

Market Feasibility Analysis

**Stables at the Woods
West of York Street &
Schroder Street Intersection
Aiken, Aiken County, South Carolina 29801**

Prepared For

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Effective Date

February 27, 2013

Job Reference Number

13-183 HM/PB



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

Development Name: Stables at the Woods Total # Units: 52
 Location: West of York Street & Schroder Street Intersection
Aiken, SC 29801 # LIHTC Units: 52
Aiken County line, State Highway 1725, State Highway 264, Gooseneck Road, and Flowing Well Road to the north; Wagener Road, Hatchaway Bridge Road, Fireflower Road, and County Highway 493 to the east; Colbert Bridge Road, White Pond Road, Whiskey Road, city limits of Aiken, State Highway 81, and Sudlow Lake Road to the south; U.S. Highway 1, Chalk Bed Road, Old Powerhouse Road, Interstate 26, and State Route 144 to the west.
 PMA Boundary:
 Development Type: X Family Older Persons Farthest Boundary Distance to Subject: ~13.0 miles

RENTAL HOUSING STOCK (found on page H-12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	26	2,615	124	95.3%
Market-Rate Housing	16	2,014	124	93.8%
Assisted/Subsidized Housing not to include LIHTC	5	379	0	100.0%
LIHTC (All that are stabilized)*	5	222	0	100.0%
Stabilized Comps**	4	186	0	100.0%
Non-stabilized Comps	-	-	-	-

*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
20	Two-Br.	2.0	1,100	\$420	\$860	\$0.78	51.16%	\$885	\$0.77
20	Three-Br.	2.0	1,250	\$470	\$950	\$0.76	50.53%	\$1,110	\$0.86
12	Four-Br.	2.5	1,400	\$520	\$1,070	\$0.76	51.40%	\$1,110	\$0.86
*Gross Potential Rent Monthly				\$24,040	\$49,040		50.98%		

*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-3, G-5)

	2000		2012		2015	
Renter Households	8,656	31.5%	9,065	32.2%	9,253	31.9%
Income-Qualified Renter HHs (LIHTC)	-	-	1,824	6.5%	1,855	6.4%
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	31	42	N/A	N/A	N/A	42
Existing Households (Overburd + Substand)	651	805	N/A	N/A	N/A	805
Homeowner conversion (Seniors)	0	0	N/A	N/A	N/A	0
Other:	0	0	N/A	N/A	N/A	0
Less Comparable/Competitive Supply	0	0	N/A	N/A	N/A	0
Net Income-Qualified Renter Households	682	847	N/A	N/A	N/A	847

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	1.9%	5.2%	N/A	N/A	N/A	6.1%

ABSORPTION RATE (found on page G-7)

Absorption Rate: 8 to 10 units per month; Absorption period: 4 to 5 months

S-2 RENT CALCULATION WORKSHEET

Project Name: Stables at the Woods

# 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	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
20	2 BR	\$420	\$8,400	\$860	\$17,200	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
20	3 BR	\$470	\$9,400	\$950	\$19,000	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
12	4 BR	\$520	\$6,240	\$1,070	\$12,840	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	52		\$24,040		\$49,040	50.98%

B. PROJECT DESCRIPTION

The proposed project, Stables at the Woods, involves the new construction of the 52 rental units in Aiken, South Carolina. The project will be restricted to family households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The unit mix includes 20 two-bedroom/2.0 bathroom garden units, 20 three-bedroom/2.0 bathroom garden units, and 12 four-bedroom/2.5 bathroom garden units within three-story walk-up buildings. The proposed collected rents range from \$420 to \$520. The project is anticipated to be open in December of 2014. Additional details concerning the subject project are as follows:

- a. Property Location:** West of York Street & Schroder Street Intersection
Aiken, South Carolina 29801
(Aiken County)
- b. Construction Type:** New Construction
- c. Occupancy Type:** General Occupancy
- d. Target Income Group:** 50% and 60% 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
5	Two-Br	2.0	Garden	1,100	50%	\$420	\$128	\$548
15	Two-Br	2.0	Garden	1,100	60%	\$420	\$128	\$548
5	Three-Br	2.0	Garden	1,250	50%	\$470	\$161	\$631
15	Three-Br	2.0	Garden	1,250	60%	\$470	\$161	\$631
3	Four-Br	2.5	Garden	1,400	50%	\$520	\$197	\$717
9	Four-Br	2.5	Garden	1,400	60%	\$520	\$197	\$717
52	Total							

Source: ZWK Housing, LLC

AMHI – Area Median Household Income (Augusta-Richmond County GA-SC MSA)

- g. Number Of Stories/Buildings:** Three (3), three-story walk-up buildings
- k. Project-Based Rental Assistance (Existing or Proposed):** Not Applicable

l. Community Amenities:

The subject property will include the following community features:

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

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Microwave Oven
- Carpet
- Central Air Conditioning
- Mini-Blinds
- Washer/Dryer Appliances
- Washer/Dryer Hookups
- Patio/Balcony
- Ceiling Fans

n. Parking:

An uncovered surface parking lot containing 97 spaces will be provided at no additional charge to the tenants.

o. Renovations and Current Occupancy:

Not applicable.

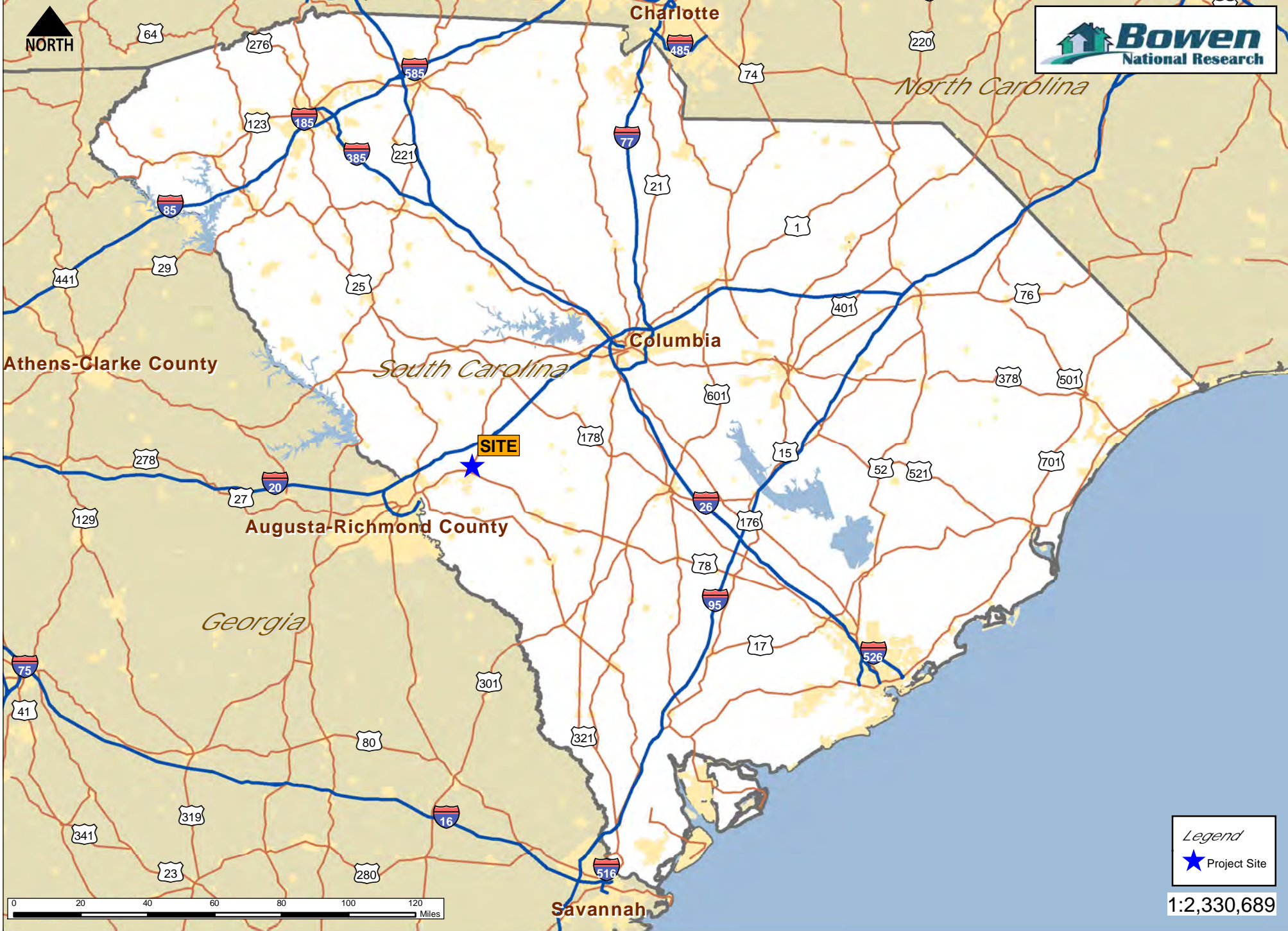
p. Utility Responsibility:

Water, sewer and trash collection are included in the rent, while tenants are responsible for all other utilities and services, including the following:

- Unit Electricity
- Electric Heating
- Electric Cooking
- Electric Hot Water Heating

