Member Certification & Checklist

**2012 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY: (APPENDIX C)**

Development Name: Leyland Grove Total # Units: 44  
 Location: Village Drive, Chester, South Carolina 29706 # LIHTC Units: 44  
 PMA Boundary: Chester County boundary to the north; Interstate 77 and Richburg City limits to the east; the Chester County boundary to the south and the Sumter National Forest and Chester County boundary to the west.  
 Development Type: X Family      Older Persons      Farthest Boundary Distance to Subject: 18.0 miles

**RENTAL HOUSING STOCK (found on page H-1, H-8 & H-9)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	338	9	97.3%
Market-Rate Housing	2	47	3	93.6%
Assisted/Subsidized Housing not to include LIHTC	4	155	3	98.1%
<b>LIHTC (All that are stabilized)*</b>	<b>3</b>	<b>136</b>	<b>3</b>	<b>97.8%</b>
Stabilized Comps**	3	136	3	97.8%
Non-stabilized Comps	0	0	0	-

\*Stabilized occupancy of at least 93%.

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	Two-Br.	2.0	1,100	\$330	\$575	\$0.52	42.60%	\$875	\$0.83
8	Two-Br.	2.0	1,100	\$345	\$575	\$0.52	40.0%	\$875	\$0.83
3	Three-Br.	2.0	1,250	\$400	\$675	\$0.54	40.74%	\$1,003	\$0.80
21	Three-Br.	2.0	1,250	\$410	\$675	\$0.54	39.25%	\$1,003	\$0.80
4	Four-Br.	2.5	1,400	\$425	\$775	\$0.55	45.16%	\$1,003	\$0.80
<b>*Gross Potential Rent Monthly</b>				<b>\$16,910</b>	<b>\$28,500</b>		<b>40.67%</b>		

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

**DEMOGRAPHIC DATA (found on page F-5, G-5)**

	2000		2012		2015	
Renter Households	2,081	23.7%	2,482	28.3%	2,498	28.4
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	772	31.1%	768	30.7%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	-4	-3	N/A	N/A	N/A	-4
Existing Households (Overburd + Substand)	217	201	N/A	N/A	N/A	251
Homeowner conversion (Seniors)	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Less Comparable/Competitive Supply	0	0	N/A	N/A	N/A	0
<b>Net Income-Qualified Renter Households</b>	<b>213</b>	<b>198</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>247</b>

**CAPTURE RATES (found on page G-5)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	5.2%	16.7%	N/A	N/A	N/A	17.8%

**ABSORPTION RATE (found on page G-7)**

Absorption Rate: 5 to 6 units per month; Absorption period: 7 to 8 months

S-2 RENT CALCULATION WORKSHEET

**Project Name: Leyland Grove**

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
8	2 BR	\$330	\$2,640	\$575	\$4,600	
8	2 BR	\$345	\$2,760	\$575	\$4,600	
	2 BR		\$0		\$0	
3	3 BR	\$400	\$1,200	\$675	\$2,025	
21	3 BR	\$410	\$8,610	\$675	\$14,175	
	3 BR		\$0		\$0	
4	4 BR	\$425	\$1,700	\$775	\$3,100	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	44		\$16,910		\$28,500	40.67%

## B. PROJECT DESCRIPTION

The proposed project involves the new construction of a 44-unit, family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) affordable rental community to be located along Village Drive in Chester, South Carolina. The proposed project, Leyland Grove, will be available to households with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of 16 two-bedroom/2.0-bath, 24 three-bedroom/2.0-bath and four (4) four-bedroom/2.5-bath townhouse-style units with proposed collected Tax Credit rents ranging from \$330 to \$425. The project is anticipated to be complete in June 2014. Additional details regarding the project are as follows:

- a. Property Location:** Village Drive  
Chester, South Carolina 29706  
(Chester County)
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% of AMHI
- e. Special Needs Population:** Not applicable
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent Of AMHI	Proposed Rents		
						Collected	Utility Allowance	Gross
8	Two-Br.	2.0	Townhouse	1,100	50%	\$330	\$170	\$500
8	Two-Br.	2.0	Townhouse	1,100	60%	\$345	\$170	\$515
3	Three-Br.	2.0	Townhouse	1,250	50%	\$400	\$203	\$603
21	Three-Br.	2.0	Townhouse	1,250	60%	\$410	\$203	\$613
4	Four-Br.	2.5	Townhouse	1,400	60%	\$425	\$259	\$684
44								

Source: Southeast Alabama Self Help Association, Inc.  
AMHI – Area Median Household Income (Chester, County; 2012)

- g. Number Of Stories/Buildings:** Two-story, walk-up residential buildings
- k. Project-Based Rental Assistance (Existing or Proposed):** None

**l. Community Amenities:**

The subject property will include the following community features:

- On-Site Management
- Laundry Facility
- Club House
- Community Room
- Fitness Center
- Security Cameras
- Playground
- Computer Center
- Picnic Area
- Storage

**m. Unit Amenities:**

Each unit will include the following amenities:

- Electric Range
- Refrigerator with Icemaker
- Dishwasher
- Microwave Oven
- Carpet
- Central Air Conditioning
- Window Blinds
- Washer/Dryer Hookups
- Patio/Balcony
- Ceiling Fan

**n. Parking:**

Open, paved lot parking will be included at the subject site

**o. Utility Responsibility:**

Trash collection costs are included in the rent, while tenants are responsible for all other utilities and services, including the following:

- Electric Heat Pump
- Electric Air Conditioning
- General Electric
- Water
- Electric Water Heating
- Electric Cooking
- Sewer

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



State of South Carolina

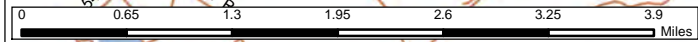
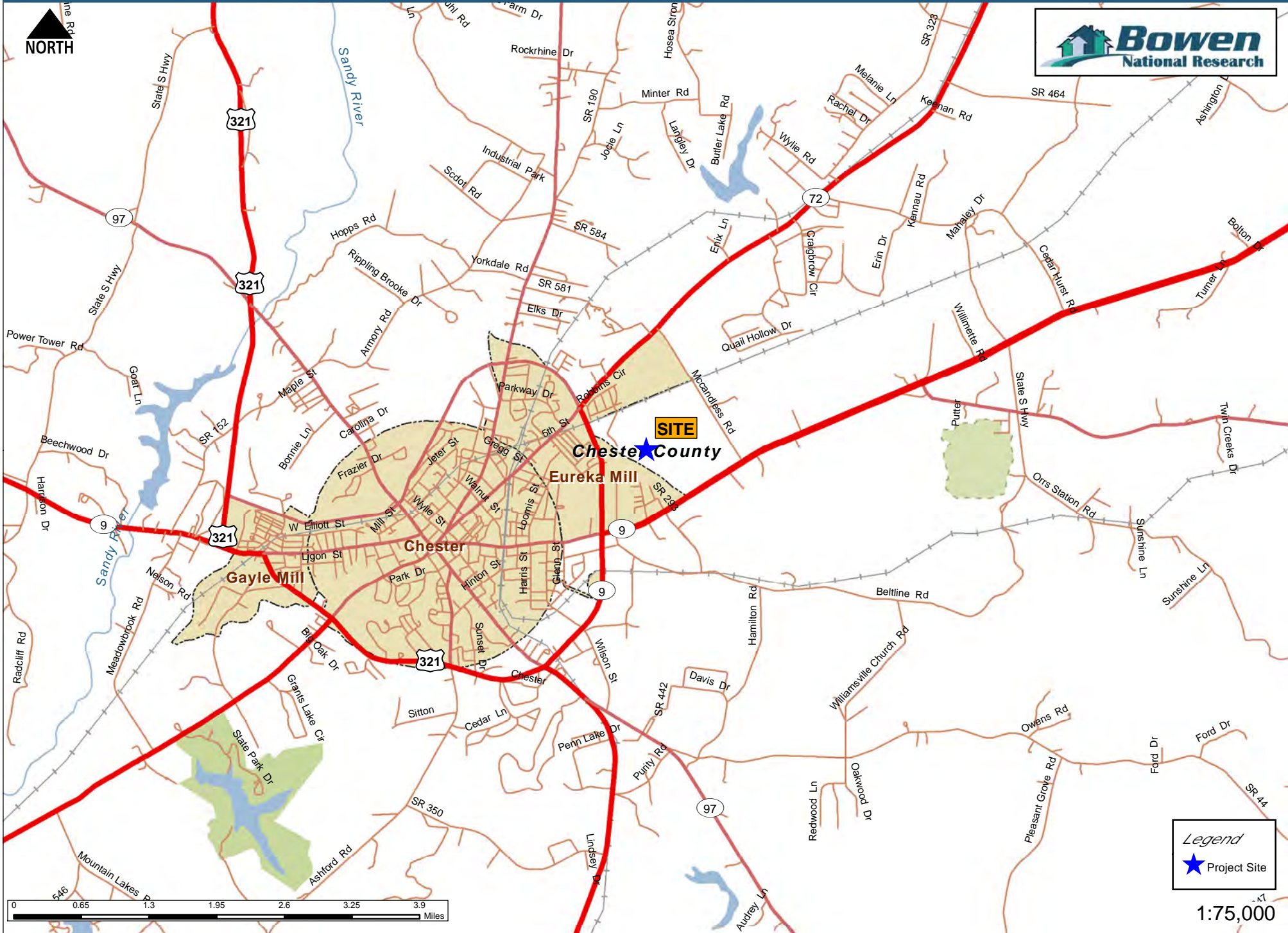


*Legend*  
★ Project Site

1:2,330,689



# Chester, SC: Surrounding Area



*Legend*

- ★ Project Site

1:75,000



## C. SITE DESCRIPTION AND EVALUATION

### 1. SITE INSPECTION DATE

The proposed subject site is a wooded parcel of land located along the south side of Village Drive, approximately 0.5 miles east of the Village Drive and State Highway 97 intersection in the northeast portion of Chester, Chester County, South Carolina. Located within Chester County, Chester is approximately 19.0 miles southwest of Rock Hill, South Carolina and approximately 54.0 miles north of Columbia, South Carolina. Christine Atkins, an employee of Bowen National Research personally inspected the proposed subject site during the week of December 3, 2012.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The proposed subject site is within a partially established area of Chester, South Carolina. Surrounding land uses generally include heavily wooded land, single-family homes, schools, a senior rental housing project and a church. The following is a description of surrounding land uses:

<b>North -</b>	Two-lane Village Drive borders the proposed site to the north. Continuing across Village Drive is heavily wooded land which extends to the railroad tracks farther north of the site. Lightly wooded land and agricultural land extend beyond the railroad tracks north of the site.
<b>East -</b>	Wooded land borders the proposed site to the east. Continuing east of the site are Chester Park Elementary School, Chester Park Middle School, Chester County School District Administration Building and the Cottages of Chester, a senior rental housing project located along Village Drive. The Chester Baptist Church and wooded land are located beyond.
<b>South -</b>	Wooded land and single-family homes considered to be in fair to good condition are located directly south of the proposed site. Continuing south of the site beyond the single-family home developments is four-lane Lancaster Highway/State Route 9, which provides access throughout the Chester area.
<b>West -</b>	Heavily wooded land and an established residential neighborhood border the proposed site to the west. The single-family homes located within the residential neighborhoods west of the site primarily consist of single-story ranch style homes in fair to good condition. Continuing west of the site is State Route 72/State Route 97, a four-lane commercial corridor which provides access throughout the Chester area.

Wooded land surrounds much of the subject site, providing a natural buffer between the proposed subject site and the surrounding land uses, thus mitigating much of the noise potentially created by the railroad tracks located north of the site. Further, the wooded land is anticipated to enhance marketability of the proposed subject development, as it is generally considered aesthetically appealing. The surrounding residential neighborhoods generally comprise single-story ranch style homes considered to be in fair to good condition, while the age-restricted rental housing project (Cottages of Chester) located east of the subject site is considered to be in good condition. The site's proximity to two of the attendance schools which will serve the proposed development is believed to be beneficial to family-oriented rental housing, as proposed at the subject project. Additionally, the proximity to State Route 72/State Route 97 and Lancaster Highway, which provide access to most basic community services within Chester, will also likely contribute to the marketability of the proposed project's location.

### 3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 72/State Route 97 State Route 9	0.5 West 1.2 Southwest
Public Bus Stop	Chester County Connector	On-Site
Major Employers/ Employment Centers	Wal-Mart Chester Regional Medical Center	1.9 Southwest 3.6 South
Convenience Store	TEXACO Food Mart Kangaroo Express EXXON	0.7 Northwest 0.7 West 1.5 Southwest
Grocery	IGA Food Lion Save-A-Lot	0.9 Northwest 1.2 Southwest 1.3 Southwest
Discount Department Store	Wal-Mart Family Dollar Dollar Tree	1.9 Southwest 0.9 Northwest 1.7 Southwest
Shopping Center/Mall	Chesterville Commons Chester Commons	0.9 Northwest 1.7 Southwest
Schools: Elementary Middle/Junior High High	Chester Park Elementary Chester Middle School Chester High School	1.4 Southeast 1.4 Southeast 2.9 Southwest
Hospital	Chester Regional Medical Center	3.6 South
Police	Chester Police Department	3.5 West
Fire	Chester Fire Station 10	0.7 East
Post Office	U.S. Post Office	2.0 Southwest
Bank	Founders Federal Credit Union BB&T	1.7 South 2.0 Southwest
Recreational Facilities	Chester Nature Park Chester County Branch YMCA	0.9 Southeast 2.6 Southwest
Gas Station	TEXACO Food Mart Kangaroo Express EXXON	0.7 Northwest 0.7 West 1.5 Southwest
Pharmacy	CVS Wal-Mart Black's Drug Store	1.3 Southwest 1.9 Southwest 2.5 Southwest
Restaurant	Bojangles' Famous Chicken Subway Pizza Hut Hardee's Wendy's	1.9 Southwest 1.4 Southwest 1.7 Southwest 1.4 Southwest 1.2 Southwest
Day Care	Tender Care Child Care	2.7 Southwest
Library	Chester County Library	2.3 Southwest
Park	Wylie Park Complex	3.0 Southwest

The subject site is located within the northeast portion of Chester and is within proximity to many community services. Community services located within 2.0 miles of the proposed site include but are not limited to various restaurants, grocery stores, convenience stores, shopping opportunities, pharmacies and banks. Many of these community services are located along the State Route 72 and/or State Route 97 corridors, each of which are located within 0.5 miles of the proposed site. Further, multiple recreation opportunities exist within 3.0 miles of the proposed site, including the Chester County Branch YMCA which offers swimming, fitness and social programs, while the Wylie Park Complex offers other recreational attractions such as miniature golf, an Olympic size outdoor swimming pool, tennis courts and playgrounds. Additionally, the Chester Nature Park is located 0.9 miles from the proposed site and provides 25 acres of paved nature trails, as well as picnic areas.

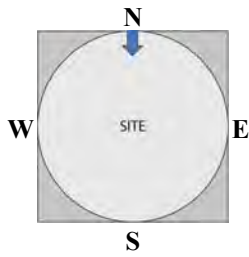
Public safety services will be provided by the Chester Police and Fire Departments, located 3.5 miles and 0.7 miles from the proposed site, respectively. The Chester Regional Medical Center is within 3.6 miles of the site and provides full medical services to Chester area residents. Additionally, the Chester County School District will serve the proposed site, as all applicable attendance schools are located within 2.9 miles of the site. It should also be noted that there is no scheduled public transportation or bus stops located within Chester. However, the Chester County Connector provides on call transportation services to all residents within Chester for a fee of \$1.50 to \$3.50 per day.

#### **4. SITE PHOTOGRAPHS**

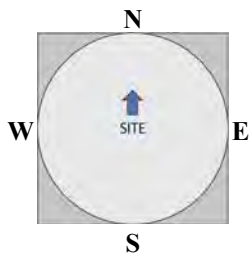
Photographs of the subject site and surrounding land uses are on the following pages.