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

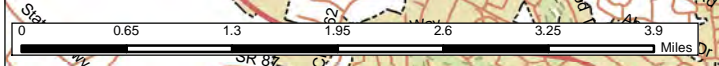
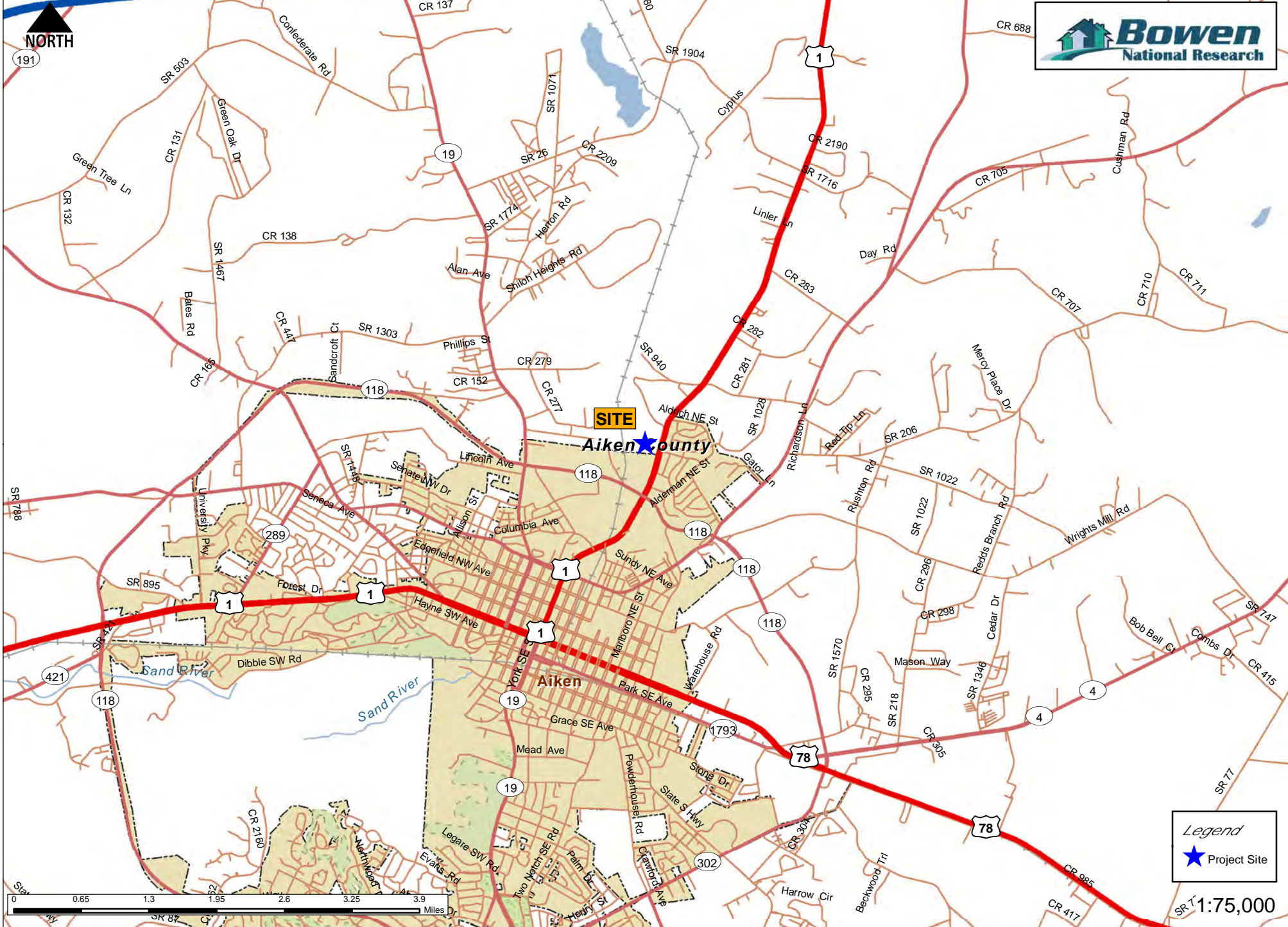
State of South Carolina



Legend
★ Project Site

1:2,330,689

Aiken, SC: Surrounding Area



Legend
★ Project Site

SR T: 1:75,000

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 17, 2013. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of a wooded undeveloped parcel, located west of the York Street/U.S. Highway 1 and Schroder Street intersection in the northern portion of Aiken, South Carolina. The site is approximately 21.6 miles northeast of Augusta, Georgia and approximately 53.8 miles southwest of Columbia, South Carolina. Following is a description of surrounding land uses:

North -	Wooded undeveloped land is located adjacent to and extending north of the subject site, which also contains standard tension power lines commonly found in residential areas. Located farther north and northeast of the site are the WR Grace & Company offices, industrial structures, ASCO Valve Incorporated, and the Aiken Fairgrounds.
East -	The River of Life Church, as well as a small farm, are adjacent to the site to the east. York Street, a north/south arterial serving the region, is also east of the site and will serve as the primary access point. Farther east is Crosland Park, which features playgrounds, sports courts, as well as a residential community consisting single-family homes considered to be in good condition.
South -	Wooded undeveloped land is adjacent south of the site, which extends into the Glendale Terrace Apartments, a market-rate community considered to be in good condition. Continuing south is a Bi-Lo grocery store, McDonalds and Domino's Pizza. Extending farther south are Reid's Grocery, Northside Plaza Shopping Center and CVS Pharmacy. These services are easily accessible along York Street. Crosland Apartments, a government-subsidized property in good condition is also located south of the proposed site, east of York Street. Traveling farther south are similar community services, industrial structures, and single-family homes in good condition.

West -	Wooded undeveloped land is adjacent to the site to the west that extends to a light residential area consisting of single-family homes in fair to good condition and local businesses that extend to Edgefield Highway/Laurens Street NW.
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The subject site is situated in an established residential area of Aiken where the surrounding neighborhoods are considered to be in good condition, with homes predominantly located to the east of the site. The proposed site has convenient access to York Street that serves as a major commercial corridor and arterial roadway in the area. Overall, the surrounding land uses are conducive to supporting residential rental units.

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 Highway(S)	U.S. Highway 1/York Street State Route 116	0.1 East 0.4 South
Public Bus Stop	Best Friend Express	0.1 Northeast
Major Employers/Employment Centers	County of Aiken Government Aiken Regional Medical Center Walmart Supercenter	2.7 Southwest 4.5 West 4.8 Southwest
Convenience Store	Kangaroo Express BP	0.4 South 0.4 South
Grocery	Bi-Lo Reid's Grocery	0.4 South 0.5 South
Discount Department Store	Dollar General Family Dollar Store Dollar General	0.4 South 0.5 South 2.2 South
Shopping Center/Mall	North Plaza Shopping Center	0.5 South
Schools: Elementary Middle/Junior High Senior High	North Aiken Elementary School Aiken Middle School Aiken High School	2.0 East 1.9 East 1.3 West
Hospital	Aiken Regional Medical Center	4.5 West
Police	Aiken Police Department	2.0 Southwest
Fire	Aiken Fire Department	2.0 Southwest
Post Office	U.S. Post Office	1.9 Southwest
Bank	Regions Bank Southern Bank & Trust Wachovia Bank	2.0 Southwest 2.1 Southwest 2.2 Southwest
Recreational Facilities	Smith Hazel Recreation Center	1.4 Southwest
Gas Station	Sunoco BP	0.4 South 0.4 South
Pharmacy	CVS Pharmacy Family Pharmacy	0.4 South 1.8 Southwest

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Restaurant	Mc Donald's	0.4 South
	Blimpie Subs & Salads	0.4 South
	Little China	0.5 South
Library	Aiken County Library	2.3 Southwest
Park	Crosland Park	0.1 East

The subject site is within close proximity to select shopping opportunities. North Plaza Shopping Center is located within 0.5 miles south of the site. The local Dollar General is located 0.4 miles south of the site, with additional shopping options available within 2.2 miles of the site. Local restaurants are located within 0.5 miles of the site, and Crosland Park is within walking distance of the proposed site location.

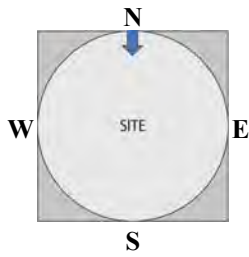
The site is located within Aiken County Public School District and is served by North Aiken Elementary (2.0 east), Aiken Middle (1.9 east), and Aiken High School (1.3 west).

Public safety services including the Aiken Police and Fire Departments are located approximately 2.0 miles of the subject site. The U.S. Post Office is approximately 1.9 miles southwest of the site. The nearest major hospital is Aiken Regional Medical Center located 4.5 miles west of the site. Aiken Regional Medical Center is equipped with 245-beds and 120 qualified physicians.