# SITE PHOTOGRAPHS



View of site from the north



North view from site

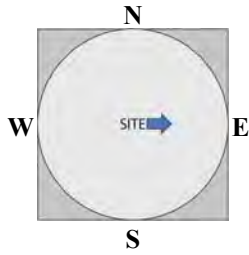


Streetscape west along Village Drive

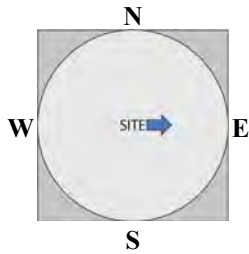


Streetscape East along Village Drive

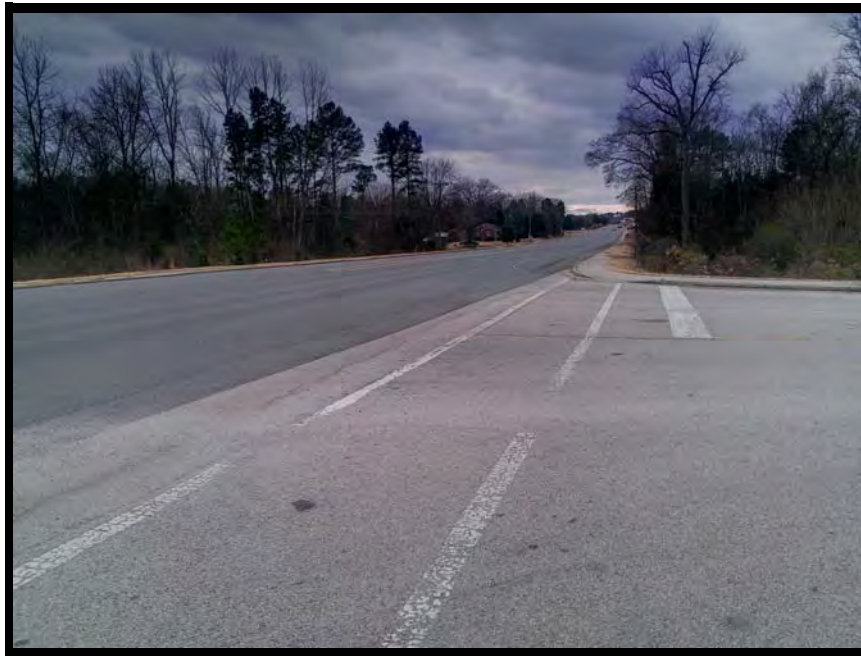




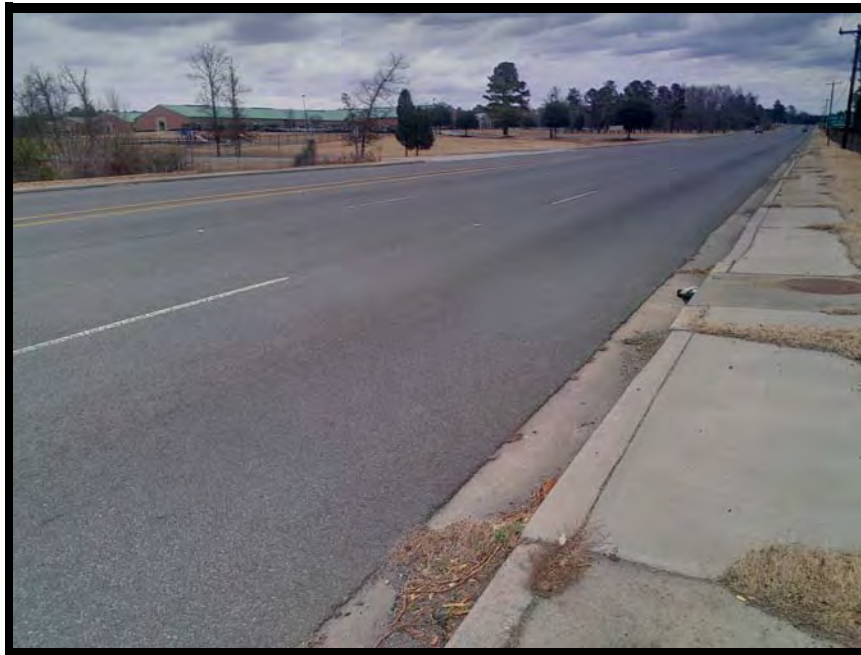
Chester Park Elementary (East of site)



Chester Middle School (East of site)



Streetscape southwest along Lancaster Highway



Streetscape northwest along Lancaster Highway

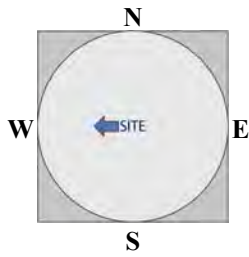




Typical single-family home south of the site along Lancaster Highway



Typical single-family home located in residential neighborhood west of site



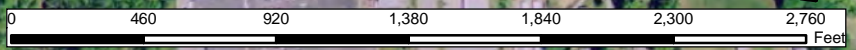
Typical neighborhood west of site

5. **SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.



# Chester, SC: Site Neighborhood



*Legend*

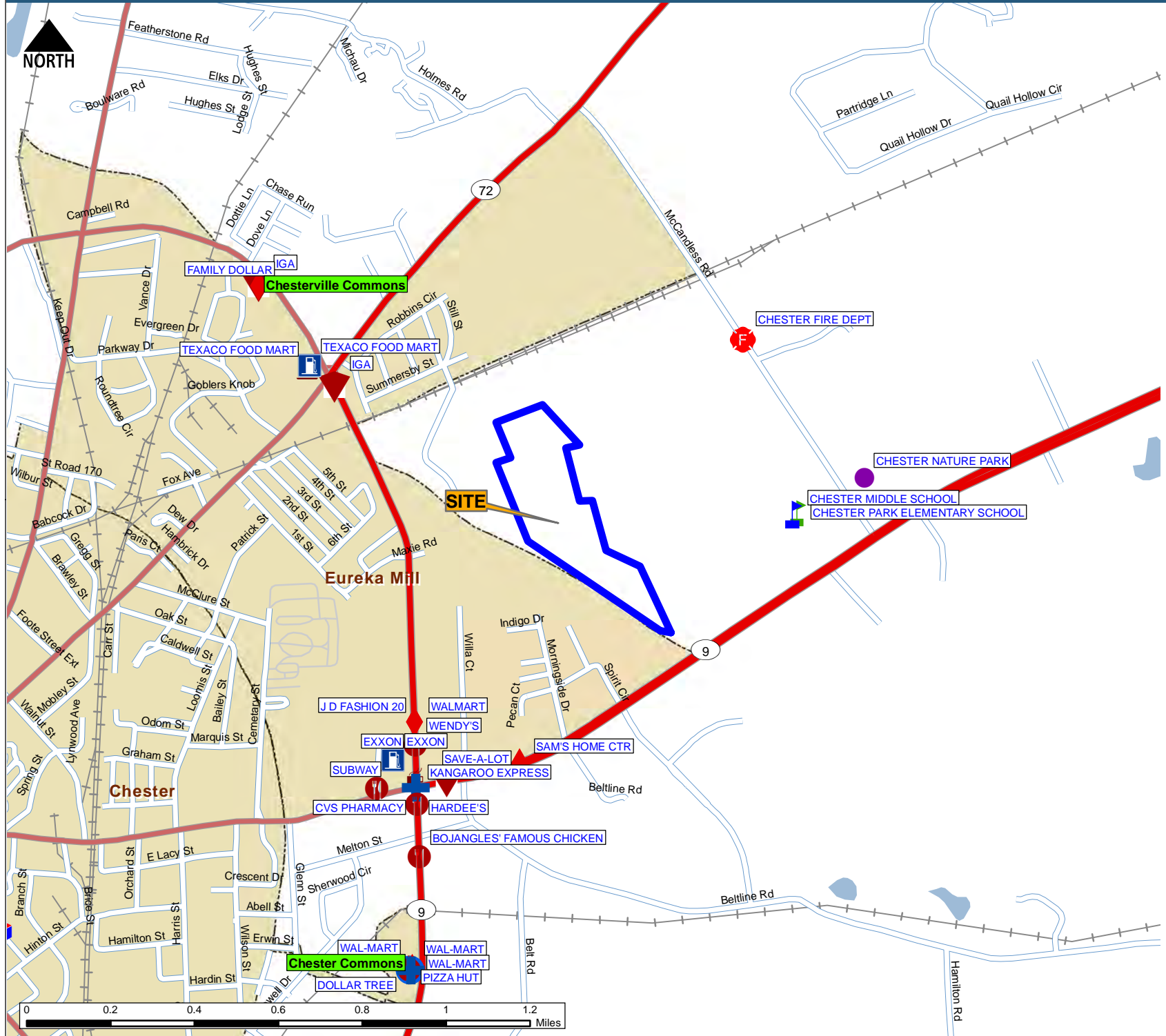
 Project Site

Image Date: 04-18-2009

1 inch = 667 feet



# Chester, SC: Neighborhood Community Services



### Legend

- Project Site
- convenience store
- elementary school
- fire
- gas
- grocery
- middle school
- pharmacy
- rec./community center
- restaurant
- shopping
- emplmt. ctr. (<5,000)

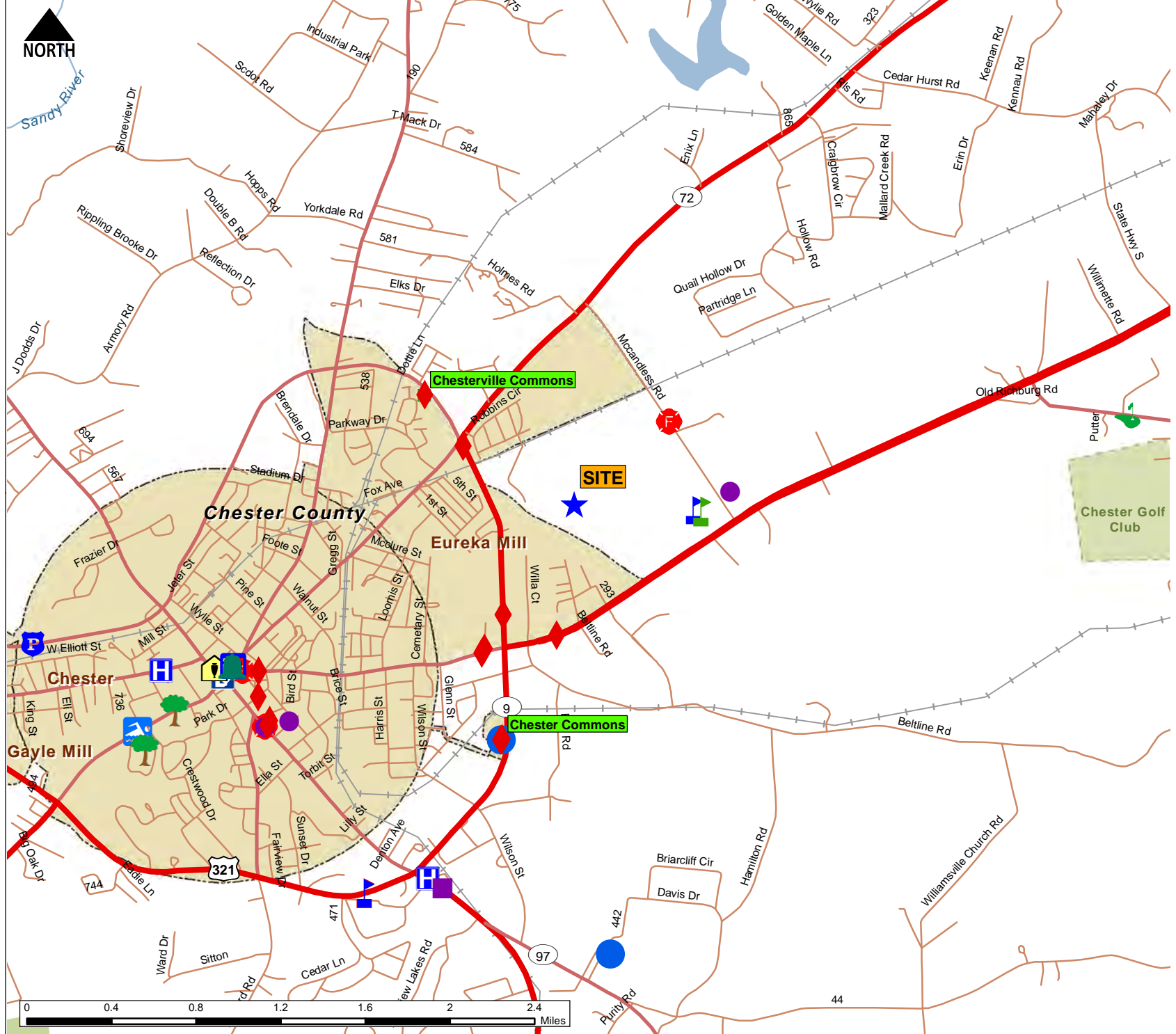
### Shopping Center

#### Gross Leasable Area

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.

1:20,000

# Chester, SC: Regional Community Services



- Legend**
- Project Site
  - elementary school
  - fire
  - golf
  - high school
  - hospital services
  - library
  - middle school
  - museum
  - park
  - police
  - post office
  - rec./community center
  - senior services
  - shopping
  - swimming
  - university/college
  - emplmt. ctr. (<5,000)
- Shopping Center Gross Leasable Area**
- < 500,000 sq. ft.
  - < 1,000,000 sq. ft.
  - < 3,200,000 sq. ft.

1:40,000

## 6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

According to area planning and zoning officials, no notable road improvements or other infrastructure projects are underway or planned within the immediate site area.

## 7. CRIME ISSUES

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

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

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

Total crime risk for the Site PMA is 145, with an overall personal crime index of 203 and a property crime index of 121. Total crime risk for Chester County is 129, with indexes for personal and property crime of 177 and 110, respectively.

	Crime Risk Index	
	Site PMA	Chester County
<b>Total Crime</b>	<b>145</b>	<b>129</b>
<b>Personal Crime</b>	<b>203</b>	<b>177</b>
Murder	158	141
Rape	121	113
Robbery	72	63
Assault	352	298
<b>Property Crime</b>	<b>121</b>	<b>110</b>
Burglary	144	132
Larceny	138	126
Motor Vehicle Theft	60	53

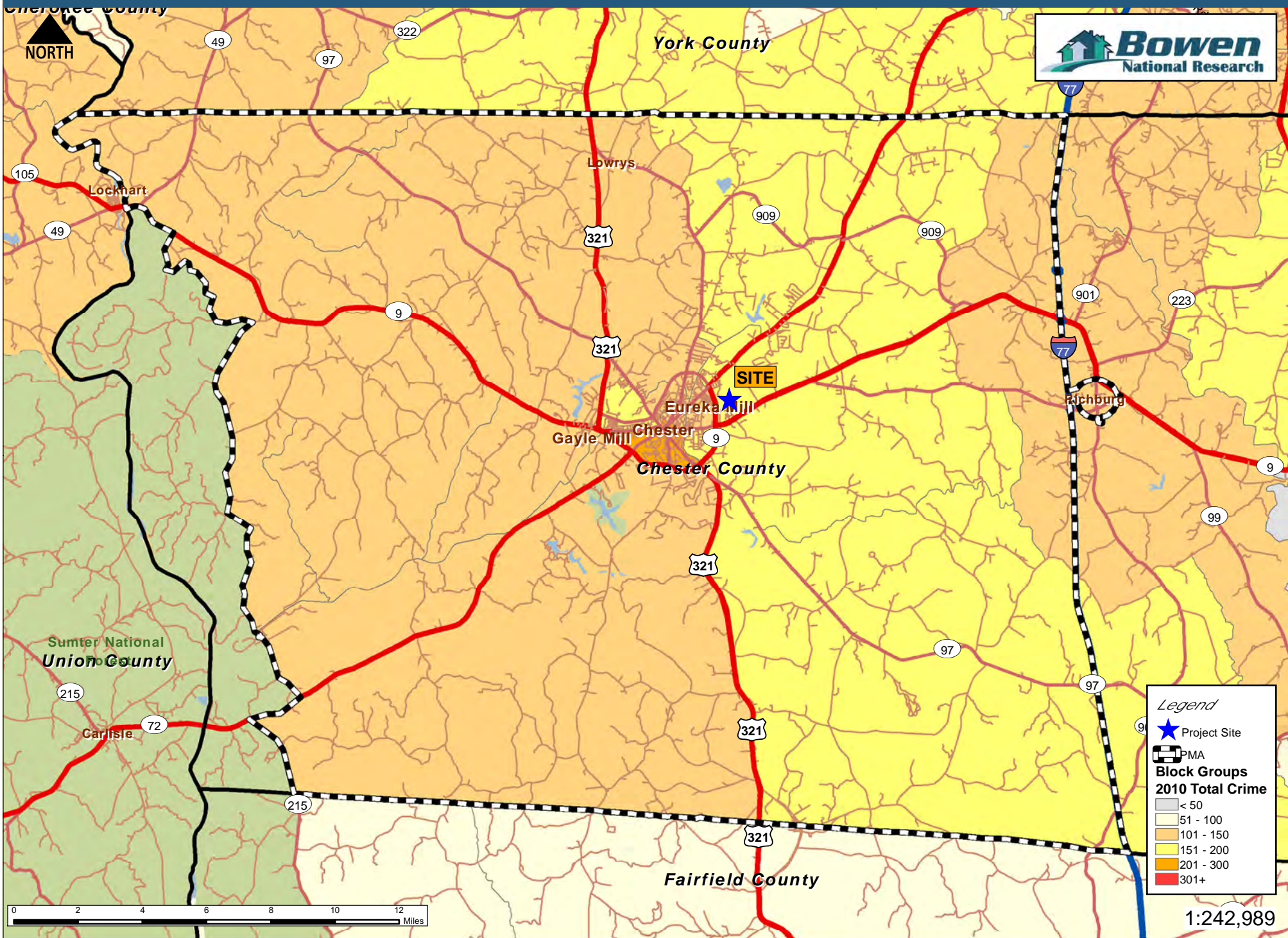
Source: Applied Geographic Solutions

The total crime index reported for the Site PMA is slightly higher than that reported for Chester County. However, based on the 100.0% occupancy rate reported at the age-restricted Cottages of Chester apartment project located just east of the proposed site, the perception of crime within the immediate site neighborhood is likely low. As such, it is not believed that the perception of crime within the immediate site neighborhood will adversely impact the marketability of the proposed development.

A map illustrating crime risk is on the following page.



# Chester, SC: 2010 Crime Risk



*Legend*

- ★ Project Site
- ▬ PMA
- Block Groups**
- 2010 Total Crime**
- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+

1:242,989



## **8. ACCESS AND VISIBILITY**

As previously stated the proposed subject site is located along Village Drive, approximately 0.5 miles east of the Village Drive and State Route 72/State Route 97 intersection. Vehicular traffic along two-lane Village Drive is considered light, whereas pedestrian traffic is considered insignificant. Although specific site plans indicating the access point(s) to the proposed project were not available at the time of this report, it was assumed that primary access to the proposed project would be derived from Village Drive. As such, access to the subject site is considered good, given the light vehicular traffic along Village Drive. Further, State Route 72/State Route 97 provides convenient access to Village Drive from the east and is the primary arterial roadway used when accessing the site from Village Drive. Village Drive also has convenient access from McCandless Road approximately 0.5 east of the proposed site. Visibility of the proposed site is mostly obstructed from the east, south and west, as wooded land currently surrounds the proposed site in each respective direction. However, the proposed site maintains frontage along Village Drive and will be clearly visible to motorists traveling along the two-lane roadway when accessing the site. As such, overall visibility is considered good. Although the proposed site is clearly visible when traveling along Village Drive, promotional signage is recommended at the intersection of Village Drive and State Route 72/State Route 97, given the moderate to heavy traffic along the commercial corridor, west of the site.

## **9. VISIBLE OR ENVIRONMENTAL ISSUES**

There were no visible or environmental concerns within proximity to the site.

## 10. OVERALL SITE CONCLUSIONS

The immediate subject site neighborhood is considered to be appropriate for family-oriented housing, as proposed at the subject development. This is due to the site's convenient access to major thoroughfares which provide access to most community services. Further, we believe the wooded land which surrounds much of the proposed site to be beneficial to marketability of the proposed project as it creates a natural buffer to additional surrounding land uses. The wooded land is also considered to be aesthetically appealing. Additionally, the surrounding residential structures are considered to be well maintained and in fair to good condition. Many key community services are located within 2.0 miles of the proposed site including but not limited to, various shopping and dining options, grocery stores, banks and pharmacies. Further, all public safety services and attendance schools are located within 3.5 miles of the site. Access and visibility are both considered good as the proposed site maintains frontage along and is accessed from lightly traveled Village Drive. Village Drive also provides convenient access to State Route 72/State Route 97, a major arterial roadway providing access throughout the city of Chester. As previously stated, there is no regularly scheduled public transportation provided within the city of Chester. However, the Chester County Connector provides on-call transportation services to all residents within Chester for a minimal fee. Overall, we expect the surrounding land uses and proximity of community services such as attendance schools, recreational facilities and shopping opportunities considered beneficial to family-oriented housing to enhance the marketability of the proposed subject site.

## D. PRIMARY MARKET AREA DELINEATION

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

The Chester Site PMA includes the cities of Chester, Richburg, and Lowrys as well as unincorporated portions of Chester County. The boundaries of the Site PMA generally includes the Chester County boundary to the north; Interstate 77 and Richburg City limits to the east; the Chester County boundary to the south and the Sumter National Forest and Chester County boundary to the west.

The Site PMA comprises Census Tract numbers:

206.01	206.02
204.00	201.00
205.00	209.00
202.00	203.00
207.00	208.00

Felicia McCaskill, Property Manager of the subsidized Tax Credit, Chester Townhouses I and II projects, stated that all of her current tenants are from within Chester County. More specifically, Ms. McCaskill estimated that approximately 95% of these tenants from within Chester County originated from within the city of Chester. Ms. McCaskill also stated that while most of her tenants are from within the Chester city limits, she does receive inquiries and receives support from the city of Richburg located east of Chester. Ms. McCaskill states that residents which relocate from the city of Richburg generally relocate to be closer to their place of work, as most work within the city of Chester. Ms. McCaskill further states that residents within the city of Chester prefer to reside in Chester, as many of the smaller towns within the county do not have employment opportunities or many housing options.

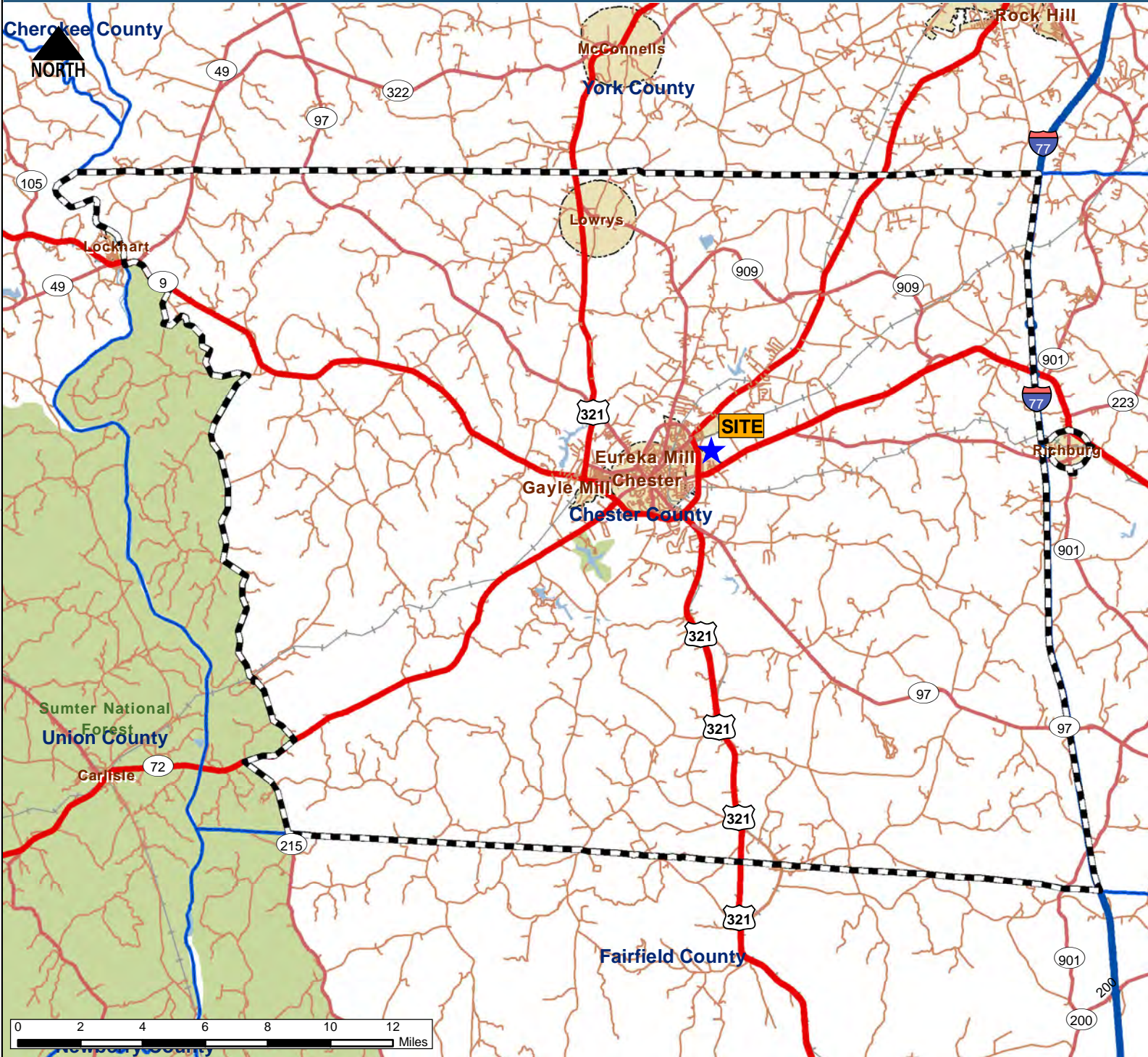
Shannon Hunter is the Property Manager at the Center Street Apartments, a government-subsidized property in Chester, South Carolina. Ms. Hunter stated that while she does receive inquiries from residents within the smaller towns of Lowrys and Richburg, approximately 85% of her current tenants are originally from the city of Chester.

Christi Hogue, a representative with the Chester County Chamber of Commerce, stated that predominately residents who live in Chester are originally from Chester. Ms. Hogue also states that residents which relocate to Chester from within the county primarily are from the towns of Richburg or Lowrys. Ms. Hogue states that these residents tend to relocate to be closer to their jobs and more extensive housing opportunities, as not much is available outside of the city of Chester.

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





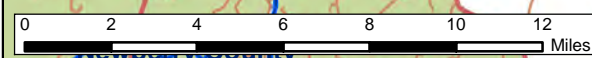
# Chester, SC: Primary Market Area



**Primary Market Area Information**  
 Area: 393.33 Sq. Miles  
 County in PMA: Chester  
 2011 Estimated Population: 22,454  
 2011 Total Households: 8,743  
 2011 Median Household Inc.: \$34,422

*Legend*

-  Project Site
-  PMA



1:281,953



## E. MARKET AREA ECONOMY

### 1. EMPLOYMENT BY INDUSTRY

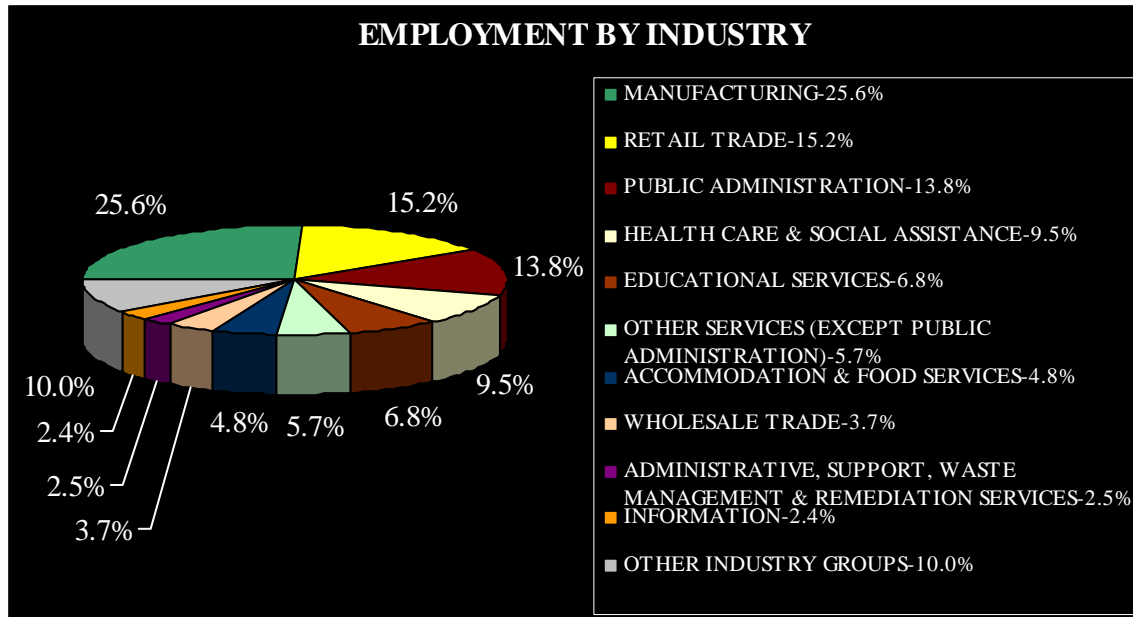
The labor force within the Chester Site PMA is based primarily in three sectors. Manufacturing (which comprises 25.6%), Retail Trade and Public Administration comprise nearly 55% of the Site PMA labor force. Employment in the Chester Site PMA, as of 2012, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	11	1.3%	30	0.4%	2.7
Mining	0	0.0%	0	0.0%	0.0
Utilities	4	0.5%	45	0.6%	11.3
Construction	53	6.1%	160	2.0%	3.0
Manufacturing	28	3.2%	2,061	25.6%	73.6
Wholesale Trade	23	2.6%	300	3.7%	13.0
Retail Trade	110	12.7%	1,222	15.2%	11.1
Transportation & Warehousing	23	2.6%	161	2.0%	7.0
Information	16	1.8%	195	2.4%	12.2
Finance & Insurance	40	4.6%	129	1.6%	3.2
Real Estate & Rental & Leasing	35	4.0%	98	1.2%	2.8
Professional, Scientific & Technical Services	37	4.3%	96	1.2%	2.6
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	37	4.3%	200	2.5%	5.4
Educational Services	24	2.8%	550	6.8%	22.9
Health Care & Social Assistance	66	7.6%	763	9.5%	11.6
Arts, Entertainment & Recreation	11	1.3%	73	0.9%	6.6
Accommodation & Food Services	44	5.1%	389	4.8%	8.8
Other Services (Except Public Administration)	212	24.4%	461	5.7%	2.2
Public Administration	81	9.3%	1,115	13.8%	13.8
Nonclassifiable	13	1.5%	18	0.2%	1.4
Total	868	100.0%	8,066	100.0%	9.3

\*Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

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



## 2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Upper Savannah South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Upper Savannah South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$86,870	\$93,520
Business and Financial Occupations	\$52,890	\$58,280
Computer and Mathematical Occupations	\$60,140	\$63,170
Architecture and Engineering Occupations	\$68,830	\$70,990
Community and Social Service Occupations	\$34,260	\$38,470
Art, Design, Entertainment and Sports Medicine Occupations	\$38,340	\$41,560
Healthcare Practitioners and Technical Occupations	\$64,260	\$64,930
Healthcare Support Occupations	\$22,840	\$25,000
Protective Service Occupations	\$33,730	\$32,480
Food Preparation and Serving Related Occupations	\$19,990	\$19,790
Building and Grounds Cleaning and Maintenance Occupations	\$22,650	\$22,300
Personal Care and Service Occupations	\$21,990	\$23,040
Sales and Related Occupations	\$27,910	\$30,830
Office and Administrative Support Occupations	\$30,020	\$31,180
Construction and Extraction Occupations	\$33,460	\$35,720
Installation, Maintenance and Repair Occupations	\$40,120	\$39,920
Production Occupations	\$34,330	\$33,930
Transportation and Moving Occupations	\$29,180	\$29,540

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

Most annual blue-collar salaries range from \$19,990 to \$40,120 within the Upper Savannah South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$66,598. It is important to note that most occupational types within the Upper Savannah South Carolina Nonmetropolitan Area have slightly lower typical wages than the State of South Carolina's typical wages. The proposed project will generally target households with incomes between \$16,000 and \$36,000. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

**3. AREA'S LARGEST EMPLOYERS**

The ten largest employers within the Chester County area comprise a total of 3,327 employees. These employers are summarized as follows:

Business	Business Type	Total Employed
Chester County School District	Education	915
Chester Wood Products	Manufacturer Wood Products	350
Owens Corning Masonry Products	Manufacturer Stone Veneer	350
Chester Regional Medical Center	Health Care	300
Chester County Government	Government	267
Guardian Glass	Manufacturer Flat Glass	250
Haddon House	Food Distribution	250
Boral Stone Products	Manufacturer Stone Veneer	250
Allvac	Manufacturer Steel Rods	225
Omnova Solutions	Chemical Producer	170
<b>Total</b>		<b>3,327</b>

Source: Chester County Economic Development-2011

According to a representative with the Chester County Economic Development Corporation the Chester County economy is slowly rebounding back to pre-recession levels. However, according to the Chester County Economic Development Corporation representative, it is likely going to be a slow process. The representative attributes much of the economic decline in Chester County to the textile industry, as Chester County previously was a major textile producer until many of the textile facilities began to close between 2002 and 2008. Most of these Chester County facilities were owned by Spring Industries, according to the representative. Regardless, area businesses are beginning to expand, which is indicative of a stabilizing and recovering economy according to this representative.



#### 4. EMPLOYMENT TRENDS

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

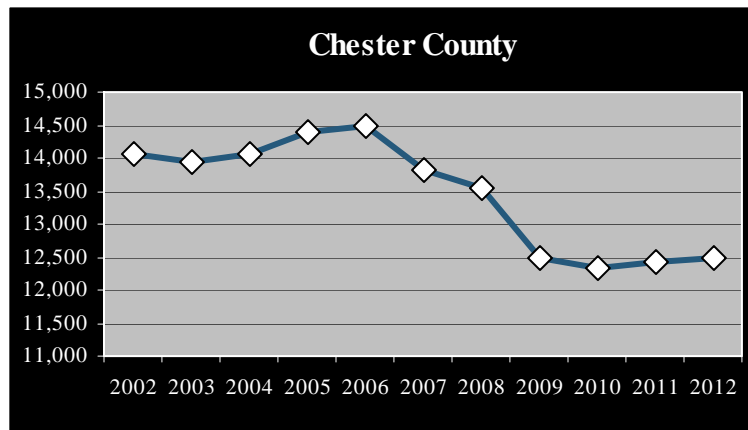
Excluding 2012, the employment base has declined by 10.1% over the past five years in Chester County, more than the South Carolina state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Chester County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2002	14,050	-	1,826,240	-	137,936,674	-
2003	13,941	-0.8%	1,854,419	1.5%	138,386,944	0.3%
2004	14,048	0.8%	1,888,050	1.8%	139,988,842	1.2%
2005	14,385	2.4%	1,922,367	1.8%	142,328,023	1.7%
2006	14,493	0.8%	1,970,912	2.5%	144,990,053	1.9%
2007	13,820	-4.6%	2,010,252	2.0%	146,397,529	1.0%
2008	13,533	-2.1%	2,000,582	-0.5%	146,068,824	-0.2%
2009	12,485	-7.7%	1,903,146	-4.9%	140,721,369	-3.7%
2010	12,321	-1.3%	1,909,414	0.3%	140,483,185	-0.2%
2011	12,425	0.8%	1,935,885	1.4%	141,748,955	0.9%
2012*	12,474	0.4%	1,953,977	0.9%	141,772,241	0.0%

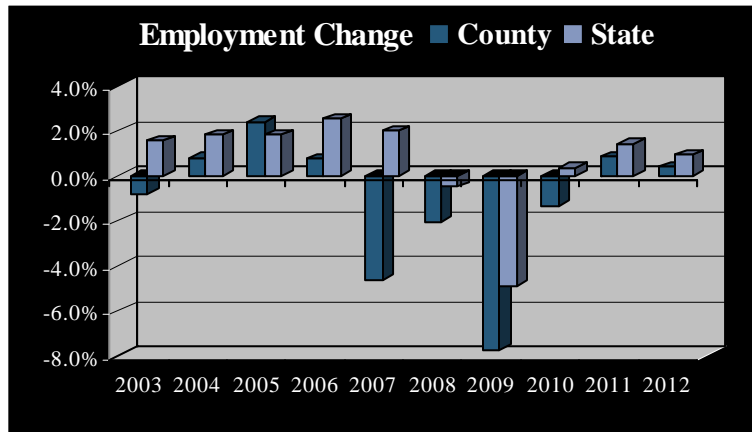
Source: Department of Labor; Bureau of Labor Statistics

\*Through October



As the preceding illustrates, the Chester County employment base decreased each year between 2006 and 2010 and reported a decline of 2,172 employees during this same time period. It should be noted that much of this decline is likely attributed to the national recession in 2008 and 2009. However, based on the preceding tables, Chester County reported an increase in employment of 104 employees in 2011. This is the first reported increase in employment in Chester County since 2006. Further, an increase in employment has also been reported through October 2012 as well. These employment trends are indicative of a slowly stabilizing and improving economy within Chester County.

The following table illustrates the percent change in employment for Chester County and South Carolina.