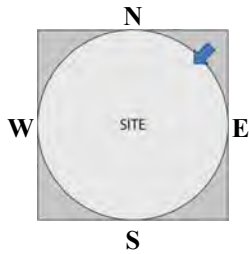
4. SITE PHOTOGRAPHS

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

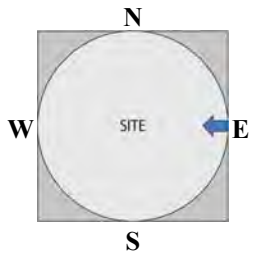
SITE PHOTOGRAPHS



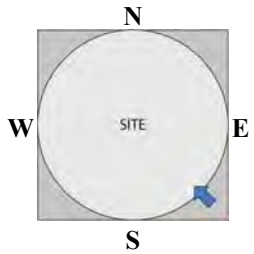
View of site from the north



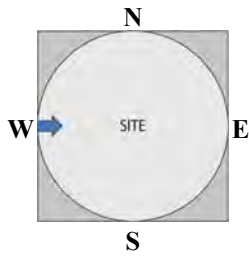
View of site from the northeast



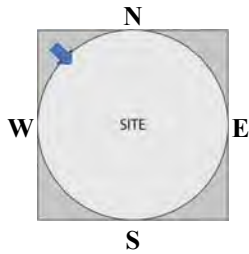
View of site from the east



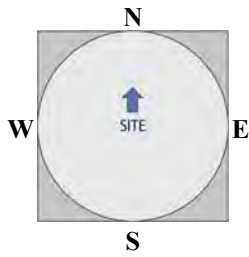
View of site from the southeast



View of site from the west



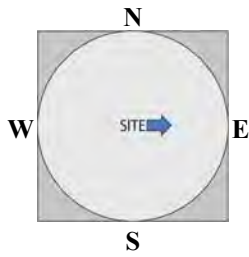
View of site from the northwest



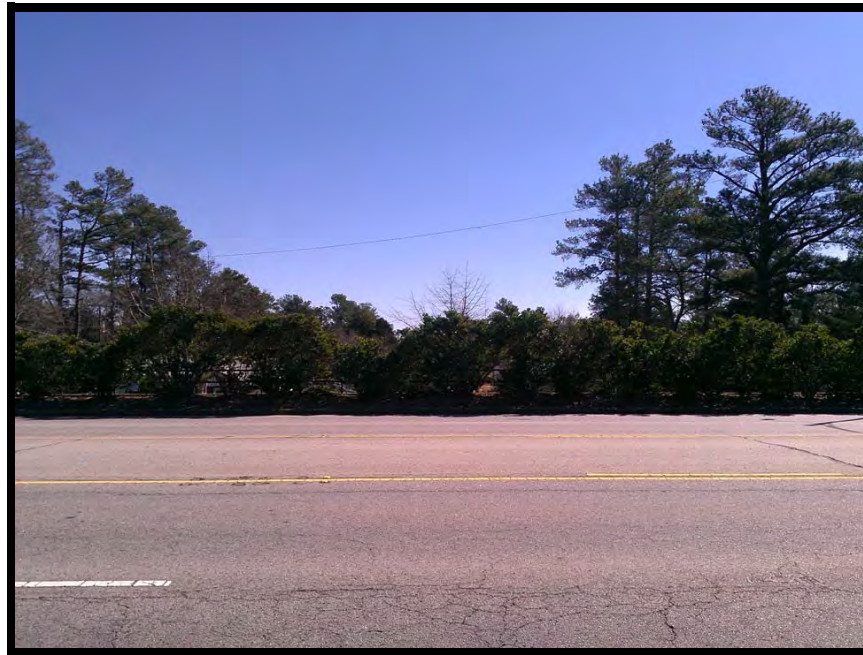
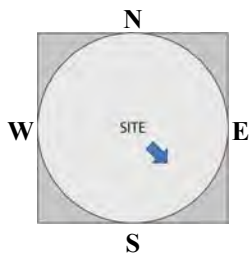
North view from site



Northeast view from site



East view from site



Southeast view from site



West view from site



Northwest view from site



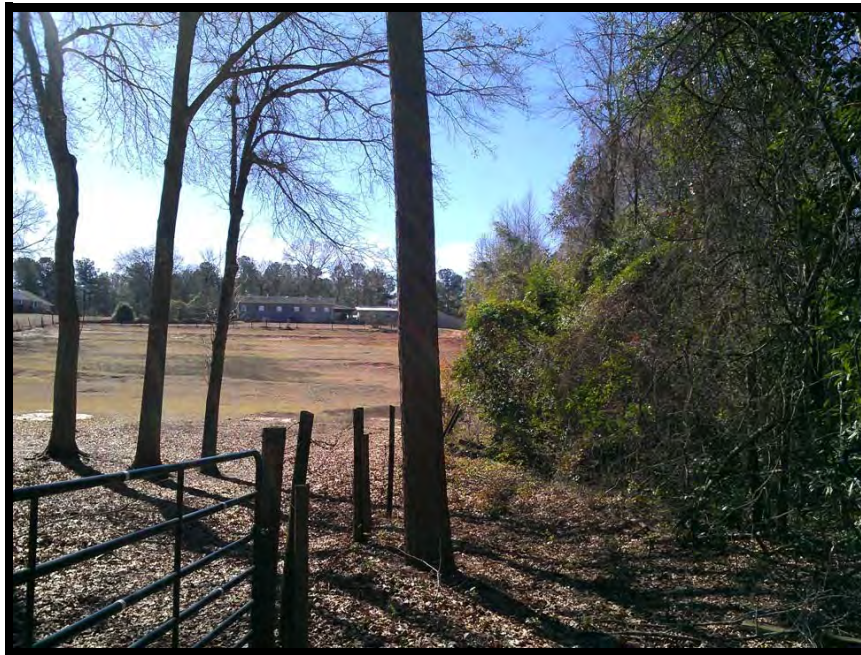
Facing east along northern boundary



Facing west along northern boundary



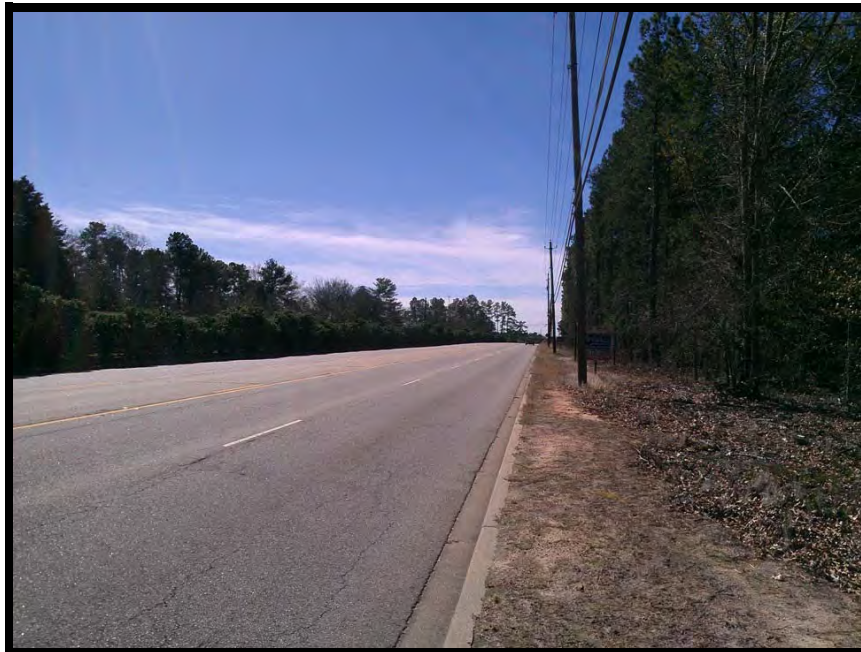
Facing north along eastern boundary



Facing south along eastern boundary



Facing north along U.S. Highway 1



Facing south along U.S. Highway 1

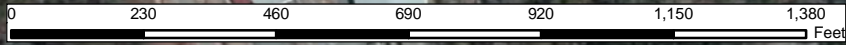
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

Aiken, SC: Site Neighborhood



NORTH



Legend

-  Project Site

Image Date: 02-28-2010
1 inch = 333 feet

Aiken, SC: Neighborhood Community Services

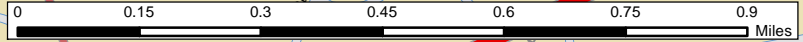
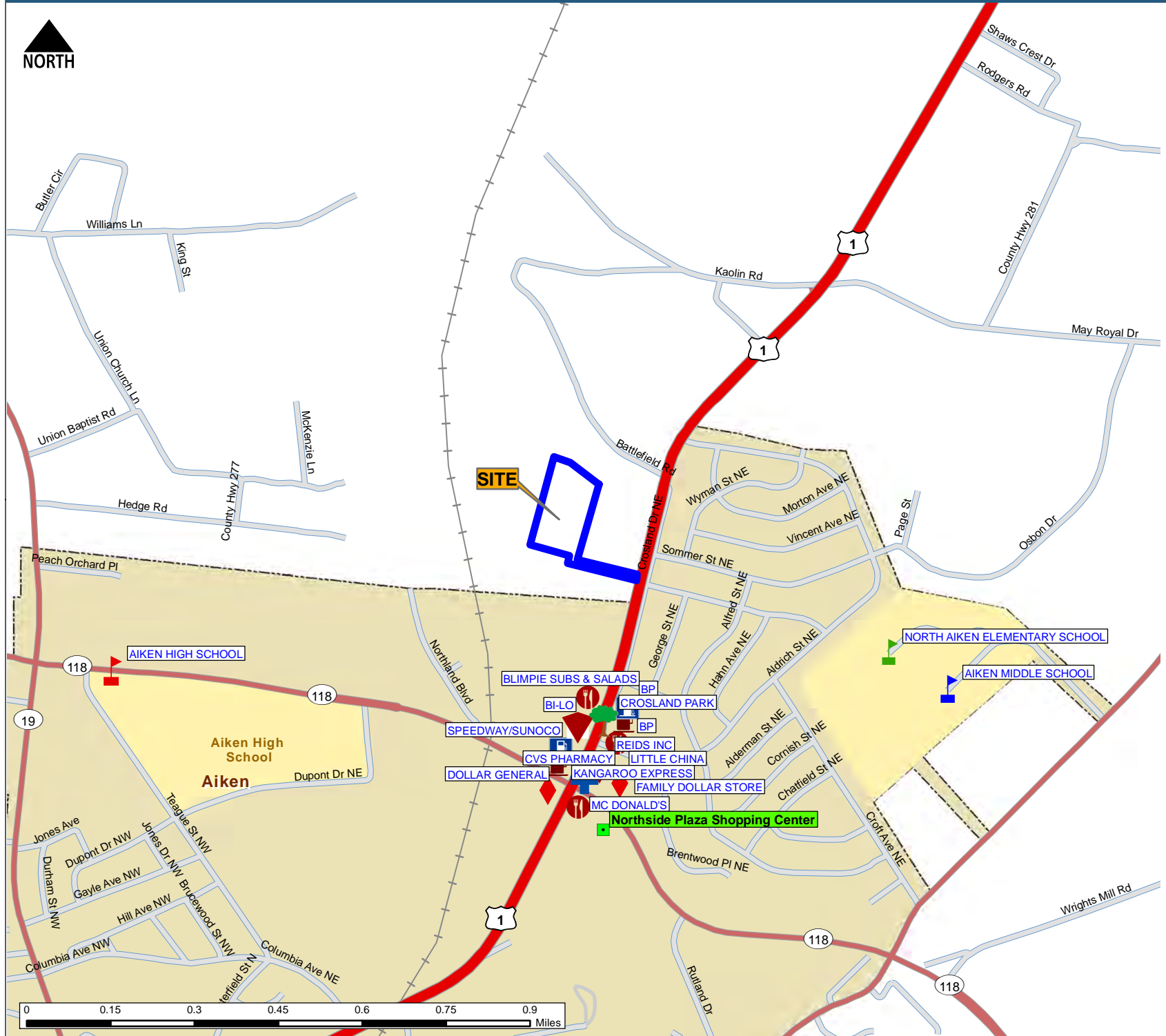