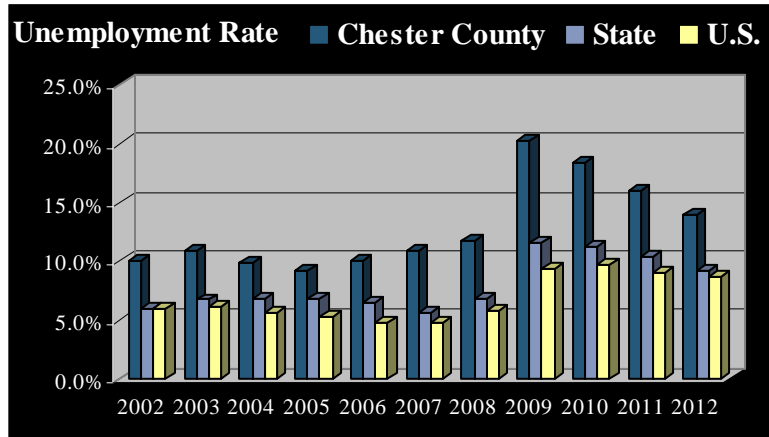


Unemployment rates for Chester County, South Carolina and the United States are illustrated as follows:

Year	Unemployment Rate		
	Chester County	South Carolina	United States
2002	10.0%	6.0%	5.8%
2003	10.9%	6.7%	6.0%
2004	9.8%	6.8%	5.6%
2005	9.2%	6.8%	5.2%
2006	10.1%	6.4%	4.7%
2007	10.8%	5.6%	4.7%
2008	11.8%	6.8%	5.8%
2009	20.2%	11.5%	9.3%
2010	18.4%	11.2%	9.7%
2011	16.0%	10.3%	9.0%
2012*	14.0%	9.1%	8.7%

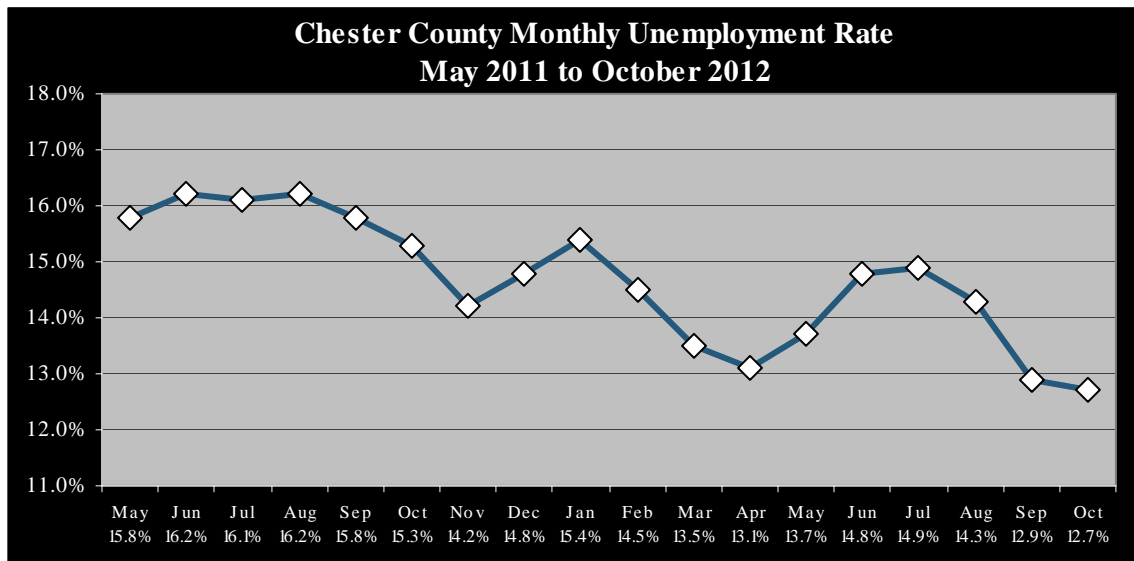
Source: Department of Labor, Bureau of Labor Statistics

\*Through October



The unemployment rate in Chester County has ranged between 9.2% and 20.2%, consistently above state and national averages since 2002. However, it should be noted that although unemployment rates remain high, they have consistently declined by nearly two full percentage points each year since the spike in unemployment during the national recession in 2009.

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





Although unemployment rates have fluctuated over the previous 18 month period, they have declined nearly four full percentage points, from a high of 16.2% in August of 2011 to 12.7% in October 2012. Additionally, the unemployment rates reported during each of the previous six months is lower than the unemployment rate reported in the corresponding month one year ago.

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

In-Place Employment Chester County			
Year	Employment	Change	Percent Change
2002	11,096	-	-
2003	10,743	-353	-3.2%
2004	10,677	-66	-0.6%
2005	10,946	269	2.5%
2006	10,755	-191	-1.7%
2007	9,700	-1,055	-9.8%
2008	9,330	-370	-3.8%
2009	8,285	-1,045	-11.2%
2010	7,733	-552	-6.7%
2011	7,684	-49	-0.6%
2012*	7,838	154	2.0%

Source: Department of Labor, Bureau of Labor Statistics

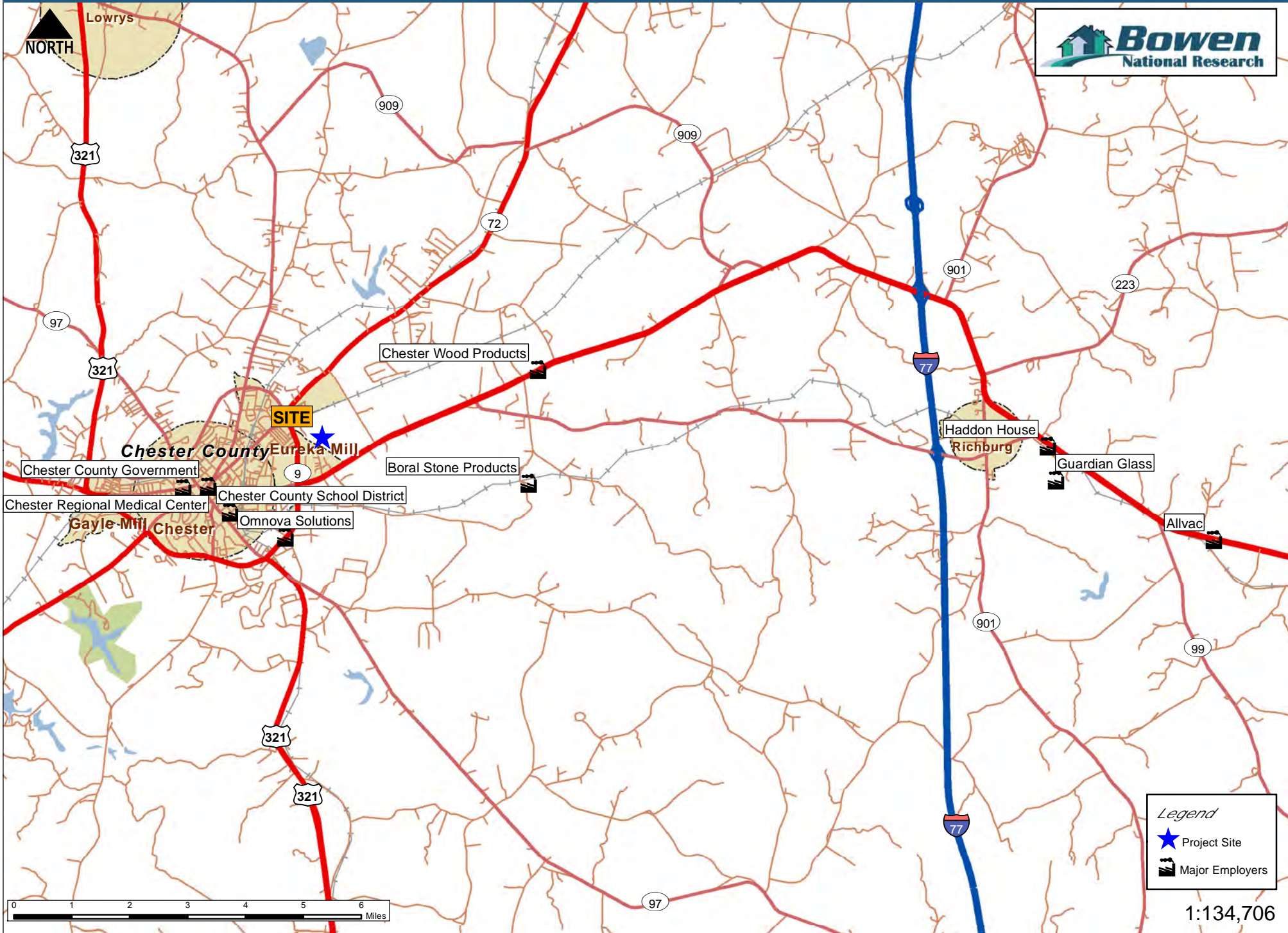
\*Through March

Data for 2011, the most recent year that year-end figures are available, indicates in-place employment in Chester County to be 61.8% of the total Chester County employment. This means that Chester County has more employed persons leaving the county for daytime employment than those who work in the county. Although this is a high share of employed persons leaving the county for employment, residents within the Site PMA are accustomed to commuting to work. Therefore, we do not believe this will impact marketability of the subject project.

## 5. EMPLOYMENT CENTERS MAP

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

# Chester, SC: Major Employers



*Legend*

- ★ Project Site
- Major Employers

1:134,706

## 6. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA workers age 16 and over in 2000:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	6,524	77.9%
Carpooled	1,542	18.4%
Public Transit	30	0.4%
Walked	114	1.4%
Motorcycle	9	0.1%
Bicycle	0	0.0%
Other Means	105	1.3%
Worked at Home	56	0.7%
Total	8,379	100.0%

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

Nearly 78% of all workers drove alone, 18.4% carpooled and only 0.4% used public transportation. Given the subject site serves very low-income households and an on-call public transportation service is available to area residents for a minimal fee, we anticipate a higher than normal share of site residents' use of public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	2,554	30.5%
15 to 29 Minutes	2,626	31.3%
30 to 44 Minutes	1,470	17.5%
45 to 59 Minutes	856	10.2%
60 or More Minutes	817	9.8%
Worked at Home	56	0.7%
Total	8,379	100.0%

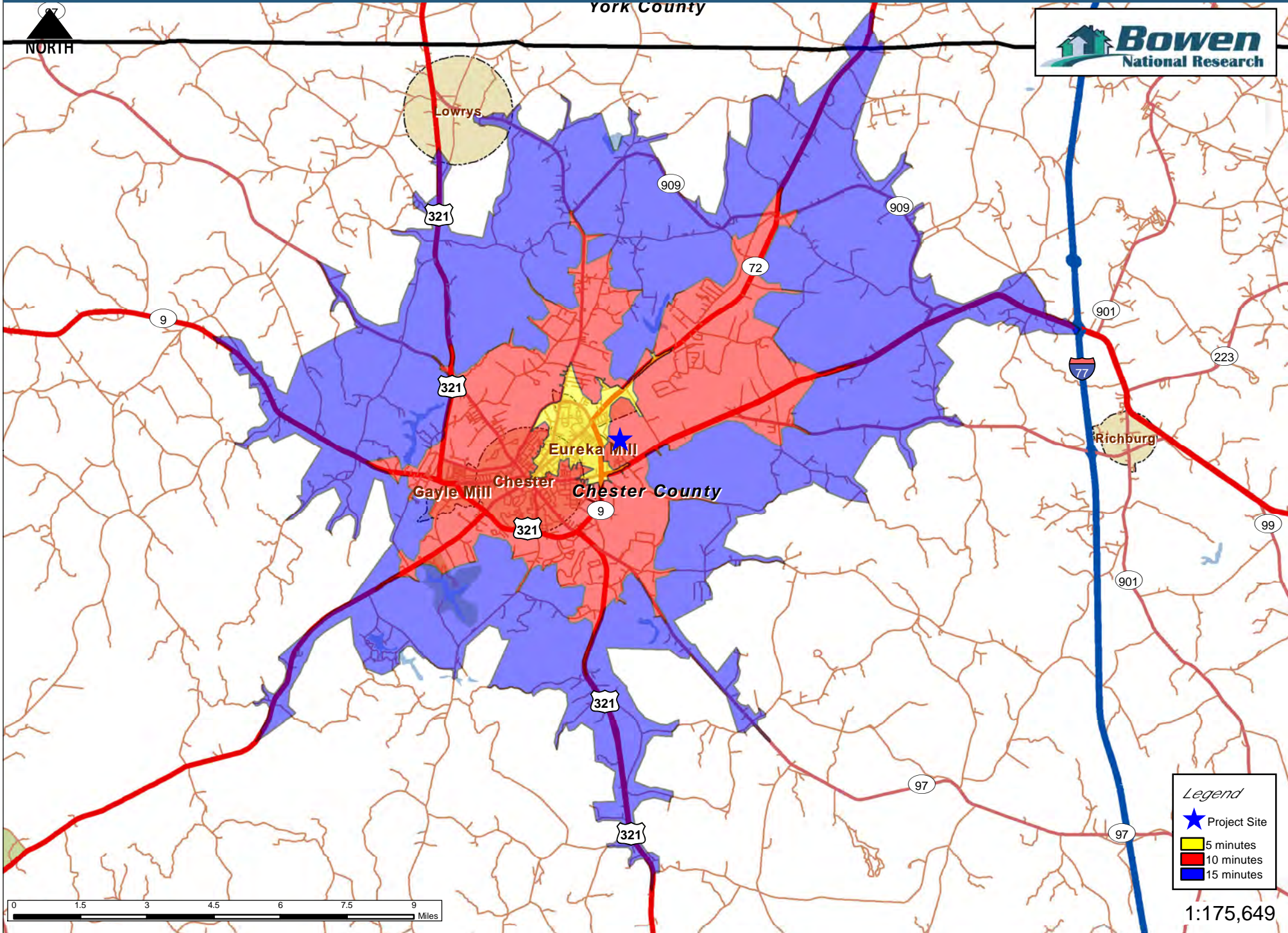
Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



# Chester, SC: Drive Time from Site

York County



**Legend**

- ★ Project Site
- 5 minutes
- 10 minutes
- 15 minutes

1:175,649



## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

The employment base within Chester County experienced substantial decline between 2006 and 2010, as a decline of 2,172 employees was reported during this time period. Further, the unemployment rate within Chester County has been significantly higher than state and national averages since 2002. According to a representative with the Chester County Economic Development Corporation, much of this decline is due to the decline in Chester County's textile industry between 2002 and 2008. According to this representative, Chester County's economy was driven by the textile industry until Spring Industries began to close many of their textile facilities within Chester County area. As the Chester County and national economies have begun to stabilize, we do not anticipate any major layoffs or closings within the market area. However, we expect the unemployment rate to remain high within Chester County, as economic trends reported in this section are indicative of a slow economic recovery. As such, there will likely be a continued need for affordable housing as many households are still surviving on lower income levels, which were impacted by the national recession.

## F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2015 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2015 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Chester Site PMA population base increased by 610 between 1990 and 2000. This represents a 2.7% increase over the 1990 population, or an annual rate of 0.3%. The Site PMA population bases for 1990, 2000, 2012 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	1990 (Census)	2000 (Census)	2012 (Estimated)	2015 (Projected)
Population	22,623	23,234	22,457	22,467
Population Change	-	610	-777	10
Percent Change	-	2.7%	-3.3%	< 0.1%

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

Between 2000 and 2012, the population declined by 777, or 3.3%. It is projected that the population will increase by 10, or < 0.1%, between 2012 and 2015. Although this is minimal population growth, it demonstrates a stabilizing base of potential support for the proposed subject development.

Based on the 2000 Census, the population residing in group-quarters is represented by 1.2% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	279	1.2%
Population not in Group Quarters	22,955	98.8%
Total Population	23,234	100.0%

Source: 2000 Census

**b. Population by Age Group**

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

Population by Age	2000 (Census)		2012 (Estimated)		2015 (Projected)		Change 2012-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,924	29.8%	5,961	26.5%	5,838	26.0%	-123	-2.1%
20 to 24	1,347	5.8%	1,330	5.9%	1,334	5.9%	5	0.4%
25 to 34	3,025	13.0%	2,498	11.1%	2,514	11.2%	16	0.6%
35 to 44	3,381	14.6%	2,841	12.6%	2,755	12.3%	-85	-3.0%
45 to 54	3,300	14.2%	3,272	14.6%	3,086	13.7%	-186	-5.7%
55 to 64	2,255	9.7%	3,127	13.9%	3,242	14.4%	115	3.7%
65 to 74	1,632	7.0%	2,006	8.9%	2,245	10.0%	239	11.9%
75 & Over	1,370	5.9%	1,422	6.3%	1,452	6.5%	30	2.1%
Total	23,234	100.0%	22,457	100.0%	22,467	100.0%	10	0.0%

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

As the preceding table illustrates, over 52% of the population is expected to be between 25 and 64 years old in 2012. Although the overall population base is projected to increase in age between 2012 and 2015, the targeted population will still comprise nearly 52% of the total population in 2015. This age group is the prime group of potential renters for the proposed subject site and will likely represent a significant number of the tenants.

**c. Elderly and Non-Elderly Population**

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA's senior and non-senior population.

**d. Special Needs Population**

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

## 2. HOUSEHOLD TRENDS

### a. Total Households

Within the Chester Site PMA, households increased by 721 (8.9%) between 1990 and 2000. Household trends within the Chester Site PMA are summarized as follows:

	Year			
	1990 (Census)	2000 (Census)	2012 (Estimated)	2015 (Projected)
Households	8,067	8,788	8,755	8,792
Household Change	-	721	-33	37
Percent Change	-	8.9%	-0.4%	0.4%
Household Size	2.79	2.61	2.54	2.53

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

Between 2000 and 2012, households declined by 33 or 0.4%. By 2015, there will be 8,792 households, an increase of 37 households, or 0.4% over 2012 levels. This is an increase of approximately 12 households annually over the next three years. This projected household growth further demonstrates a stabilizing base of potential support for the proposed subject development.

### b. Household by Tenure

Households by tenure are distributed as follows:

Tenure	2000 (Census)		2012 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,707	76.3%	6,273	71.7%	6,294	71.6%
Renter-Occupied	2,081	23.7%	2,482	28.3%	2,498	28.4%
Total	8,788	100.0%	8,755	100.0%	8,792	100.0%

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

In 2012, homeowners occupied 71.7% of all occupied housing units, while the remaining 28.3% were occupied by renters. The share of renters is moderate and represents a good base of potential renters in the market for the proposed subject development. By 2015 it is projected that both, the number and share of renter households will increase over 2012 levels.



**c. Households by Income**

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

Household Income	2000 (Census)		2012 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,321	15.0%	1,301	14.9%	1,300	14.8%
\$10,000 to \$19,999	1,355	15.4%	1,296	14.8%	1,296	14.7%
\$20,000 to \$29,999	1,454	16.5%	1,355	15.5%	1,353	15.4%
\$30,000 to \$39,999	1,300	14.8%	1,264	14.4%	1,266	14.4%
\$40,000 to \$49,999	966	11.0%	934	10.7%	939	10.7%
\$50,000 to \$59,999	702	8.0%	729	8.3%	734	8.3%
\$60,000 to \$74,999	800	9.1%	802	9.2%	810	9.2%
\$75,000 to \$99,999	567	6.5%	641	7.3%	648	7.4%
\$100,000 to \$124,999	223	2.5%	273	3.1%	285	3.2%
\$125,000 to \$149,999	57	0.7%	102	1.2%	102	1.2%
\$150,000 to \$199,999	17	0.2%	31	0.4%	34	0.4%
\$200,000 & Over	26	0.3%	26	0.3%	25	0.3%
Total	8,788	100.0%	8,755	100.0%	8,792	100.0%
Median Income	\$32,032		\$33,368		\$33,534	

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

In 2000, the median household income was \$32,032. This increased by 4.2% to \$33,368 in 2012. By 2015, it is projected that the median household income will be \$33,534, an increase of 0.5% over 2012.

**d. Average Household Size**

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

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for 2000, 2012 and 2015 for the Chester Site PMA:

Renter Households	2000 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	318	123	96	47	43	625
\$10,000 to \$19,999	181	121	82	21	23	427
\$20,000 to \$29,999	111	95	51	65	65	388
\$30,000 to \$39,999	94	43	36	32	58	264
\$40,000 to \$49,999	13	25	55	21	19	133
\$50,000 to \$59,999	15	39	19	24	1	99
\$60,000 to \$74,999	0	8	19	18	30	75
\$75,000 to \$99,999	0	4	10	11	19	44
\$100,000 to \$124,999	0	2	4	3	10	19
\$125,000 to \$149,999	0	0	1	1	3	5
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	1	0	1	2
Total	732	459	376	243	271	2,081

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2012 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	417	111	94	43	39	704
\$10,000 to \$19,999	245	126	78	20	25	493
\$20,000 to \$29,999	150	91	55	64	65	426
\$30,000 to \$39,999	128	45	44	33	67	317
\$40,000 to \$49,999	18	24	84	46	22	194
\$50,000 to \$59,999	26	51	32	33	6	147
\$60,000 to \$74,999	0	12	24	22	38	96
\$75,000 to \$99,999	0	8	15	15	26	65
\$100,000 to \$124,999	0	3	6	6	12	27
\$125,000 to \$149,999	0	1	2	2	5	11
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	1	0	1	2
Total	984	473	436	283	305	2,482

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	422	105	92	43	39	700
\$10,000 to \$19,999	252	121	77	19	24	492
\$20,000 to \$29,999	151	88	55	64	65	422
\$30,000 to \$39,999	126	47	44	34	68	318
\$40,000 to \$49,999	19	25	86	52	22	203
\$50,000 to \$59,999	27	50	35	34	7	153
\$60,000 to \$74,999	0	13	26	23	39	100
\$75,000 to \$99,999	0	9	14	15	28	66
\$100,000 to \$124,999	0	2	7	7	13	29
\$125,000 to \$149,999	0	2	2	2	6	13
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	1	0	1	2
Total	998	461	438	291	311	2,498

Source: Ribbon Demographics; ESRI; Urban Decision Group

Between 2012 and 2015, the overall population and number of households within the Chester Site PMA are projected to increase by 10 (< 0.1%) and 37 (0.4%), respectively. Further, the proposed subject project will offer two-, three- and four-bedroom units targeting family (general-occupancy) households. As such, the prime group of potential renters, ages 25 to 64, is projected to comprise nearly 52.0% of the total population in 2015. Additionally, the number of renter households is projected to increase between 2012 and 2015 and will comprise nearly 29.0% of all households in 2015. Although population and household growth is minimal within the Site PMA, these trends demonstrate a stabilizing base of potential support for the proposed subject site.

## G. PROJECT-SPECIFIC DEMAND ANALYSIS

### 1. INCOME RESTRICTIONS

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

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

The subject site is located within the Chester County, South Carolina, which has a four-person median household income of \$42,700 for 2012. The proposed subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size for each targeted AMHI level.

Household Size	Targeted AMHI Level Maximum Allowable Income (Chester County, South Carolina 2012)	
	50%	60%
One-Person	\$18,350	\$22,020
Two-Person	\$20,950	\$25,140
Three-Person	\$23,600	\$28,320
Four-Person	\$26,200	\$31,440
Five-Person	\$28,300	\$33,960
Six-Person	\$30,400	\$36,480

The largest proposed units (four-bedroom) at the proposed subject site are expected to house up to six-person households. As such, the maximum allowable income at the subject site is \$36,480.

### 2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$500 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,000. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,145.



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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$17,145	\$30,400
Tax Credit (Limited To 60% Of AMHI)	\$17,660	\$36,480
Overall Project	\$17,145	\$36,480

### 3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2012 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2015) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

*In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and four-bedroom units, analysts must refine the analysis by factoring in the number of large households (generally four-person +). A demand analysis that does not consider this may overestimate demand.*

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2010 Census data or the most current American Community Survey (ACS) data and projected from:*

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

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*
- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*
- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### 4. METHODOLOGY

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service in 2012 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2012 which have not reached stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

**5. DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, we identified three LIHTC properties. None of these properties were funded and/or built during the projection period (2012 to current). We did not identify any projects that were placed in service prior to 2012 that have not reached a stabilized occupancy. The three projects are summarized as follows:

Map I.D.	Project Name	Year Built/ Renovated	LIHTC Units	Units At Targeted AMHI	
				50% AMHI	60% AMHI
2	Chester Townhomes I	1980/2006*	62	0	62
3	Chester Townhomes II	1980/2006*	52	0	52
7	McAliley Apartments	1999	22	10	12

\*Year renovated

None of the preceding units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$17,145-\$30,400)	60% AMHI (\$17,660-\$36,480)	Overall (\$17,145-\$36,480)
Demand for New Renter Households (Age- and Income Appropriate)	575 - 579 = -4	743 - 746 = -3	768 - 772 = -4
+			
Demand from Existing Renter Households (Rent Overburdened)	579 X 33.4% = 193	746 X 22.8% = 170	772 X 28.4% = 219
+			
Demand from Existing Renter Households (Renters in Substandard Housing)	579 X 4.2% = 24	746 X 4.2% = 31	772 X 4.2% = 32
+			
Demand from Existing Owner Households (Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	213	198	247
-			
Supply (Directly Comparable Units Built and/ or Funded Since 2012)	0	0	0
=			
Net Demand	213	198	247
Proposed Units	11	33	44
Proposed Units/ Net Demand	11 / 213	33 / 198	44 / 247
Capture Rate	= 5.2%	= 16.7%	= 17.8%

Typically under this methodology, capture rates below 30% are acceptable, while capture rates under 20% are ideal. The capture rate of 5.2% is considered low and easily achievable for the units at 50% of AMHI, while the 16.7% capture rate for the units at 60% of AMHI is considered acceptable and achievable. This relatively low overall capture rate of 17.8% indicates a sufficient base of demographic support for the subject project as proposed.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	25%
Two-Bedroom	35%
Three-Bedroom	30%
Four-Bedroom	10%
Total	100.0%



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

Units Targeting 50% Of AMHI (213 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	53	0	53	N/A	N/A
Two-Bedroom (35%)	75	0	75	8	10.7%
Three-Bedroom (30%)	64	0	64	3	4.7%
Four-Bedroom (10%)	21	0	21	N/A	N/A

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

The capture rates by bedroom type for the proposed 50% income level are considered low, ranging from 4.7% to 10.7%. These capture rates are considered achievable and indicate that sufficient support exists for the 11 proposed units at 50% of AMHI.

Units Targeting 60% Of AMHI (198 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	50	0	50	N/A	N/A
Two-Bedroom (35%)	69	0	69	8	11.6%
Three-Bedroom (30%)	59	0	59	21	35.6%
Four-Bedroom (10%)	20	0	20	4	20.0%

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

The capture rates by bedroom type for the proposed 60% income level units range from 11.6% to 35.6%. Although relatively high, the capture rate for the three-bedroom units at 60% of AMHI is considered acceptable at 35.6% and is believed to be achievable given the proposed subject rents are the lowest in the market. Further, this relatively high 35.6% capture rate is also believed to be achievable based on the high overall occupancy rate reported among existing Low-Income Housing Tax Credit (LIHTC) projects in the market and general lack of LIHTC product in the market.

## 6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2015 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2015. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period.

It is our opinion that the proposed 44 LIHTC units at the subject site will experience an average initial absorption rate of eight to ten units per month and reach a stabilized occupancy of 93.0% within four to five months.

## H. RENTAL HOUSING ANALYSIS (SUPPLY)

### 1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer two-, three- and four-bedroom units to family households (general-occupancy) earning up to 50% and 60% of Area Median Household Income (AMHI). We identified and surveyed three general-occupancy Low-Income Housing Tax Credit (LIHTC) properties within the Chester Site PMA. These properties target households with incomes of up to 50% and 60% of AMHI; therefore, they are considered competitive properties.

These three LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Leyland Grove</b>	<b>2014</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 50% &amp; 60% AMHI</b>
2	Chester Townhomes I	1980 / 2006	62	100.0%	0.6 Miles	5 H.H.	Families; 60% AMHI & RD 515
3	Chester Townhomes II	1980 / 2006	52	96.2%	0.6 Miles	1 & 2-BR: 10 H.H.	Families; 60% AMHI & RD 515
7	McAliley Apts.	1999	22	95.5%	2.0 Miles	None	Families; 50% & 60% AMHI

OCC. - Occupancy

The three LIHTC projects have a combined occupancy rate of 97.8%, indicating a strong demand for affordable housing in the market. Additionally, two of these projects have waiting lists and operate under the Rural Development 515 (RD 515) program, offering Rental Assistance on some units. However, of the 114 subsidized Tax Credit units, 28 do not have Rental Assistance and serve as potential competitive properties to the proposed subject project, as residents residing in these 28 units without Rental Assistance are likely paying rents between basic and market rents. These projects are generally older and have been renovated using Tax Credit Financing. The only non-Rural Development Tax Credit project is the McAliley Apartments (Map ID 7). This 22-unit non-subsidized Tax Credit project represents a good base of comparison with the proposed subject project.

The gross rents for the three LIHTC projects and the proposed rents at the subject site are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
<b>Site</b>	<b>Leyland Grove</b>	-	\$500/50% (8) \$515/60% (8)	\$603/50% (3) \$613/60% (21)	\$684/60% (4)	-
2	Chester Townhomes I	\$503-\$631*/60% (18)	\$610-\$772*/60% (44)			None
3	Chester Townhomes II	\$503-\$671*/60% (11)	\$610-\$812*/60% (24)	\$703-\$904*/60% (17)		None
7	McAliley Apts.	\$405/50% (7) \$450/60% (8)	\$515/50% (3) \$525/60% (4)			None

\*Denotes basic and market rents

The proposed subject gross rents, ranging from \$500 to \$684, will be the lowest priced LIHTC units targeting similar income levels in the market. Specifically, the proposed subject gross rents are comparable to the one non-subsidized Tax Credit project (McAliley Apartments) within the Site PMA. Further, the proposed subject project will offer the only three- and four-bedroom non-subsidized LIHTC units in the market. As such, the well positioned proposed gross rents and the three- and four-bedroom units to be offered will likely create a marketing advantage and enhance marketability of the proposed project during the initial lease-up. None of the three comparable LIHTC properties are currently offering rent concessions.

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

Project Name	Number of Vouchers
Chester Townhomes I	12
Chester Townhomes II	16
McAliley Apartments	9

Additionally, the Housing Authority of the City of Chester reported that there are approximately 248 Housing Choice Voucher holders within the housing authority's jurisdiction and 379 people currently on the waiting list for additional Vouchers. These numbers reflect the continuing need for Housing Choice Voucher assistance.

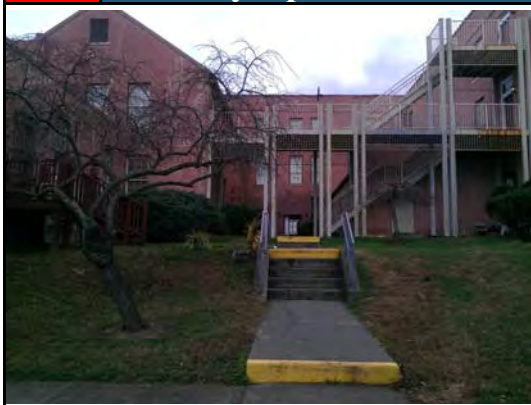
One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.



7

**McAliley Apts.**

2.0 miles to site



**Address** 120 Main St.  
Chester, SC 29706

**Phone** (803) 385-5559 **Contact** Cindy

**Total Units** 22 **Vacancies** 1 **Percent Occupied** 95.5%

**Project Type** Tax Credit

**Year Open** 1999 **Floors** 3

**Concessions** No Rent Specials

**Age Restrictions** NONE

**Waiting List** NONE

**Ratings:** **Quality** B- **Neighborhood** C **Access/Visibility**

**Remarks** 50% & 60% AMHI; HCV (9 units); 1st floor commercial; Historic hotel, originally built in 1866; Square footage estimated

**FEATURES AND UTILITIES**

**Utilities** Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash

**Unit Amenities** Refrigerator, Range, Central AC, Carpet, Ceiling Fan, Blinds

**Project Amenities** Laundry Facility

**Parking** Surface Parking

**UNIT CONFIGURATION**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	8	1	600	\$0.75	\$450	60%
1	1	G	7	0	600	\$0.68	\$405	50%
2	1	G	4	0	800	\$0.66	\$525	60%
2	1	G	3	0	800	\$0.64	\$515	50%

**2** **Chester Townhomes I** 0.6 miles to site



	<b>Address</b> 628 Lancaster St. Chester, SC 29706
	<b>Phone</b> (803) 377-7970 <b>Contact</b> Felicia
	<b>Total Units</b> 62 <b>Vacancies</b> 0 <b>Percent Occupied</b> 100.0%
	<b>Project Type</b> Tax Credit & Government-Subsidized
	<b>Year Open</b> 1980 <b>Renovated</b> 2006 <b>Floors</b> 2
	<b>Concessions</b> No Rent Specials
	<b>Age Restrictions</b> NONE
	<b>Waiting List</b> 5 households
	<b>Ratings:</b> <b>Quality</b> B+ <b>Neighborhood</b> B <b>Access/Visibility</b>
	<b>Remarks</b> 60% AMHI; RD 515, has RA (50 units); HCV (12 units); Square footage estimated

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Playground
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	18	0	762	\$0.49 - \$0.65	\$370 to \$498	60%
2	1.5	T	44	0	1056	\$0.42 - \$0.57	\$440 to \$602	60%

3 Chester Townhomes II		0.6 miles to site	
	<b>Address</b> 628 Lancaster St. Chester, SC 29706		
	<b>Phone</b> (803) 377-7970	<b>Contact</b> Felicia	
	<b>Total Units</b> 52	<b>Vacancies</b> 2	<b>Percent Occupied</b> 96.2%
	<b>Project Type</b> Tax Credit & Government-Subsidized		
<b>Year Open</b> 1980		<b>Renovated</b> 2006	<b>Floors</b> 2
<b>Concessions</b> No Rent Specials			
<b>Age Restrictions</b> NONE			
<b>Waiting List</b> 1 & 2-br: 10 HH			
<b>Ratings: Quality</b> B+		<b>Neighborhood</b> B	<b>Access/Visibility</b>
<b>Remarks</b> 60% AMHI; RD 515, has RA (36 units); HCV (16 units)			

### FEATURES AND UTILITIES

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Playground
<b>Parking</b>	Surface Parking

### UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	11	0	762	\$0.49 - \$0.71	\$370 to \$538	60%
2	1.5	T	24	0	1056	\$0.42 - \$0.61	\$440 to \$642	60%
3	1.5	T	17	2	1107	\$0.45 - \$0.63	\$500 to \$701	60%

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Leyland Grove</b>	-	<b>1,100</b>	<b>1,250</b>	<b>1,400</b>
2	Chester Townhomes I	762	1,056	-	-
3	Chester Townhomes II	762	1,056	1,107	-
7	McAliley Apts.	600	800	-	-

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Leyland Grove</b>	-	<b>2.0</b>	<b>2.0</b>	<b>2.5</b>
2	Chester Townhomes I	1.0	1.5	-	-
3	Chester Townhomes II	1.0	1.5	1.5	-
7	McAliley Apts.	1.0	1.0	-	-

The proposed development will offer the largest units sizes (square feet) and the most bathrooms (2.0 to 2.5 in each unit) among the comparable Tax Credit properties identified. Additionally, the four-bedroom units to be offered will be the only four-bedroom LIHTC units in the market and are considered to be appropriately sized (square feet) and offer an appropriate number of bathrooms. As such, based on the preceding tables, the proposed subject development will be competitive with the existing comparable LIHTC projects in the market in terms of size (square feet) and the number of bathrooms offered. This will provide the subject project with a distinct competitive advantage.