Legend

- Project Site
- convenience store
- elementary school
- gas
- grocery
- high school
- middle school
- park
- pharmacy
- restaurant
- shopping

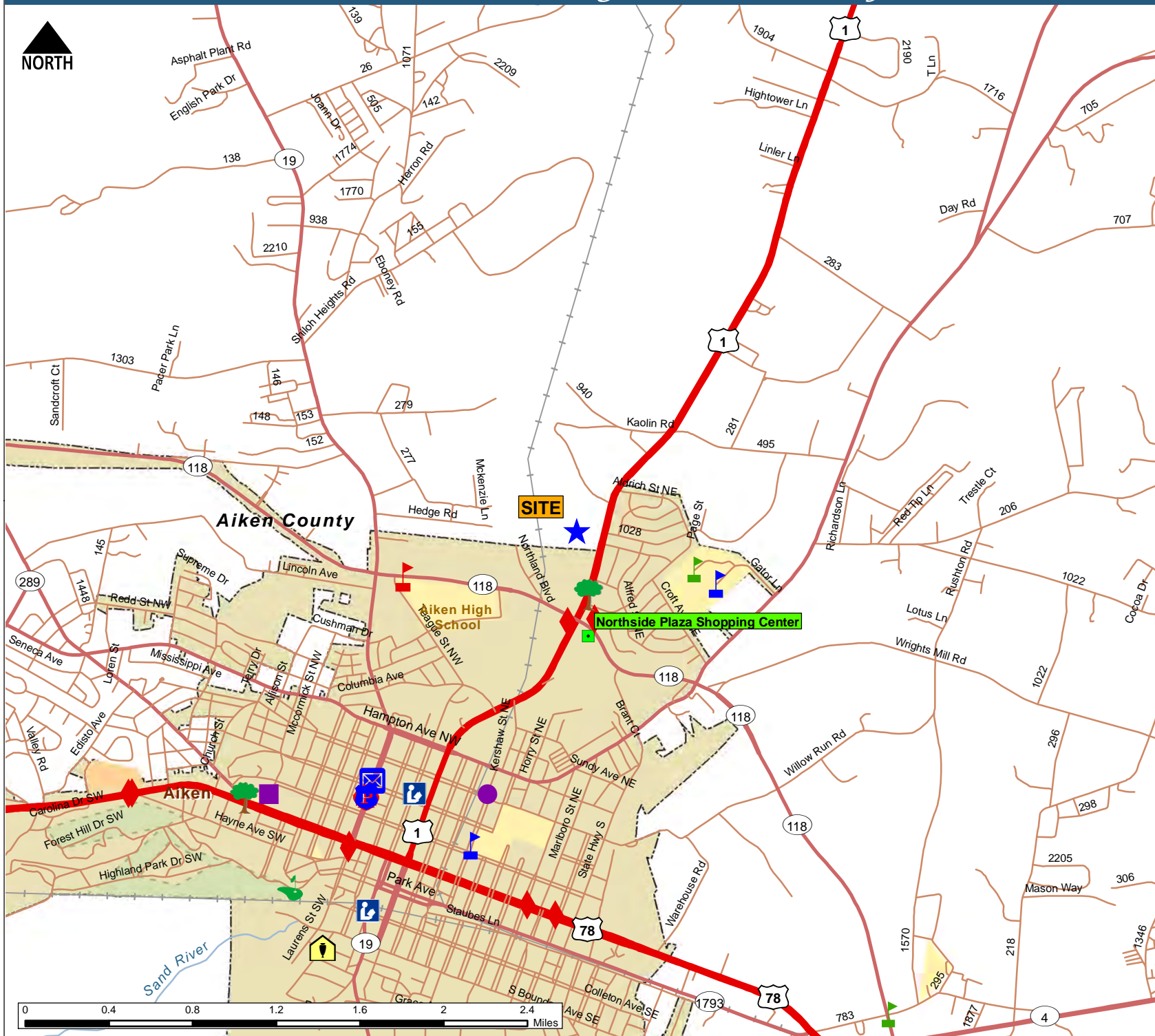
Shopping Center Gross Leasable Area

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



1:15,000

Aiken, SC: Regional Community Services



Legend

- Project Site
- elementary school
- fire
- golf
- high school
- library
- middle school
- museum
- park
- police
- post office
- rec./community center
- senior services
- shopping

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 local planning and zoning officials, no significant road construction or infrastructure improvements are planned for the immediate neighborhood.

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 (122) for the Site PMA is above the national average with an overall personal crime index of 144 and a property crime index of 128. Total crime risk (123) for Aiken County is above the national average with indexes for personal and property crime of 139 and 128, respectively.

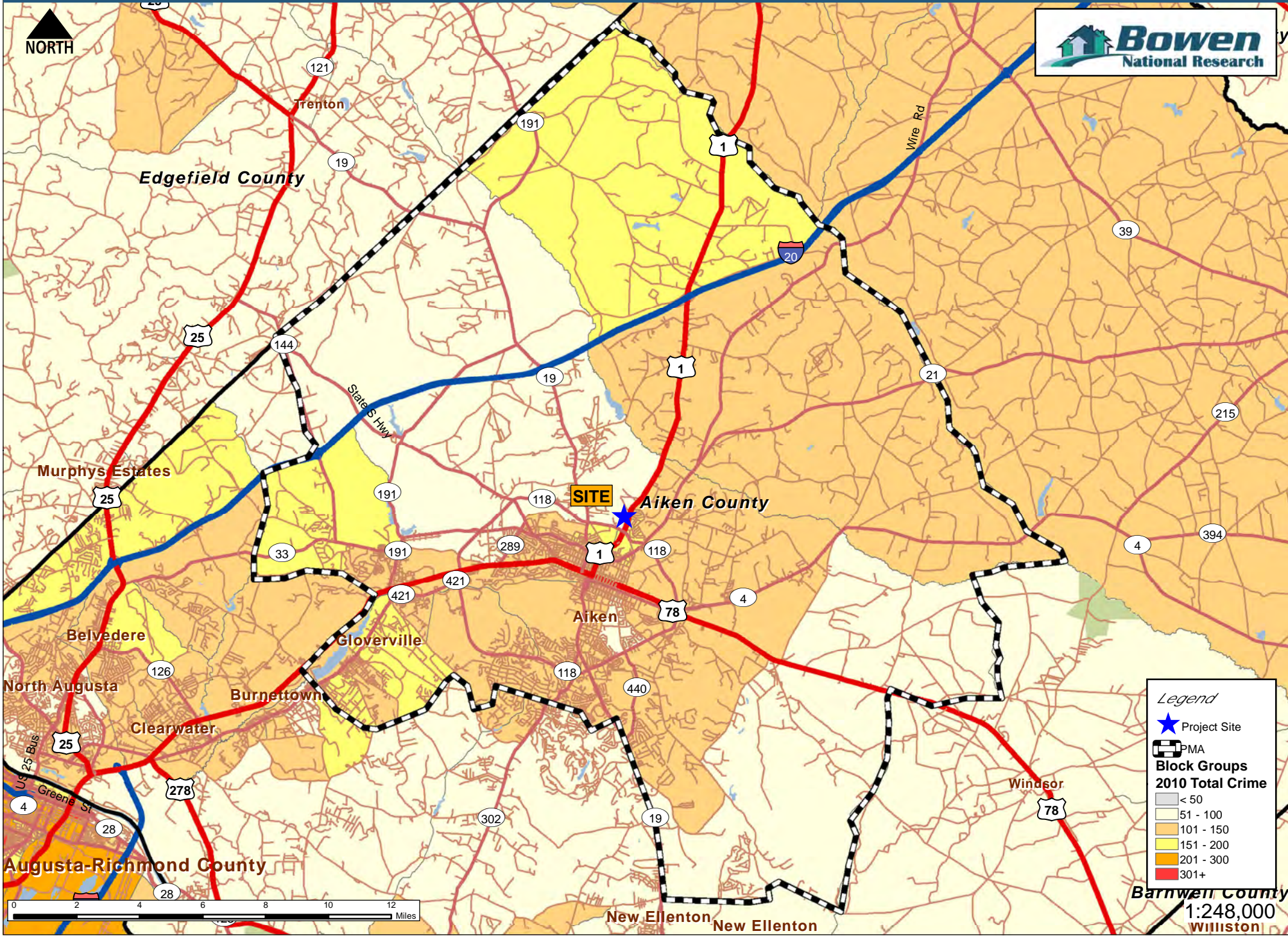
	Crime Risk Index	
	Site PMA	Aiken County
Total Crime	122	123
Personal Crime	144	139
Murder	147	150
Rape	145	131
Robbery	80	82
Assault	126	126
Property Crime	128	128
Burglary	147	151
Larceny	129	119
Motor Vehicle Theft	87	97

Source: Applied Geographic Solutions

The total crime risk for the Aiken Site PMA is above the national average. However, this has not had an impact on the rental housing market, as all properties surveyed in the market are maintaining high occupancies, which is further summarized in Section H of this report. It should be noted that the site is located within a lower crime area, as evidenced in the map on the following page. As such, we do not anticipate crime will be an issue on the marketability of the subject site.

A map illustrating crime risk is on the following page.

Aiken, SC: 2010 Crime Risk



8. ACCESS AND VISIBILITY

The subject property is located west of York Street and Schroder Street intersection in the northern portion of Aiken, South Carolina. Vehicular traffic along York Street is considered moderate to high, as it serves as one of the area's major arterial thoroughfares. The roadways east of York Street are predominately residential roadways with light vehicular and pedestrian traffic. Overall, access to the proposed site is considered good.

Visibility is considered to be slightly limited as the site is expected to be partially obstructed by the adjacent wooded land, small farm and the River of Life Church located east and south of the proposed site. It would be beneficial to have appropriate signage located at the site entrance along the highly travelled York Street. Note that the site is anticipated to be a three-story building, which will likely have visibility when travelling north bound along York Street, and slight visibility when travelling south bound along York Street.