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



# COMPARABLE PROPERTIES AMENITIES - CHESTER, SOUTH CAROLINA

MAP ID	APPLIANCES					UNIT AMENITIES														
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
<b>SITE</b>	X	X	X	X		X	X		C		X					X	B		S	
<b>7</b>	X	X					X		C			X					B		S	
<b>2</b>	X	X					X		C		X						B		S	
<b>3</b>	X	X					X		C	X	X		S				B		S	

MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
<b>SITE</b>		X	X	X	X	X		X			X			X		X			
<b>7</b>			X																
<b>2</b>		X	X					X											
<b>3</b>		X	X					X											

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

X - All Units
S - Some Units
O - Optional

<b>Window Treatments</b>
B - Blinds
C - Curtains
D - Drapes

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

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

<b>Floor Covering</b>
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

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

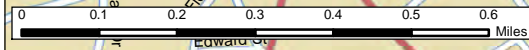
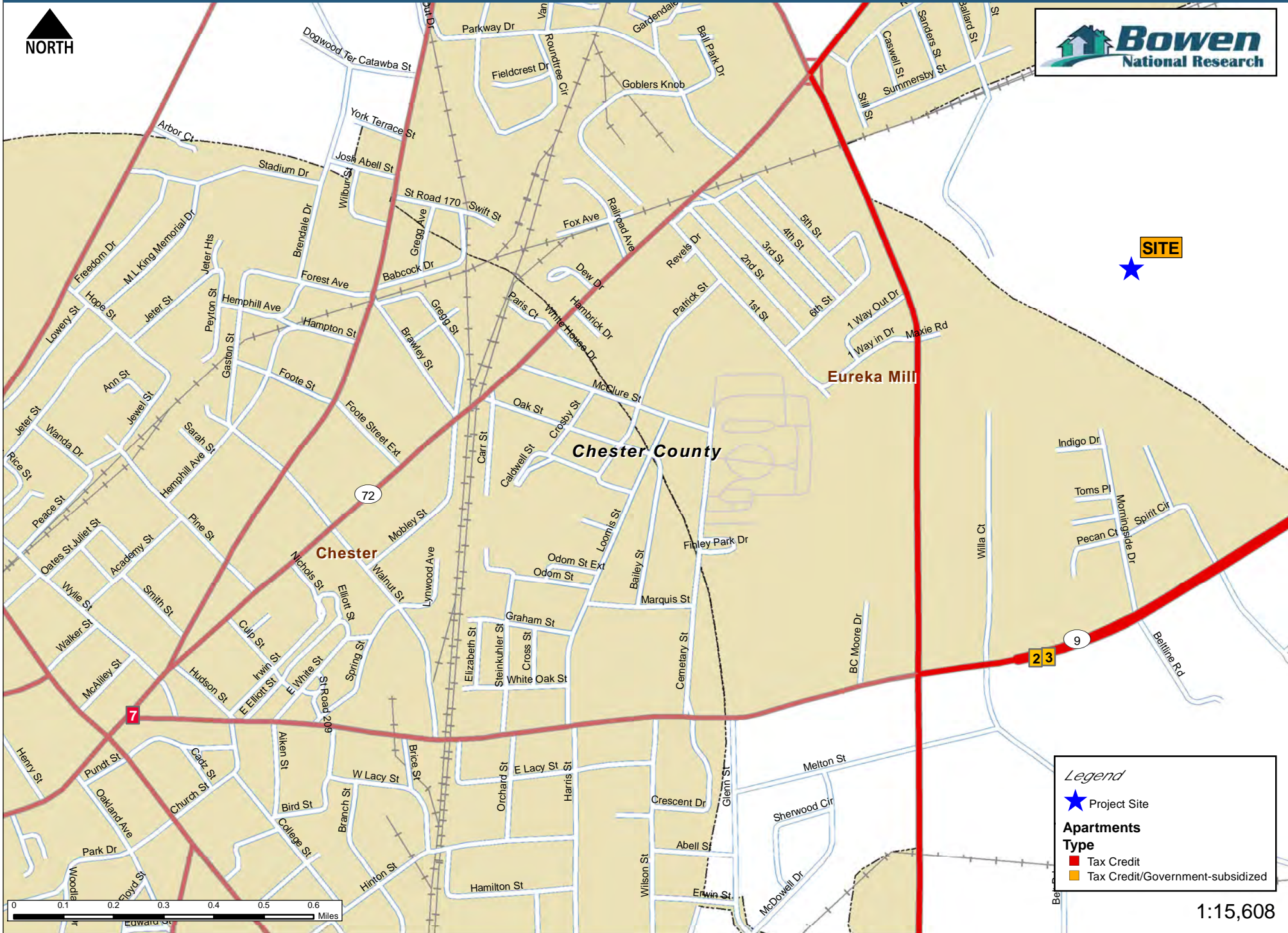
The proposed project will offer amenity packages considered to be superior to those offered at the comparable LIHTC projects in the market. Specifically, the inclusion of a dishwasher, microwave oven and patio/balcony area in each unit, along with project amenities such as a clubhouse, community space, fitness center, computer center, picnic area and additional storage space will likely create a marketing advantage for the proposed development. The subject development does not appear to lack any key amenities that would adversely impact marketability.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties.

## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

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

# Chester, SC: Comparable LIHTC Property Locations



*Legend*

- Project Site
- Apartments Type**
- Tax Credit
- Tax Credit/Government-subsidized

1:15,608

### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Chester Site PMA in 2000 and 2012 (estimated) are summarized in the following table:

Housing Status	2000 (Census)		2012 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	8,788	89.7%	8,755	85.3%
Owner-Occupied	6,707	76.3%	6,273	71.7%
Renter-Occupied	2,081	23.7%	2,482	28.3%
Vacant	1,004	10.3%	1,511	14.7%
Total	9,792	100.0%	10,267	100.0%

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

Based on a 2012 update of the 2000 Census, of the 10,267 total housing units in the market, 14.7% were vacant. In 2012, it was estimated that homeowners occupied 71.7% of all occupied housing units, while the remaining 28.3% were occupied by renters. It should be noted that the 1,511 vacant units include dilapidated, vacant and for-sale housing. As such, these vacancies may not be reflective of the Chester rental market. Additionally, the number and share of renter-occupied units both increased within the Site PMA between 2000 and 2012. This increase in the number and share of renters within the Site PMA demonstrates a stable and increasing base of potential renters in the market for the subject development.

We identified and personally surveyed nine conventional housing projects containing a total of 338 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.3%, a strong rate for rental housing. Among these projects, three are non-subsidized (market-rate and Tax Credit) projects containing 69 units. These non-subsidized units are 94.2% occupied. The remaining six projects contain 269 government-subsidized units, which are 98.1% occupied.

The following table summarizes project types identified in the Site PMA:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	47	3	93.6%
Tax Credit	1	22	1	95.5%
Tax Credit/Government-Subsidized	2	114	2	98.2%
Government-Subsidized	4	155	3	98.1%
Total	9	338	9	97.3%



Overall the rental housing market is performing well, with a 97.3% overall occupancy rate. Specifically, the only non-subsidized Tax Credit project in the market is 95.5% occupied, with only one vacant unit. Further, the subsidized Tax Credit and government-subsidized units are operating with a combined occupancy rate of 98.1%. Based on these reported overall occupancy rates, affordable rental housing is performing well within the Site PMA.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	16	34.0%	3	18.8%	\$570
Two-Bedroom	1.5	31	66.0%	0	0.0%	\$635
<b>Total Market-rate</b>		<b>47</b>	<b>100.0%</b>	<b>3</b>	<b>6.4%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	15	68.2%	1	6.7%	\$405
Two-Bedroom	1.0	7	31.8%	0	0.0%	\$515
<b>Total Tax Credit</b>		<b>22</b>	<b>100.0%</b>	<b>1</b>	<b>4.5%</b>	-

The market-rate units are 93.6% occupied and the Tax Credit units are 95.5% occupied. Notably, the median gross rent for the Tax Credit units is significantly less than the corresponding market-rate gross rents. This indicates that Tax Credit projects are likely viewed as a significant value within the Chester market. It should also be noted that the non-subsidized Tax Credit units are comprised of one- and two-bedroom units only. As such, the proposed three- and four-bedroom Tax Credit units to be offered at the subject development will likely fill a void in the affordable rental housing market within the Site PMA.

The following is a distribution of units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	31	0.0%
1980 to 1989	1	16	18.8%
1990 to 1999	1	22	4.5%
2000 to 2004	0	0	0.0%
2005	0	0	0.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	0	0	0.0%
2010	0	0	0.0%
2011	0	0	0.0%
2012*	0	0	0.0%
Total	3	69	5.8%

\*As of December

All of the existing apartments surveyed were built prior to 2000 and have an overall vacancy rate of 5.8%. The proposed subject development will be the newest project in the market and will likely be well received within the Chester market, based on the older existing rental housing stock within the market.

The Chester apartment market offers a limited range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
Two-Bedroom	\$500-50%	\$635	\$515 - \$665	54 (100.0%)
	\$515-60%			47 (87.0%)
Three-Bedroom	\$603-50%	N.A.	0	0 (0.0%)
	\$613-60%			0 (0.0%)
Four+-Bedroom	\$684-60%	N.A.	0	0 (0.0%)

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$575 for a two-bedroom unit, \$675 for a three-bedroom unit and \$775 for a four-bedroom unit.

The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$330 (50%)	\$575	42.60%
	\$345 (60%)		40.00%
Three-Bedroom	\$400 (50%)	\$675	40.74%
	\$410 (60%)		39.25%
Four-Bedroom	\$425 (60%)	\$775	45.16%
Weighted Average			40.67%

The proposed collected Tax Credit rents represent market rent advantages between 34.78% and 45.16%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the region. Further, considering the lack of available general-occupancy LIHTC units within the Site PMA and the fact that the proposed project will offer three- and four-bedroom non-subsidized Tax Credit units which are currently not offered in the market, it is likely the units will be viewed as an even greater value within the market.

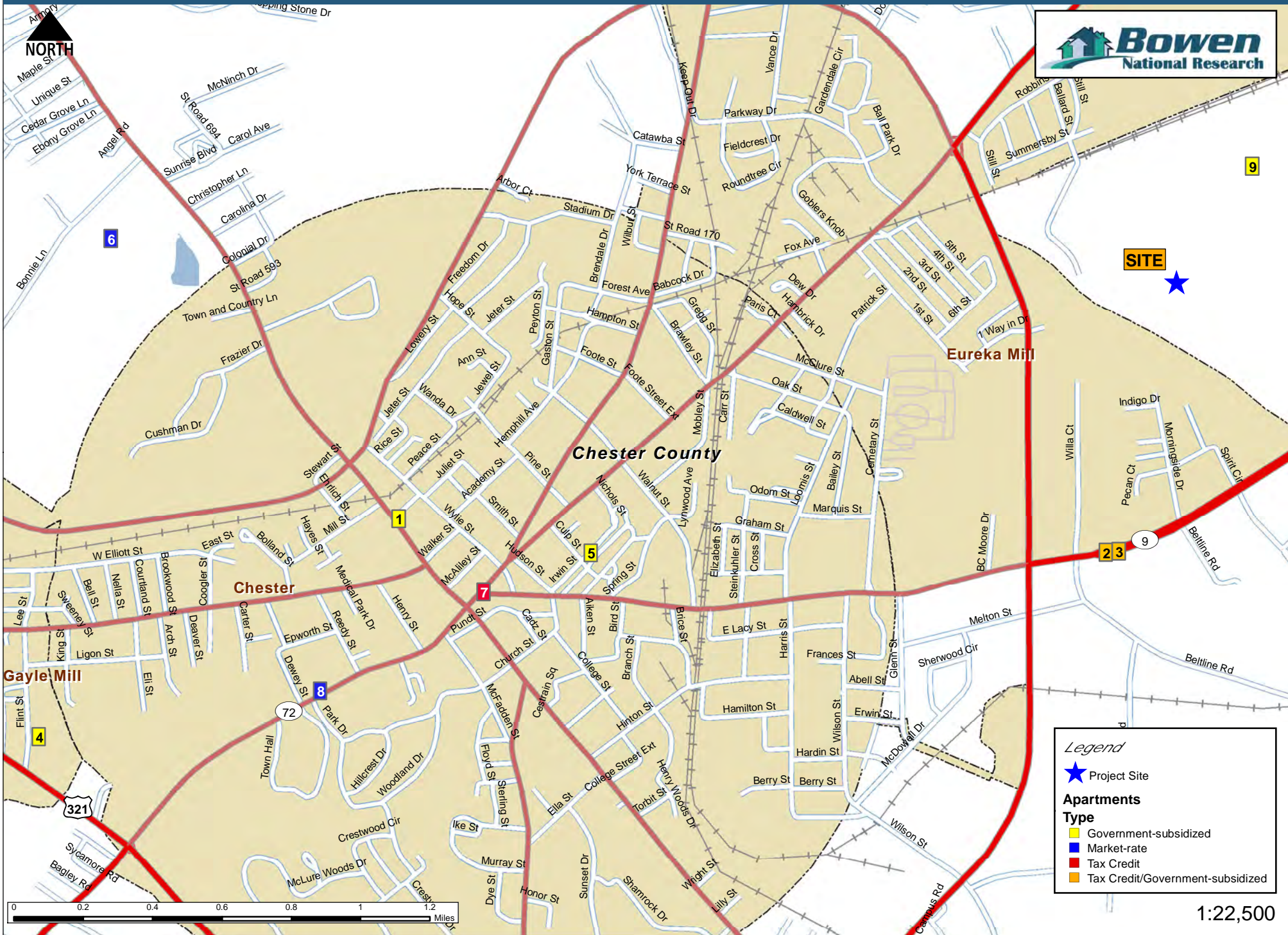
None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.





# Chester, SC: Apartment Locations



*Legend*

- Project Site
- Apartments Type**
- Government-subsidized
- Market-rate
- Tax Credit
- Tax Credit/Government-subsidized

1:22,500



## **5. & 6. PLANNED AND PROPOSED DEVELOPMENTS**

After contacting the Building and Zoning Department of Chester County it was determined that there is one development in the pipeline. The Second Baptist Church and Tom Ulrich came before the Chester City Council to request a resolution to receive a grant to build a 40-unit apartment complex along Village Drive in the City of Chester. However, at the time of this report no specific details were available regarding this potential project, as detailed plans have yet to be submitted and/or approved for this potential development. As such these 40 potential units have not been included in our demand calculations. There are no other multi-unit developments planned or under construction within the site PMA.

## **7. ADDITIONAL SCSHFDA VACANY DATA**

### Stabilized Comparables

A component of South Carolina Housing's Exhibit S-2 is the calculation of the occupancy rate among all stabilized comparables, including both Tax Credit and market-rate projects, within the Site PMA. Comparables are identified as those projects that are considered economically comparable in that they target a similar tenant profile with respect to age and income cohorts. Market-rate projects with gross rents that deviate by no more than 10% to the gross rents proposed at the site are considered economically comparable. Market-rate projects with gross rents that deviate by greater than 10% when compared to the gross rents proposed at the site are not considered economically comparable as these projects will generally target a different tenant profile. For this reason, there may be conceptually comparable market-rate projects that were utilized in determining Market Rent Advantages (see section eight *Market Rent Advantage* of this section) that are excluded as comparable projects as they may not be economically comparable. Conceptual comparability is also considered in this analysis. For example, if the subject development is of multi-story garden walk-up design, we may eliminate those market-rate projects that are of townhouse-style design even if they may be economically comparable. A project's age, overall quality and amenities offered are also considered when evaluating conceptual comparability. Note that the determination of both economic and conceptual comparability is the opinion of the market analyst.

As discussed earlier in this analysis, we identified a total of three comparable LIHTC projects within the Site PMA that have received Tax Credit funding. Our methodology for identifying conceptual comparability are those projects that target a similar age cohort, are of similar design, offered similar amenity packages and have a year built or received significant renovations no earlier than 1980. The three stabilized comparable Tax Credit projects identified in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/ Renovated	Project Type	Total Units	Occupancy Rate
Site	Leyland Grove	2014	TC	44	-
2	Chester Townhomes I	1980/2006*	TC	62	100.0%
3	Chester Townhomes II	1980/2006*	TC	52	96.2%
7	McAliley Apts.	1999	TC	22	95.5%
Total				136	97.8%

\*Year renovated  
TC – Tax Credit

The overall occupancy rate of the three stabilized comparable Tax Credit projects identified in the Site PMA is 97.8%. Further, it should be noted that while the four comparable market-rate projects selected to determine market rent advantage later in this section are considered conceptually comparable, they are not considered to be economically comparable. As such, these four comparable market-rate projects have not been included as stabilized comparable properties.

## 8. MARKET RENT ADVANTAGE

We did not identify any market-rate properties within the Chester Site PMA that we consider comparable in terms of unit size, the number of bedrooms offered and unit and project amenities offered to the proposed subject development. Due to the lack of market-rate product in the Site PMA, we identified and surveyed four market-rate properties located outside of the Site PMA in the city of Rock Hill that we consider comparable to the subject development based on their age, unit size (square feet) and unit and project amenities offered. Note, adjustments for the differences between the Chester market and Rock Hill market have been made. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Leyland Grove</b>	<b>2014</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>16 (-)</b>	<b>24 (-)</b>	<b>4 (-)</b>
903	Brookstone Apts.	2002	348	96.0%	140 (95.7%)	162 (96.3%)	46 (95.7%)	-
905	Cowan Farms	2003	248	97.2%	104 (99.0%)	104 (94.2%)	40 (100.0%)	-
906	Cushendall Commons	2001	168	95.2%	66 (97.0%)	96 (93.8%)	6 (100.0%)	-
907	Forest Oaks	2000	280	95.4%	90 (97.8%)	130 (94.6%)	60 (93.3%)	-

Occ. – Occupancy

900 Series Map IDs are located outside of the Site PMA



The four selected market-rate projects have a combined total of 1,044 units with an overall occupancy rate of 96.0%. None of the comparable properties has an occupancy rate below 95.2%.