Public transportation is provided by the Best Friend Express that serves Aiken County. The nearest bus stop is located at the intersection of York Street and Aldrich Street 0.1 mile northeast of the site.

9. VISIBLE OR ENVIRONMENTAL ISSUES

No environmental issues were identified at the time of the site visit.

10. OVERALL SITE CONCLUSIONS

The proposed site fits in well with the surrounding land uses and should have a positive effect on its marketability. The site neighborhood is considered to be of good quality, as the majority of single-family homes and structures are in good condition. Accessibility is considered good, as there is easy and immediate access to York Street, a major arterial roadway. Visibility is considered to be slightly limited due to the adjacent land uses. However given that the site is expected to be a three-story building and appropriate signage is recommended along York Street, the proposed site will likely have sufficient visibility for prospective tenants travelling northbound along York Street.

The site is located within close proximity to several community services including shopping, dining, employment and entertainment options. Public transportation is provided within Aiken County, and the nearest bus stop is located within walking distance of the proposed site. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Aiken 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 Aiken Site PMA includes all of Aiken and Gloverville, and portions of unincorporated areas of Aiken County. The boundaries of the Site PMA consists of Aiken County line, State Highway 1725, State Highway 264, Gooseneck Road, and Flowing Well Road to the north; Wagener Road, Hatchaway Bridge Road, Fireflower Road, and County Highway 493 to the east; Colbert Bridge Road, White Pond Road, Whiskey Road, city limits of Aiken, State Highway 81, and Sudlow Lake Road to the south; U.S. Highway 1, Chalk Bed Road, Old Powerhouse Road, Interstate 26, and State Route 144 to the west.

The Site PMA comprises the following Census Tract numbers:

211.01	203.01	202.00	215.00
211.02	203.02	216.02	214.00
220.01	219.00	216.01	213.00
212.03	212.02	212.01	204.00

Gaye Gramh, property manager for the Crosland Apartments, a government-subsidized property located approximately 0.3 mile south of the proposed site, stated that the majority of her tenants originate from within Aiken. She stated that the amount of community services and quality affordable options give low-income renters incentive to remain in Aiken.

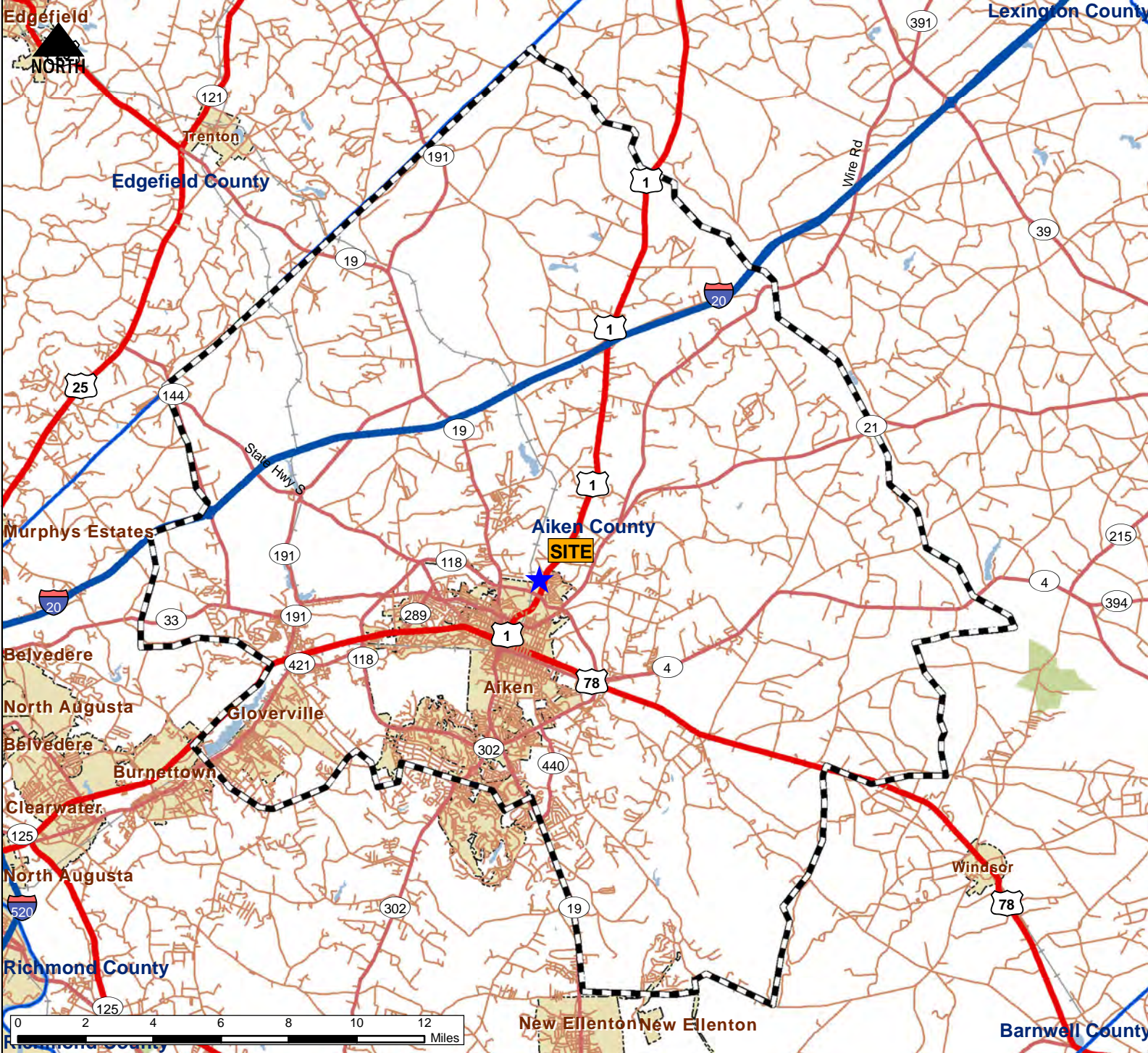
Ms. Susan Lockhart is the property manager of Glen Arbor Apartments, a 56-unit Tax Credit property located in the northern portion of Aiken. Ms. Lockhart stated that the majority of her tenants are believed to originate from the cities of Aiken and the smaller surrounding towns.

Ms. Michelle Clayton is the property manager at Meadowbrook Acres and Olde South Terrace, which are both Tax Credit properties located near the site. Ms. Clayton stated that the majority of her tenants are also from Aiken and the Gloverville area.

Based on our observations, the areas southwest and south of the Site PMA such as Augusta, Clearwater, Belvedere, and Burnetown already provide an abundance of rental housing choices and community services, which will deter renters residing in those areas from seeking rental housing in Aiken. In addition, the southern portion of Aiken has been excluded due to high income levels and proximity to high-end golf courses, where it is very unlikely that the proposed site would pull significant support from this area. Conversely, the areas north and east of the Site PMA are predominately rural and dominated by owner-occupied households that are not anticipated to generate a significant amount of support for the market area. As such, these areas have also been excluded from the Site PMA.

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

Aiken, SC: Primary Market Area

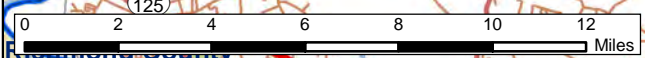


Primary Market Area Information

Area:	273.94 Sq. Miles
County in PMA:	Aiken
2012 Estimated Population:	69,145
2012 Total Households:	28,112
2012 Median Household Inc.:	\$38,621

Legend

- Project Site
- PMA



1:260,135

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

The labor force within the Aiken Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 14.0%), Public Administration, Retail Trade and Manufacturing comprise nearly 49% of the Site PMA labor force. Employment in the Aiken Site PMA, as of 2012, was distributed as follows:

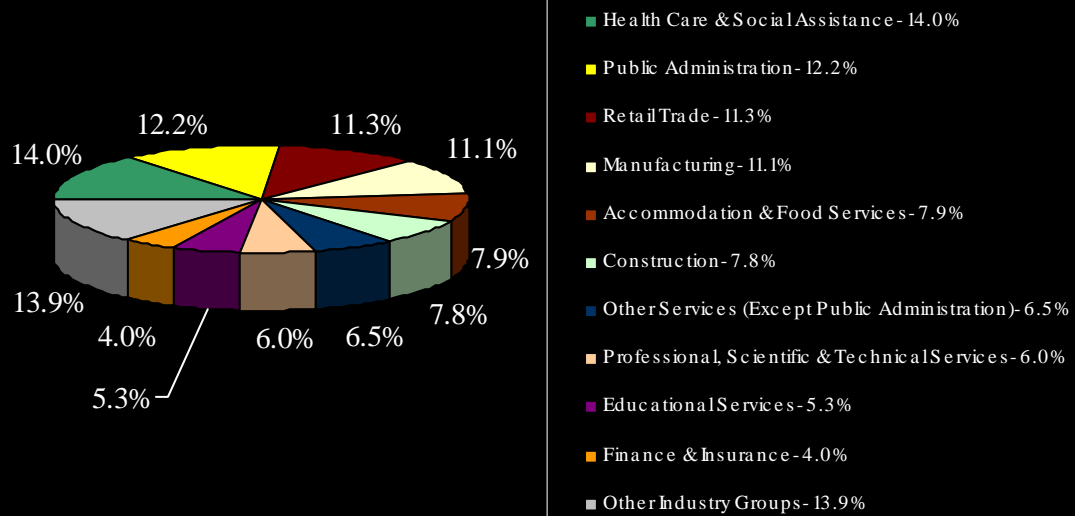
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	20	0.8%	176	0.6%	8.8
Mining	3	0.1%	122	0.4%	40.7
Utilities	9	0.3%	172	0.5%	19.1
Construction	211	8.1%	2,464	7.8%	11.7
Manufacturing	65	2.5%	3,497	11.1%	53.8
Wholesale Trade	83	3.2%	1,239	3.9%	14.9
Retail Trade	445	17.2%	3,558	11.3%	8.0
Transportation & Warehousing	34	1.3%	484	1.5%	14.2
Information	35	1.4%	344	1.1%	9.8
Finance & Insurance	162	6.3%	1,264	4.0%	7.8
Real Estate & Rental & Leasing	147	5.7%	625	2.0%	4.3
Professional, Scientific & Technical Services	172	6.6%	1,891	6.0%	11.0
Management of Companies & Enterprises	2	0.1%	36	0.1%	18.0
Administrative, Support, Waste Management & Remediation Services	98	3.8%	785	2.5%	8.0
Educational Services	54	2.1%	1,666	5.3%	30.9
Health Care & Social Assistance	203	7.8%	4,426	14.0%	21.8
Arts, Entertainment & Recreation	42	1.6%	401	1.3%	9.5
Accommodation & Food Services	182	7.0%	2,496	7.9%	13.7
Other Services (Except Public Administration)	440	17.0%	2,036	6.5%	4.6
Public Administration	155	6.0%	3,859	12.2%	24.9
Nonclassifiable	27	1.0%	9	0.0%	0.3
Total	2,589	100.0%	31,550	100.0%	12.2