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



**Rent Comparability Grid**

Unit Type →

**TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Leyland Grove		Brookstone Apts.		Cowan Farms		Cushendall Commons		Forest Oaks			
Village Dr.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.		1878 Gingercake Cir.			
Chester, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC			
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$875		\$715		\$750		\$759			
2	Date Surveyed	Nov-12		Nov-12		Nov-12		Nov-12			
3	Rent Concessions	None		None		None		None			
4	Occupancy for Unit Type	96%		94%		94%		95%			
5	Effective Rent & Rent/ sq. ft	\$875	0.83	\$715	0.74	\$750	0.68	\$759	0.67		
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/2,3		WU/3		WU/2,3			
7	Yr. Built/Yr. Renovated	2014		2002	\$12	2003	\$11	2001	\$13	2000	\$14
8	Condition /Street Appeal	E		E		G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$263)	No	(\$215)	No	(\$225)	No	(\$228)		
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2			
12	# Baths	2		2		2		2			
13	Unit Interior Sq. Ft.	1100	\$9	1050	\$26	1109	(\$2)	1132	(\$6)		
14	Balcony/ Patio	Y		Y		Y		Y			
15	AC: Central/ Wall	C		C		C		C			
16	Range/ refrigerator	R/F		R/F		R/F		R/F			
17	Microwave/ Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		N/Y	\$5		
18	Washer/Dryer	HU/L		HU/L	\$5	HU	\$5	W/D	(\$25)		
19	Floor Coverings	C		C		C		C			
20	Window Coverings	B		B		B		B			
21	Intercom/Security System	N/N		N/N		N/N		N/N			
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)		
23	Ceiling Fans	Y		Y		Y		Y			
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y		Y		Y		Y			
26	Security Gate	N		N		N		N			
27	Clubhouse/ Meeting Rooms	Y/Y	\$10	N/N	\$10	Y/N	\$5	N/N	\$10		
28	Pool/ Recreation Areas	F	(\$13)	P/F/S	(\$10)	P/F	(\$10)	P/F	(\$10)		
29	Computer Center	Y		Y	\$3	Y		N	\$3		
30	Picnic Area	Y		Y		Y		Y			
31	Playground	Y		Y	\$3	N	\$3	Y			
32	Storage	Y	\$5	N		Y		Y	OPT/\$35		
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			
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E			
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	N/N		N/N		N/N		N/N			
39	Trash /Recycling	Y/N	\$13	N/N		Y/N	\$13	Y/N			
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	3	8	3	5	4	5	5		
41	Sum Adjustments B to D	\$41	(\$281)	\$78	(\$230)	\$41	(\$242)	\$47	(\$274)		
42	Sum Utility Adjustments	\$13				\$13					
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$227)	\$335	(\$152)	\$308	(\$188)	\$296	(\$227)	\$321		
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$648		\$563		\$562		\$532			
45	Adj Rent/Last rent		74%		79%		75%		70%		
46	Estimated Market Rent	\$575	\$0.52	← Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type → **THREE BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>		
Leyland Grove		Brookstone Apts.		Cowan Farms		Cushendall Commons		Forest Oaks				
Village Dr.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.		1878 Gingercake Cir.				
Chester, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC				
<b>A. Rents Charged</b>	<b>Data</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	
1	\$ Last Rent / Restricted?	\$1,003		\$895		\$875		\$935				
2	Date Surveyed	Nov-12		Nov-12		Nov-12		Nov-12				
3	Rent Concessions	None		None		None		None				
4	Occupancy for Unit Type	96%		100%		100%		93%				
5	Effective Rent & Rent/ sq. ft	\$1,003	0.80	\$895	0.75	\$875	0.68	\$935	0.72			
<b>B. Design, Location, Condition</b>	<b>Data</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	
6	Structure / Stories	TH/2		WU/2		WU/3		WU/2,3				
7	Yr. Built/Yr. Renovated	2014		2002	\$12	2003	\$11	2001	\$13	2000	\$14	
8	Condition /Street Appeal	E		E		G	\$15	G	\$15	G	\$15	
9	Neighborhood	G		G		G		G		G		
10	Same Market?	No	(\$301)	No	(\$269)	No	(\$263)	No	(\$281)			
<b>C. Unit Equipment/ Amenities</b>	<b>Data</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	
11	# Bedrooms	3		3		3		3				
12	# Baths	2		2		2		2				
13	Unit Interior Sq. Ft.	1250	(\$1)	1186	\$12	1294	(\$8)	1295	(\$8)			
14	Balcony/ Patio	Y		Y		Y		Y				
15	AC: Central/ Wall	C		C		C		C				
16	Range/ refrigerator	R/F		R/F		R/F		R/F				
17	Microwave/ Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		N/Y	\$5			
18	Washer/Dryer	HU/L		HU/L	\$5	HU	\$5	W/D	(\$25)			
19	Floor Coverings	C		C		C		C				
20	Window Coverings	B		B		B		B				
21	Intercom/Security System	N/N		N/N		N/N		N/N				
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)			
23	Ceiling Fans	Y		Y		Y		Y				
<b>D Site Equipment/ Amenities</b>	<b>Data</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0				
25	On-Site Management	Y		Y		Y		Y				
26	Security Gate	N		N		N		N				
27	Clubhouse/ Meeting Rooms	Y/Y	\$10	N/N	\$10	Y/N	\$5	N/N	\$10			
28	Pool/ Recreation Areas	F	(\$13)	P/F/S	(\$10)	P/F	(\$10)	P/F	(\$10)			
29	Computer Center	Y		Y	\$3	Y		N	\$3			
30	Picnic Area	Y		Y		Y		Y				
31	Playground	Y		Y	\$3	N	\$3	Y				
32	Storage	Y	\$5	N		Y		Y	OPT/\$35			
<b>E. Utilities</b>	<b>Data</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E				
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E				
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	N/N		N/N		N/N		N/N				
39	Trash /Recycling	Y/N	\$13	N/N		Y/N	\$13	Y/N				
<b>F. Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	4	4	8	3	5	4	5	5			
41	Sum Adjustments B to D	\$32	(\$320)	\$64	(\$284)	\$41	(\$286)	\$47	(\$329)			
42	Sum Utility Adjustments	\$13				\$13						
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	
43	Net/ Gross Adjmts B to E	(\$275)	\$365	(\$220)	\$348	(\$232)	\$340	(\$282)	\$376			
<b>G. Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$728		\$675		\$643		\$653				
45	Adj Rent/Last rent		73%		75%		73%		70%			
46	Estimated Market Rent	\$675	\$0.54	← Estimated Market Rent/ Sq. Ft								

**Rent Comparability Grid**

Unit Type →

**FOUR BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Leyland Grove		Brookstone Apts.		Cowan Farms		Cushendall Commons		Forest Oaks			
Village Dr.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.		1878 Gingercake Cir.			
Chester, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC			
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,003		\$895		\$875		\$985			
2	Date Surveyed	Nov-12		Nov-12		Nov-12		Nov-12			
3	Rent Concessions	None		None		None		None			
4	Occupancy for Unit Type	96%		100%		100%		93%			
5	Effective Rent & Rent/ sq. ft	\$1,003	0.80	\$895	0.75	\$875	0.68	\$985	0.71		
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/2		WU/3		WU/2,3			
7	Yr. Built/Yr. Renovated	2014		2002	\$12	2003	\$11	2001	\$13	2000	\$14
8	Condition /Street Appeal	E		E		G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$301)	No	(\$269)	No	(\$263)	No	(\$296)		
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4		3	\$50	3	\$50	3	\$50	3	\$50
12	# Baths	2.5		2	\$15	2	\$15	2	\$15	2	\$15
13	Unit Interior Sq. Ft.	1400		1256	\$26	1186	\$39	1294	\$19	1393	\$1
14	Balcony/ Patio	Y		Y		Y		Y		Y	
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	Y/Y		N/Y	\$5	N/Y	\$5	Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU	\$5	W/D	(\$25)
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y		Y	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	Y/Y		N/N	\$10	N/N	\$10	Y/N	\$5	N/N	\$10
28	Pool/ Recreation Areas	F	(\$13)	P/F/S	(\$13)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y		Y		N	\$3	Y		N	\$3
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y		Y		N	\$3	N	\$3	Y	
32	Storage	Y		N	\$5	Y		Y		OPT/\$35	
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/E		N/E		N/E		N/E		N/E	
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	N/N		N/N		N/N		N/N		N/N	
39	Trash /Recycling	Y/N		N/N	\$17	Y/N		N/N	\$17	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	3	10	3	8	3	8	4		
41	Sum Adjustments B to D	\$123	(\$319)	\$156	(\$284)	\$125	(\$278)	\$113	(\$336)		
42	Sum Utility Adjustments	\$17				\$17					
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$179)	\$459	(\$128)	\$440	(\$136)	\$420	(\$223)	\$449		
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$824		\$767		\$739		\$762			
45	Adj Rent/Last rent		82%		86%		85%		77%		
46	Estimated Market Rent	\$775	\$0.55 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$575 for a two-bedroom unit, \$675 for a three-bedroom unit and \$775 for a four-bedroom unit.

The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$330 (50%)	\$575	42.60%
	\$345 (60%)		40.00%
Three-Bedroom	\$400 (50%)	\$675	40.74%
	\$410 (60%)		39.25%
Four-Bedroom	\$425 (60%)	\$775	45.16%
Weighted Average			40.67%

The proposed collected Tax Credit rents represent market rent advantages between 39.25% and 45.16%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the region. Further, considering the lack of available general-occupancy LIHTC units within the Site PMA and the fact that the proposed project will offer three- and four-bedroom non-subsidized Tax Credit units which are currently not offered in the market, it is likely the units will be viewed as an even greater value within the market.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.





7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 2000 and 2003. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
10. All of the selected comparable properties are located outside of the Site PMA in the city of Rock Hill, a significantly different market than Chester in terms of population, community services, median household income and rent levels. Given the difference in markets, the rents that are achievable in Rock Hill will not directly translate to the Chester market. As such, considering the previously mentioned factors, we have made adjustments of 30% to account for this market difference.
11. All of the selected properties have two- and three-bedroom units. For those projects lacking four-bedroom units, we have used the three-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. The number of bathrooms offered at each of the selected properties varies among the comparable four-bedroom units. As such, we have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package that is competitive with the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a competitive project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

33.-39. The subject project includes trash collection in the rent. We have made adjustments to reflect the differences in utility responsibility at each selected property as needed. The utility adjustments were based on the local Housing Authority's utility cost estimates.

**9. AFFORDABLE HOUSING IMPACT**

As previously noted, affordable projects will compete with the subject project. The anticipated occupancy rates of the existing non-subsidized Tax Credit developments during the first year of occupancy at the subject development follow:

Map I.D.	Project Name	Current Occupancy Rate	Anticipated Occupancy Rate Through 2014
2	Chester Townhomes I	100.0%	95.0%+
3	Chester Townhomes II	96.2%	95.0%+
7	McAliley Apts.	95.5%	95.5%+

Of the three existing LIHTC projects in the market, two also operate under the Rural Development 515 program and offer units with Rental Assistance. As a result, the competitive overlap of these particular projects is minimal. The only LIHTC project not also operating under the RD 515 program is McAliley Apartments. This project is a general-occupancy project and will likely directly compete with the subject project. Based on our demand estimates, there appears to be sufficient demographic support for the proposed subject project and McAliley Apartments to operate concurrently and successfully, as McAliley Apartments comprises only 22 units. Therefore, we do not anticipate the subject project having an adverse impact on the existing affordable housing supply.

**10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)**

According to ESRI, the median home value within the Site PMA was \$81,280. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for an \$81,280 home is \$579, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$81,280
Mortgaged Value = 95% of Median Home Price	\$77,216
Interest Rate - Bankrate.com	6.0%
Term	30
Monthly Principal & Interest	\$463
Estimated Taxes and Insurance*	\$116
Estimated Monthly Mortgage Payment	\$579

\*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents for the subject property range from \$330 to \$425 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$154 greater than the cost of renting at the proposed subject development, depending on unit size and AMHI level. While it is possible that some residents would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment and general maintenance costs on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## **11. HOUSING VOIDS**

As previously stated, there is only one non-subsidized Tax Credit project located within the Chester Site PMA. This project is currently 95.5% occupied with only one vacant unit. Additional affordable rental housing within the Chester Site PMA includes two subsidized Tax Credit projects and four government-subsidized properties, which have a combined overall occupancy rate of 98.1% with only five vacant units. This further demonstrates that the affordable rental housing segment within the Chester market is strong. As such, there appears to be a need in the market for additional affordable rental housing. Further, as illustrated earlier in this section of the report, there is a general lack of modern, non-subsidized Tax Credit product within the Chester Site PMA. Specifically, the one non-subsidized Tax Credit project within the Site PMA offers only one- and two-bedroom units. The proposed subject project will include a total of 44 general-occupancy units, consisting of two-, three- and four-bedroom units, targeting households at 50% and 60% of AMHI. As such, the proposed three- and four-bedroom non-subsidized Tax Credit units to be offered at the subject development will help fill a void in the affordable rental market.

Additionally, as illustrated in the Field Survey of Conventional Rentals, with exception of the Cottages of Chester Village, all rental product within the Site PMA was constructed prior to 2000. As such, we believe the subject project will add much needed modern units to a market that is generally older and in need of updating. Further, although minimal, the demographic section of this report indicates that the Chester Site PMA will experience growth among both population and households between 2012 and 2015. Specifically, renter-occupied households are also anticipated to increase between 2012 and 2015. Although it is considered modest growth, these demographic trends indicate a stable and slightly increasing base of potential support for the subject development.

## I. INTERVIEWS

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

According to a representative with the Housing Authority of the City of Chester, there are approximately 248 Housing Choice Voucher holders within the housing authority's jurisdiction and 379 people currently on the waiting list for additional Vouchers. The waiting list is currently open. Annual turnover of persons in the Voucher program is estimated at 24 to 36 households. According to the representative, this is reflective of the continuing need for Housing Choice Voucher assistance within the Chester area. As such, this representative with the Housing Authority of the City of Chester stated that additional affordable housing for families is a need within the Chester area.

A representative of the Chester Second Baptist Church stated that there is a definite need for additional affordable housing in the Chester area. Further, this representative states that the church has a benevolent fund which assists area residents and households with rent, utility bills and other necessary expenses. The representative of the church further stated that local residents often request assistance in locating a more desirable property to reside at, as the current Chester rental market is generally older and of substandard quality.

A representative with the Chester County Chamber of Commerce stated that there is a need for more quality affordable housing within Chester. This representative attributed this need to the general lack of available affordable housing in Chester, as most of the affordable housing in Chester is managed by Boyd Management whose' waitlists tend to stay full and do not often accept new applicants.



## J. RECOMMENDATIONS

The proposed subject project will offer the lowest Tax Credit rents in the market and have comprehensive amenity packages, superior unit sizes (square feet) and offer the most bathrooms among comparable unit types. As previously stated in this report, the Chester Site PMA offers a limited amount of non-subsidized Tax Credit product, as only one non-subsidized Tax Credit project currently exists in the market. Further, this one non-subsidized Tax Credit project offers only one- and two-bedroom units. As such, the proposed three- and four-bedroom units to be offered in addition to the two-bedroom units at the subject development will likely create a distinct marketing advantage for the proposed subject development. As such, we do not have any recommendations for changes or modifications to the proposed subject project.

Based on the findings contained in this report, it is our opinion that a market exists for the proposed Leyland Grove apartment project in Chester, South Carolina. This assumes the project is developed as outlined in this report.

## K. SIGNED STATEMENT REQUIREMENT

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

Certified:



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Craig Rupert  
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Date: December 18, 2012

## L. Qualifications

### The Company

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

### The Staff

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Benjamin J. Braley**, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

**Becky Musso**, Market Analyst, is part of the research team at Bowen National Research. She has been involved in the research process for many jobs, but has specifically been skilled in the research of homeless, special needs and farmlabor data. Ms. Musso conducts a variety of interviews with local planning, economic development and stakeholder officials that are used in the analysis of each market.

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

**Craig Rupert**, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

**Heather Moore**, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

**Greg Gray**, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

**Benjamin Adams**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Adams graduated from Otterbein College with a Bachelor of Arts in Economics.

**Christine Atkins**, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.



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

**Amy Tyrrell** is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

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

**Desireé Johnson** is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

**June Davis**, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

## M. Methodologies, Disclaimers & Sources

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

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

## **2. REPORT LIMITATIONS**

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

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

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

## **3. SOURCES**

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

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



# ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

## CHESTER, SOUTH CAROLINA

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

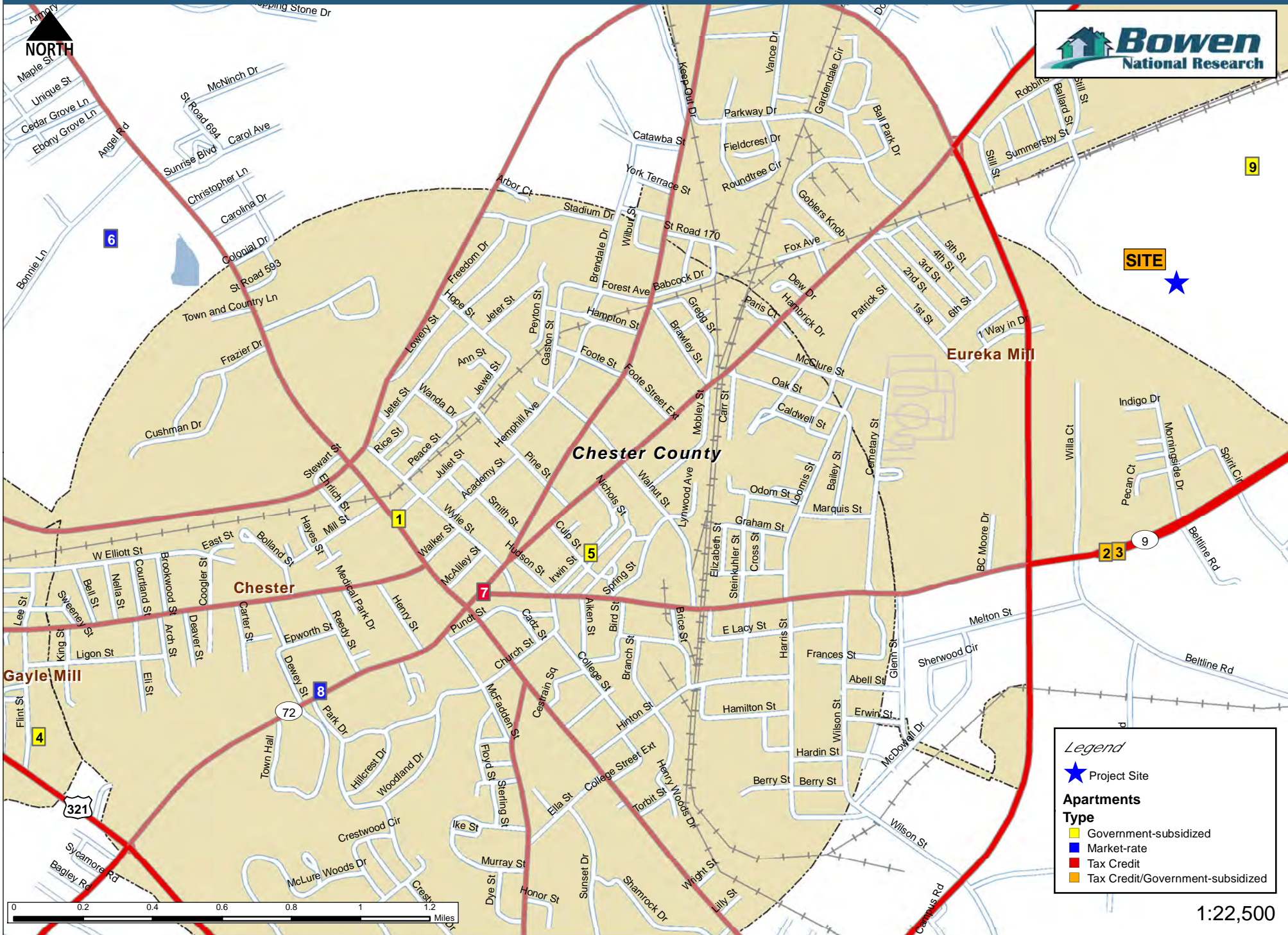
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

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

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

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

# Chester, SC: Apartment Locations



*Legend*

- ★ Project Site
- Apartments Type**
- Government-subsidized
- Market-rate
- Tax Credit
- Tax Credit/Government-subsidized

1:22,500



# MAP IDENTIFICATION LIST - CHESTER, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Center Street Apts.	GSS	B	1987	48	0	100.0%	2.3
2	Chester Townhomes I	TGS	B+	1980	62	0	100.0%	0.6
3	Chester Townhomes II	TGS	B+	1980	52	2	96.2%	0.6
4	Ramsey Grove Apts.	GSS	C	1979	64	3	95.3%	3.4
5	Saluda Apts.	GSS	B-	1987	24	0	100.0%	1.9
6	Magnolia Apts.	MRR	C-	1980	16	3	81.3%	3.5
7	McAliley Apts.	TAX	B-	1999	22	1	95.5%	2.0
8	Carriage Hills of Chester	MRR	B	1970	31	0	100.0%	2.5
9	Cottages of Chester Village	GSS	A	2005	19	0	100.0%	1.8

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	2	47	3	93.6%	0
TAX	1	22	1	95.5%	0
TGS	2	114	2	98.2%	0
GSS	4	155	3	98.1%	0

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

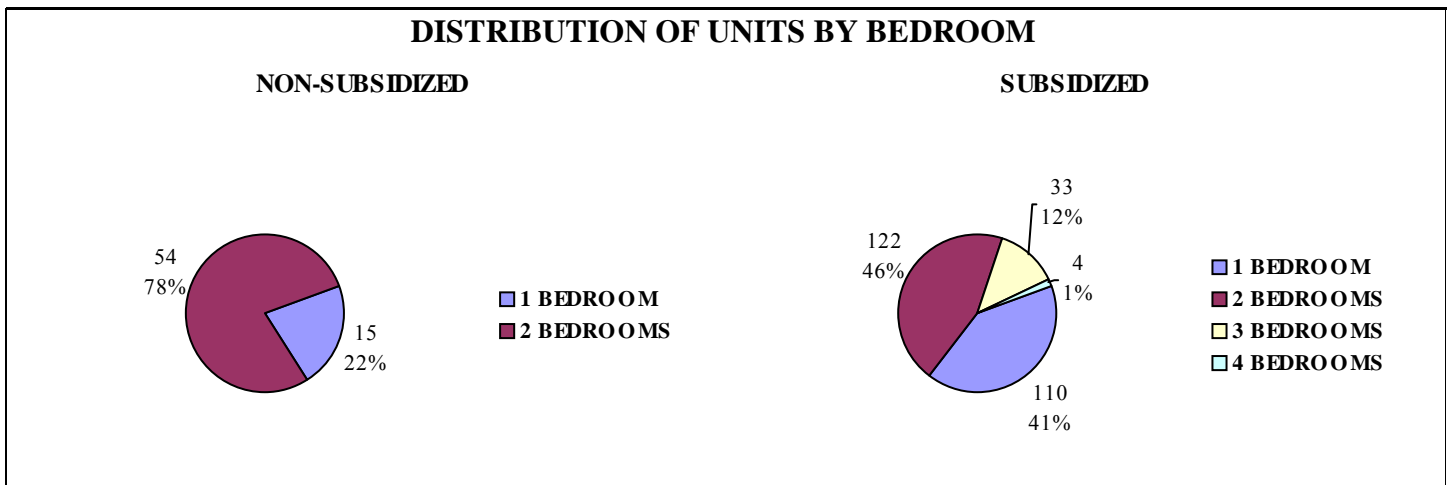
\* - Drive Distance (Miles)

Survey Date: December 2012





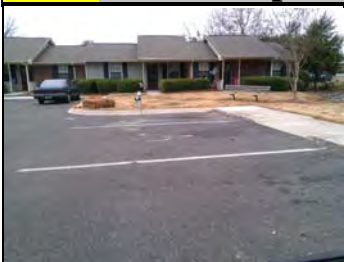


# DISTRIBUTION OF UNITS - CHESTER, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	16	34.0%	3	18.8%	\$570
2	1.5	31	66.0%	0	0.0%	\$635
<b>TOTAL</b>		<b>47</b>	<b>100.0%</b>	<b>3</b>	<b>6.4%</b>	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	15	68.2%	1	6.7%	\$405
2	1	7	31.8%	0	0.0%	\$515
<b>TOTAL</b>		<b>22</b>	<b>100.0%</b>	<b>1</b>	<b>4.5%</b>	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	29	25.4%	0	0.0%	N.A.
2	1.5	68	59.6%	0	0.0%	N.A.
3	1.5	17	14.9%	2	11.8%	N.A.
<b>TOTAL</b>		<b>114</b>	<b>100.0%</b>	<b>2</b>	<b>1.8%</b>	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	81	52.3%	2	2.5%	N.A.
2	1	20	12.9%	1	5.0%	N.A.
2	1.5	34	21.9%	0	0.0%	N.A.
3	1.5	16	10.3%	0	0.0%	N.A.
4	2	4	2.6%	0	0.0%	N.A.
<b>TOTAL</b>		<b>155</b>	<b>100.0%</b>	<b>3</b>	<b>1.9%</b>	
<b>GRAND TOTAL</b>		<b>338</b>	<b>-</b>	<b>9</b>	<b>2.7%</b>	



# SURVEY OF PROPERTIES - CHESTER, SOUTH CAROLINA


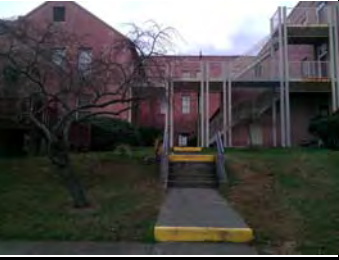

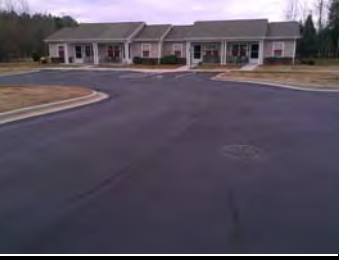
1 Center Street Apts.			
	<b>Address</b> 301 Center St. Chester, SC 29706	<b>Phone</b> (803) 581-1336 (Contact in person)	<b>Total Units</b> 48
	<b>Year Built</b> 1987 <b>Comments</b> RD 515, has RA (23 units); HCV (14 units)	<b>Contact</b> Shannon	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1,2 <b>Quality Rating</b> B
			<b>Waiting List</b> 1 month
2 Chester Townhomes I			
	<b>Address</b> 628 Lancaster St. Chester, SC 29706	<b>Phone</b> (803) 377-7970 (Contact in person)	<b>Total Units</b> 62
	<b>Year Built</b> 1980 <b>Renovated</b> 2006 <b>Comments</b> 60% AMHI; RD 515, has RA (50 units); HCV (12 units); Square footage estimated	<b>Contact</b> Felicia	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B+
			<b>Waiting List</b> 5 households
3 Chester Townhomes II			
	<b>Address</b> 628 Lancaster St. Chester, SC 29706	<b>Phone</b> (803) 377-7970 (Contact in person)	<b>Total Units</b> 52
	<b>Year Built</b> 1980 <b>Renovated</b> 2006 <b>Comments</b> 60% AMHI; RD 515, has RA (36 units); HCV (16 units)	<b>Contact</b> Felicia	<b>Vacancies</b> 2 <b>Occupied</b> 96.2% <b>Floors</b> 2 <b>Quality Rating</b> B+
			<b>Waiting List</b> 1 & 2-br: 10 HH
4 Ramsey Grove Apts.			
	<b>Address</b> 553 Flint St. Chester, SC 29706	<b>Phone</b> (803) 377-7118 (Contact in person)	<b>Total Units</b> 64
	<b>Year Built</b> 1979 <b>Comments</b> RD 515, has RA (64 units); Square footage estimated	<b>Contact</b> Jessica	<b>Vacancies</b> 3 <b>Occupied</b> 95.3% <b>Floors</b> 2 <b>Quality Rating</b> C
			<b>Waiting List</b> None
5 Saluda Apts.			
	<b>Address</b> 100 Culp St. Chester, SC 29706	<b>Phone</b> (803) 581-1336 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1987 <b>Comments</b> RD 515, has RA (24 units)	<b>Contact</b> Linda	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> B- <b>Senior Restricted (55+)</b>
			<b>Waiting List</b> 10 households

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: December 2012

# SURVEY OF PROPERTIES - CHESTER, SOUTH CAROLINA

6 Magnolia Apts.			
	<b>Address</b> 102 Pickney St. Chester, SC 29706	<b>Phone</b> (803) 581-0209 (Contact in person)	<b>Total Units</b> 16
	<b>Year Built</b> 1980 <b>Comments</b> HCV (2 units); Vacancies due to recent evictions	<b>Contact</b> Lindsey	<b>Vacancies</b> 3 <b>Occupied</b> 81.3% <b>Floors</b> 2 <b>Quality Rating</b> C-  <b>Waiting List</b> None
7 McAliley Apts.			
	<b>Address</b> 120 Main St. Chester, SC 29706	<b>Phone</b> (803) 385-5559 (Contact in person)	<b>Total Units</b> 22
	<b>Year Built</b> 1999 <b>Comments</b> 50% & 60% AMHI; HCV (9 units); 1st floor commercial; Historic hotel, originally built in 1866; Square footage estimated	<b>Contact</b> Cindy	<b>Vacancies</b> 1 <b>Occupied</b> 95.5% <b>Floors</b> 3 <b>Quality Rating</b> B-  <b>Waiting List</b> None
8 Carriage Hills of Chester			
	<b>Address</b> 153 W. End St. Chester, SC 29706	<b>Phone</b> (803) 581-0732 (Contact in person)	<b>Total Units</b> 31
	<b>Year Built</b> 1970 <b>Comments</b> Does not accept HCV	<b>Contact</b> Scott	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B  <b>Waiting List</b> 2 households
9 Cottages of Chester Village			
	<b>Address</b> 662 Village Dr. Chester, SC 29706	<b>Phone</b> (803) 385-5807 (Contact in person)	<b>Total Units</b> 19
	<b>Year Built</b> 2005 <b>Comments</b> HUD Section 811 PRAC; Accepts HCV; Square footage estimated	<b>Contact</b> Doris	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> A <b>Senior Restricted (62+)</b> <b>Waiting List</b> 18 households

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: December 2012

# COLLECTED RENTS - CHESTER, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
6			\$400						
7		\$405 to \$450	\$515 to \$525						
8			\$530				\$560		

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

Survey Date: December 2012



# PRICE PER SQUARE FOOT - CHESTER, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
7	McAliley Apts.	1	600	\$405 to \$450	\$0.68 to \$0.75
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
6	Magnolia Apts.	1	750	\$570	\$0.76
8	Carriage Hills of Chester	1.5	1000 to 1100	\$635 to \$665	\$0.60 to \$0.64
7	McAliley Apts.	1	800	\$515 to \$525	\$0.64 to \$0.66

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

Survey Date: December 2012

# AVERAGE GROSS RENT PER SQUARE FOOT - CHESTER, SOUTH CAROLINA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.00	\$0.69	\$0.00
TOWNHOUSE	\$0.00	\$0.60	\$0.00

<b>TAX CREDIT (NON-SUBSIDIZED)</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.72	\$0.65	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>COMBINED</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.72	\$0.68	\$0.00
TOWNHOUSE	\$0.00	\$0.60	\$0.00

# TAX CREDIT UNITS - CHESTER, SOUTH CAROLINA

<b>ONE-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Chester Townhomes II	11	762	1	60%	\$370 - \$538
2	Chester Townhomes I	18	762	1	60%	\$370 - \$498
7	McAliley Apts.	7	600	1	50%	\$405
7	McAliley Apts.	8	600	1	60%	\$450
<b>TWO-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Chester Townhomes II	24	1056	1.5	60%	\$440 - \$642
2	Chester Townhomes I	44	1056	1.5	60%	\$440 - \$602
7	McAliley Apts.	3	800	1	50%	\$515
7	McAliley Apts.	4	800	1	60%	\$525
<b>THREE-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Chester Townhomes II	17	1107	1.5	60%	\$500 - \$701

# QUALITY RATING - CHESTER, SOUTH CAROLINA

## MARKET-RATE PROJECTS AND UNITS

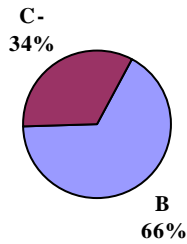
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	31	0.0%			\$635		
C-	1	16	18.8%			\$570		

## TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

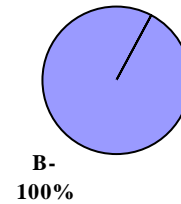
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	1	22	4.5%		\$405	\$515		

## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS





## YEAR BUILT - CHESTER, SOUTH CAROLINA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	31	0	0.0%	31	44.9%
1980 to 1989	1	16	3	18.8%	47	23.2%
1990 to 1999	1	22	1	4.5%	69	31.9%
2000 to 2004	0	0	0	0.0%	69	0.0%
2005	0	0	0	0.0%	69	0.0%
2006	0	0	0	0.0%	69	0.0%
2007	0	0	0	0.0%	69	0.0%
2008	0	0	0	0.0%	69	0.0%
2009	0	0	0	0.0%	69	0.0%
2010	0	0	0	0.0%	69	0.0%
2011	0	0	0	0.0%	69	0.0%
2012**	0	0	0	0.0%	69	0.0%
<b>TOTAL</b>	<b>3</b>	<b>69</b>	<b>4</b>	<b>5.8%</b>	<b>69</b>	<b>100.0 %</b>

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

\*\* As of December 2012

Survey Date: December 2012

## APPLIANCES AND UNIT AMENITIES - CHESTER, SOUTH CAROLINA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	3	100.0%	69
REFRIGERATOR	3	100.0%	69
ICEMAKER	0	0.0%	
DISHWASHER	1	33.3%	31
DISPOSAL	0	0.0%	
MICROWAVE	0	0.0%	
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	3	100.0%	69
AC - WINDOW	0	0.0%	
FLOOR COVERING	3	100.0%	69
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	1	33.3%	31
PATIO/DECK/BALCONY	1	33.3%	31
CEILING FAN	2	66.7%	53
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	3	100.0%	69
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

## PROJECT AMENITIES - CHESTER, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	1	33.3%	31
ON-SITE MANAGEMENT	1	33.3%	31
LAUNDRY	1	33.3%	22
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	33.3%	31
COMPUTER LAB	0	0.0%	
SPORTS COURT	1	33.3%	31
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

# DISTRIBUTION OF UTILITIES - CHESTER, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
LANDLORD			
ELECTRIC	2	41	12.1%
TENANT			
ELECTRIC	6	233	68.9%
GAS	1	64	18.9%
			100.0%
<b>COOKING FUEL</b>			
LANDLORD			
ELECTRIC	2	41	12.1%
TENANT			
ELECTRIC	7	297	87.9%
			100.0%
<b>HOT WATER</b>			
LANDLORD			
ELECTRIC	2	41	12.1%
TENANT			
ELECTRIC	6	233	68.9%
GAS	1	64	18.9%
			100.0%
<b>ELECTRIC</b>			
LANDLORD	2	41	12.1%
TENANT	7	297	87.9%
			100.0%
<b>WATER</b>			
LANDLORD	4	136	40.2%
TENANT	5	202	59.8%
			100.0%
<b>SEWER</b>			
LANDLORD	4	136	40.2%
TENANT	5	202	59.8%
<b>TRASH PICK-UP</b>			
LANDLORD	9	338	100.0%
			100.0%

# UTILITY ALLOWANCE - CHESTER, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$14	\$17		\$9	\$9	\$16	\$4	\$5	\$33	\$16	\$20	\$7	\$20
1	GARDEN	\$17	\$24		\$12	\$13	\$22	\$6	\$7	\$43	\$16	\$21	\$7	\$20
1	TOWNHOUSE	\$17	\$24		\$12	\$13	\$22	\$6	\$7	\$43	\$16	\$21	\$7	\$20
2	GARDEN	\$21	\$32		\$16	\$17	\$28	\$8	\$9	\$56	\$23	\$22	\$13	\$20
2	TOWNHOUSE	\$21	\$32		\$16	\$17	\$28	\$8	\$9	\$56	\$23	\$22	\$13	\$20
3	GARDEN	\$25	\$39		\$19	\$21	\$35	\$9	\$11	\$65	\$30	\$23	\$13	\$20
3	TOWNHOUSE	\$25	\$39		\$19	\$21	\$35	\$9	\$11	\$65	\$30	\$23	\$13	\$20
4	GARDEN	\$31	\$49		\$24	\$26	\$44	\$12	\$15	\$81	\$38	\$32	\$17	\$20
4	TOWNHOUSE	\$31	\$49		\$24	\$26	\$44	\$12	\$15	\$81	\$38	\$32	\$17	\$20

SC-Chester (1/2013) Fees

Survey Date: December 2012

A-17



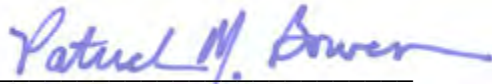


## ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

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

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

Certified:



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Patrick Bowen  
President/Market Analyst  
Bowen National Research  
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Pickerington, OH 43147  
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[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: December 18, 2012



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Craig Rupert  
Market Analyst  
[craigr@bowennational.com](mailto:craigr@bowennational.com)  
Date: December 18, 2012

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

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

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

### C. CHECKLIST

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

## CHECKLIST (Continued)

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

**CHECKLIST (Continued)**

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