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

E.P.E. - Average Employees Per Establishment

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

Employment by Industry



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Augusta-Richmond County MSA	South Carolina
Management Occupations	\$96,210	\$93,520
Business and Financial Occupations	\$62,410	\$58,280
Computer and Mathematical Occupations	\$63,000	\$63,170
Architecture and Engineering Occupations	\$80,940	\$70,990
Community and Social Service Occupations	\$36,660	\$38,470
Art, Design, Entertainment and Sports Medicine Occupations	\$41,820	\$41,560
Healthcare Practitioners and Technical Occupations	\$65,340	\$64,930
Healthcare Support Occupations	\$24,740	\$25,000
Protective Service Occupations	\$29,730	\$32,480
Food Preparation and Serving Related Occupations	\$19,490	\$19,790
Building and Grounds Cleaning and Maintenance Occupations	\$21,990	\$22,300
Personal Care and Service Occupations	\$21,930	\$23,040
Sales and Related Occupations	\$28,710	\$30,830
Office and Administrative Support Occupations	\$30,580	\$31,180
Construction and Extraction Occupations	\$38,740	\$35,720
Installation, Maintenance and Repair Occupations	\$41,540	\$39,920
Production Occupations	\$37,550	\$33,930
Transportation and Moving Occupations	\$28,480	\$29,540

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

Most annual blue-collar salaries range from \$19,490 to \$41,820 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,580. It is important to note that most occupational types within the Augusta-Richmond County MSA have slightly higher typical wages than the State of South Carolina's typical wages. The proposed project will target households with incomes between \$18,789 and \$39,540. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Aiken County and neighboring Edgefield County area comprise a total of 14,832 employees. These employers are summarized as follows:

Business	Business Type	Total Employed
Savannah River Nuclear Solutions, LLC	Nuclear Processing	6,000
Aiken County Public Schools	Education	3,312
Shaw AREVA MOX Services	Nuclear Design	2,800
Savannah River Remediation	Waste Tank Closure	2,400
Kimberly Clark Corporation	Consumer Paper Products	1,250
Aiken Regional Medical Centers	Health Care	1,200
Bridgestone America's Tire Operation, LLC	Car & Truck Tires	930
County of Aiken	County Government	890
Advanced Glassfiber Yarns (AGY)	Fiberglass Yarn Manufacturing	770
Crane Merchandising Systems	Vending Machines	746
Total		20,298

Source: Aiken Chamber of Commerce, Updated 7/2012

According to Mr. Will Williams, Director of the Economic Development Partnership of South Carolina (EDPSC), the Aiken County economy is stable and expanding.

In March 2012, Tognum America, Incorporated, an American subsidiary of Tognum AG and a leader for propulsion and power solutions, announced plans to expand its Aiken County plant for MTU engines. The \$40 million investment is expected to generate 20 new jobs over the next two years. Expansion plans for the MTU Aiken plant include two new research and development buildings that will house new engine test equipment, as well as additional visitor and employee parking areas. Construction has already begun and the new facilities were to be completed at the end of 2012. The company has already surpassed its initial plan of 250 employees when plans for the plant were announced in early 2010.

In August of 2012, Aiken County and Savannah River Nuclear Solutions announced a corporately-funded expansion plan at the Center for Hydrogen Research, which will result in six new laboratories to support growing energy research. The expansion will be a \$3 million expenditure and will add 6,435 square feet of finished laboratory and support space to the center. It is currently unclear how many new jobs will be created.

It was announced in December of 2012 that Aiken's City Council approved the plans for two new hotels. The projected economic impact of this project is \$30 million. There is a strong market for hotels in Aiken and the economic impact will also bring people into area restaurants and stores. The developer will first build the Holiday Inn Express and then the Staybridge Suites which will create 100 jobs.

WARN Notices:

A review of layoff notices posted on the South Carolina Department of Employment and workforce website shows that there have been minimal layoff or closure notices posted for the Aiken County area since January 2012:

- In April, 2012, Ryan's reported 20 employees terminated due to facility closing effective 4/6/2012.
- In August, 2012, Areva Federal Services reported 6 employees layed off effective 10/5/2012.
- Also in August, 2012, AGY reported 59 employees layed off effective 8/24/2012.
- In September, 2012, Parsons Corporation reported 20 employees layed off effective 9/4/2012.

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.

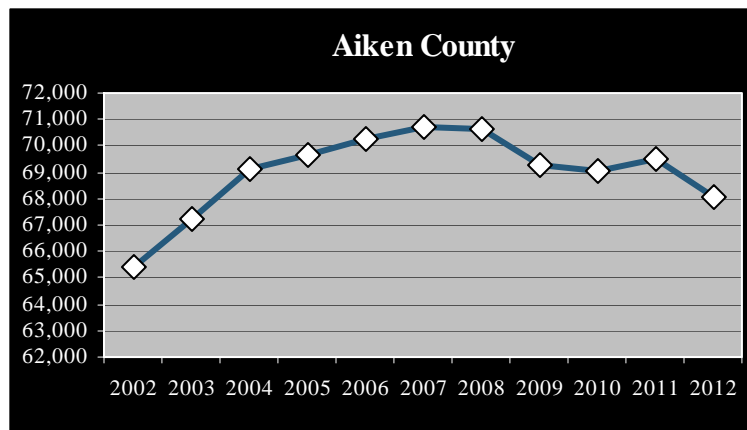
Excluding 2012, the employment base has declined by 1.7% over the past five years in Aiken County, less than the South Carolina state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Aiken County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2002	65,422	-	1,826,240	-	137,936,674	-
2003	67,261	2.8%	1,854,419	1.5%	138,386,944	0.3%
2004	69,152	2.8%	1,888,050	1.8%	139,988,842	1.2%
2005	69,658	0.7%	1,922,367	1.8%	142,328,023	1.7%
2006	70,263	0.9%	1,970,912	2.5%	144,990,053	1.9%
2007	70,732	0.7%	2,010,252	2.0%	146,397,529	1.0%
2008	70,661	-0.1%	2,000,582	-0.5%	146,068,824	-0.2%
2009	69,306	-1.9%	1,903,146	-4.9%	140,721,369	-3.7%
2010	69,081	-0.3%	1,909,414	0.3%	140,483,185	-0.2%
2011	69,506	0.6%	1,935,885	1.4%	141,748,955	0.9%
2012*	68,068	-2.1%	1,953,708	0.9%	141,772,241	0.0%

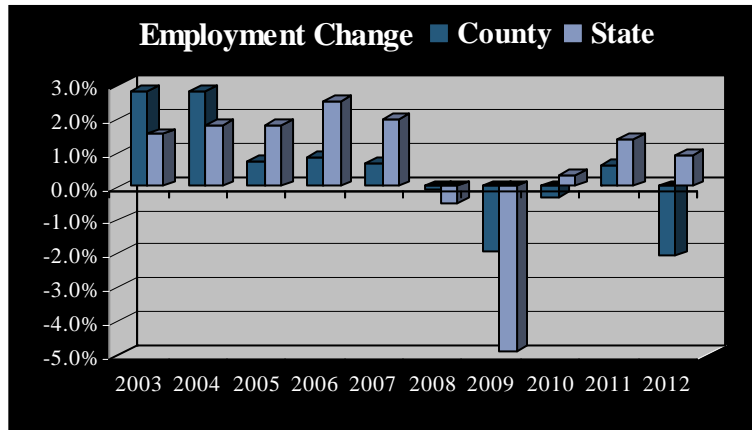
Source: Department of Labor; Bureau of Labor Statistics

*Through December



As the preceding illustrates, the Aiken County employment base has increased by 4,084 employees since 2002. Notably, the employment base was relatively unaffected by the national recession as it only decreased by 1.4% between 2008 and 2009, and 2.2% between 2011 and 2012. Although there was a slight decrease in the employment base from 2011 to 2012, recent announcements for expansions and new businesses in Aiken County illustrate stability and growth in the employment base. The relative stability of the local economy is likely due to the balanced number of jobs in various employment sectors. According to the table on page E-2 of this section, the manufacturing, healthcare & social assistance, public administration and retail sectors all employ between 11.1% and 14.0% of the workforce within the Aiken Site PMA.

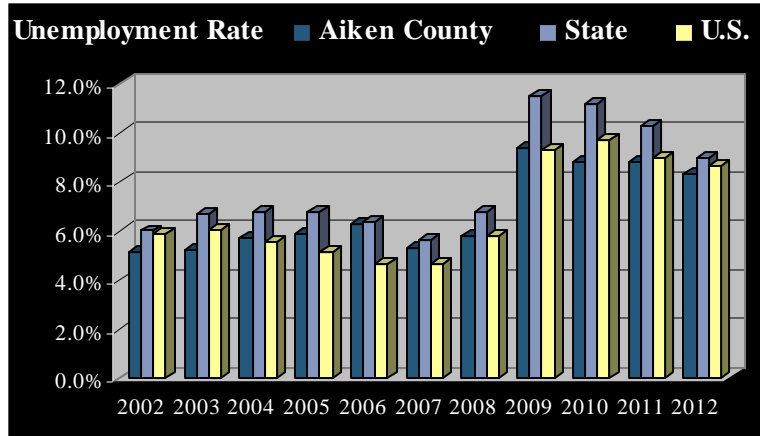
The following table illustrates the percent change in employment for Aiken County and South Carolina.



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

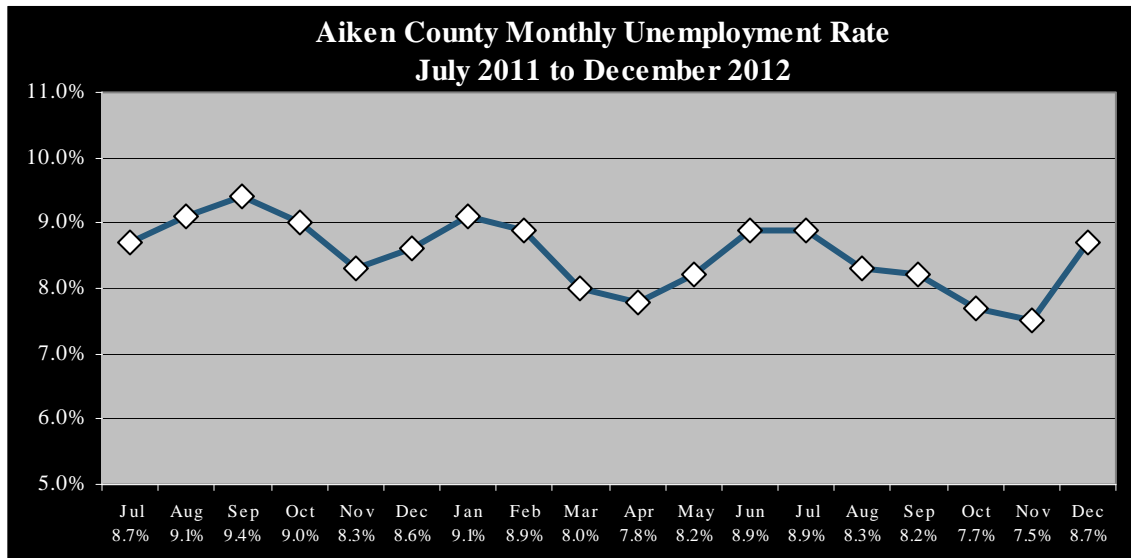
Year	Unemployment Rate		
	Aiken County	South Carolina	United States
2002	5.1%	6.0%	5.8%
2003	5.2%	6.7%	6.0%
2004	5.7%	6.8%	5.6%
2005	5.9%	6.8%	5.2%
2006	6.3%	6.4%	4.7%
2007	5.3%	5.6%	4.7%
2008	5.8%	6.8%	5.8%
2009	9.4%	11.5%	9.3%
2010	8.8%	11.2%	9.7%
2011	8.8%	10.3%	9.0%
2012*	8.4%	9.0%	8.7%

Source: Department of Labor, Bureau of Labor Statistics
*Through December



The unemployment rate in Aiken County has ranged between 5.1% and 9.4%, generally below the state and national average since 2002.

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



While the county has experienced fluctuations in unemployment over the past 18 months, it has generally remained between 8.0% and 9.0% since September of 2012. The trend has generally shown immediate recovery after all of the slight increases in unemployment, which is likely attributed to the stability in the work force within Aiken County. It should be noted that the unemployment rate had an increase of 1.0% from November to December of 2012, but based on the significant employment announcements, it is expected to decrease.

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 Aiken County.

In-Place Employment Aiken County			
Year	Employment	Change	Percent Change
2002	56,217	-	-
2003	56,366	149	0.3%
2004	57,013	647	1.1%
2005	55,893	-1,120	-2.0%
2006	55,605	-288	-0.5%
2007	56,301	696	1.3%
2008	57,397	1,096	1.9%
2009	55,197	-2,200	-3.8%
2010	57,070	1,873	3.4%
2011	57,022	-48	-0.1%
2012*	56,548	-474	-0.8%

Source: Department of Labor, Bureau of Labor Statistics

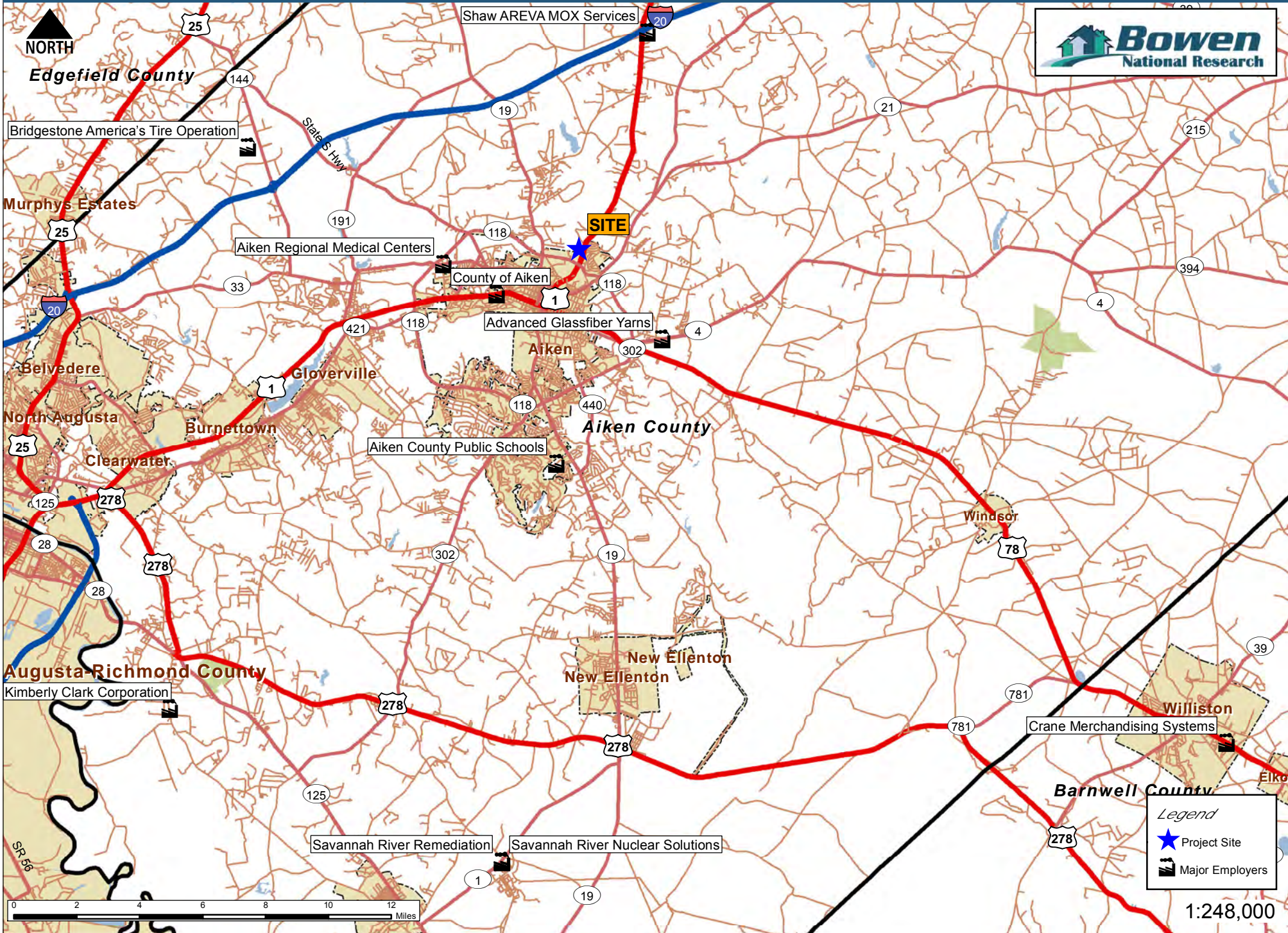
*Through June

Data for 2011, the most recent year that year-end figures are available, indicates in-place employment in Aiken County to be 82.0% of the total Aiken County employment. This means that Aiken County has more employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs.

5. EMPLOYMENT CENTERS MAP

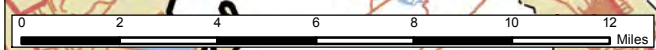
A map illustrating the location of the area's largest employers is included on the following page.

Aiken, SC: Major Employers



Legend

- ★ Project Site
- Major Employers



1:248,000

6. COMMUTING PATTERNS

The following is a distribution of commuting patterns and typical travel times to work for Site PMA workers age 16 and over in 2000:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	22,401	82.3%
Carpooled	3,253	12.0%
Public Transit	63	0.2%
Walked	390	1.4%
Other Means	296	1.1%
Worked at Home	813	3.0%
Total	27,216	100.0%

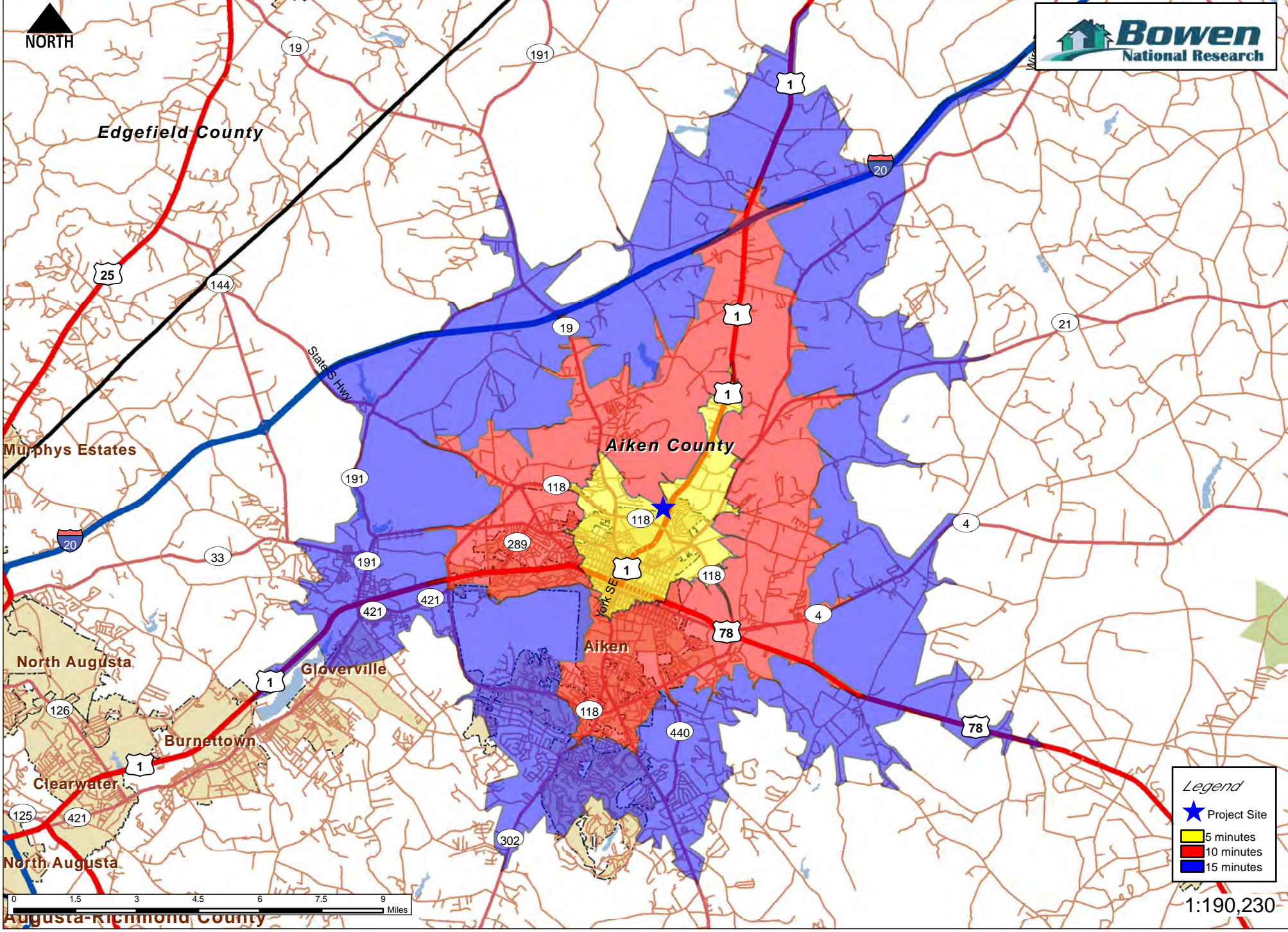
Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	7,307	26.8%
15 to 29 Minutes	9,958	36.6%
30 to 44 Minutes	5,967	21.9%
45 to 59 Minutes	2,243	8.2%
60 or More Minutes	928	3.4%
Worked at Home	813	3.0%
Total	27,216	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

Over 82% of all workers drove alone, 12.0% carpooled and only 0.2% used public transportation. The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-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.

Aiken, SC: Drive Time from Site



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

1:190,230

7. ELDERLY EMPLOYMENT OPPORTUNITIES

The subject project will not be age-restricted; therefore, an analysis of employment opportunities for seniors is not required for this report.

8. ECONOMIC FORECAST AND HOUSING IMPACT

The employment base within the Aiken Site PMA is relatively evenly distributed within a range of industry sectors. Manufacturing, healthcare & social assistance, public administration and the retail sectors all employ between 11.1% and 14.0% of the workforce within the Aiken Site PMA. The relatively even distribution likely insulated the local economy from the full impact of the larger national recession. Between 2008 and 2009, Aiken County only lost 1.4% of its employment base, and only 2.2% between 2011 and 2012. Although the county has experienced fluctuations in unemployment over the past 18 months, it has generally remained between 8.0% and 9.0% since September of 2012, which is similar to the state and national averages. We anticipate that the unemployment rate will decrease over the next year, due to all of the significant announcements for expansions and new jobs. The preceding factors indicate that the local economy is stable with the opportunity for growth. Overall, we believe the area economy will continue to create a stable environment for affordable housing.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 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 Site PMA population bases for 2000, 2010, 2012 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2012 (Estimated)	2015 (Projected)
Population	60,277	67,091	69,145	70,992
Population Change	-	6,814	2,054	1,847
Percent Change	-	11.3%	3.1%	2.7%

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

The Aiken Site PMA population base increased by 6,814 between 2000 and 2010. This represents an 11.3% increase over the 2000 population, or an annual rate of 1.1%. Between 2010 and 2012, the population increased by 2,054, or 3.1%. It is projected that the population will increase by 1,847, or 2.7%, between 2012 and 2015.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.9% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	1,936	2.9%
Population not in Group Quarters	65,155	97.1%
Total Population	67,091	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2012 (Estimated)		2015 (Projected)		Change 2012-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	16,875	25.2%	17,039	24.6%	17,589	24.8%	550	3.2%
20 to 24	4,703	7.0%	4,926	7.1%	4,509	6.4%	-417	-8.5%
25 to 34	8,195	12.2%	8,647	12.5%	8,873	12.5%	226	2.6%
35 to 44	7,757	11.6%	7,805	11.3%	7,862	11.1%	57	0.7%
45 to 54	9,652	14.4%	9,563	13.8%	9,313	13.1%	-250	-2.6%
55 to 64	9,000	13.4%	9,580	13.9%	10,064	14.2%	484	5.0%
65 to 74	6,074	9.1%	6,608	9.6%	7,570	10.7%	962	14.6%
75 & Over	4,834	7.2%	4,977	7.2%	5,213	7.3%	236	4.7%
Total	67,091	100.0%	69,145	100.0%	70,992	100.0%	1,847	2.7%

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

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2012. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project 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

Household trends within the Aiken Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2012 (Estimated)	2015 (Projected)
Households	23,807	27,441	28,112	29,023
Household Change	-	3,634	671	911
Percent Change	-	15.3%	2.4%	3.2%
Household Size	2.47	2.44	2.39	2.38

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



Within the Aiken Site PMA, households increased by 3,634 (15.3%) between 2000 and 2010. Between 2010 and 2012, households increased by 671 or 2.4%. By 2015, there will be 29,023 households, an increase of 911 households, or 3.2% over 2012 levels. This is an increase of approximately 304 households annually over the next three years.

b. Household by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2012 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	18,785	68.5%	19,047	67.8%	19,770	68.1%
Renter-Occupied	8,656	31.5%	9,065	32.2%	9,253	31.9%
Total	27,441	100.0%	28,112	100.0%	29,023	100.0%

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

In 2012, homeowners occupied 67.8% of all occupied housing units, while the remaining 32.2% were occupied by renters. The share of renters is relatively high and the 9,065 renter households represent a good base of potential renters in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2012 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,644	9.6%	3,184	11.3%	3,183	11.0%
\$10,000 to \$19,999	3,479	12.7%	3,582	12.7%	3,559	12.3%
\$20,000 to \$29,999	3,532	12.9%	3,563	12.7%	3,620	12.5%
\$30,000 to \$39,999	3,125	11.4%	3,104	11.0%	3,127	10.8%
\$40,000 to \$49,999	2,106	7.7%	2,340	8.3%	2,465	8.5%
\$50,000 to \$59,999	2,102	7.7%	2,158	7.7%	2,122	7.3%
\$60,000 to \$74,999	2,812	10.2%	2,744	9.8%	2,821	9.7%
\$75,000 to \$99,999	2,952	10.8%	2,840	10.1%	2,973	10.2%
\$100,000 to \$124,999	2,141	7.8%	2,241	8.0%	2,383	8.2%
\$125,000 to \$149,999	930	3.4%	931	3.3%	1,103	3.8%
\$150,000 to \$199,999	968	3.5%	879	3.1%	999	3.4%
\$200,000 & Over	651	2.4%	545	1.9%	669	2.3%
Total	27,441	100.0%	28,112	100.0%	29,023	100.0%
Median Income	\$44,463		\$42,663		\$44,147	

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

In 2010, the median household income was \$44,463. This declined by 4.0% to \$42,663 in 2012. By 2015, it is projected that the median household income will be \$44,147, an increase of 3.5% 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 2010, 2012 and 2015 for the Aiken Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	836	234	208	215	171	1,665
\$10,000 to \$19,999	638	502	128	170	139	1,577
\$20,000 to \$29,999	506	394	159	120	84	1,263
\$30,000 to \$39,999	485	260	210	153	75	1,183
\$40,000 to \$49,999	181	204	181	18	34	619
\$50,000 to \$59,999	87	108	112	88	94	489
\$60,000 to \$74,999	196	194	38	91	172	691
\$75,000 to \$99,999	159	212	139	15	11	536
\$100,000 to \$124,999	104	49	117	17	59	347
\$125,000 to \$149,999	41	8	26	16	17	108
\$150,000 to \$199,999	17	11	28	17	10	82
\$200,000 & Over	48	11	15	12	10	96
Total	3,299	2,186	1,362	933	877	8,656

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2012 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,031	260	246	235	192	1,965
\$10,000 to \$19,999	666	494	130	180	145	1,615
\$20,000 to \$29,999	523	395	166	116	87	1,287
\$30,000 to \$39,999	487	256	205	145	67	1,159
\$40,000 to \$49,999	198	219	190	14	34	656
\$50,000 to \$59,999	84	106	116	96	98	500
\$60,000 to \$74,999	176	225	39	94	177	711
\$75,000 to \$99,999	147	212	149	17	13	538
\$100,000 to \$124,999	131	69	125	20	55	400
\$125,000 to \$149,999	28	7	21	13	9	77
\$150,000 to \$199,999	22	14	25	15	3	79
\$200,000 & Over	37	9	10	15	8	79
Total	3,531	2,267	1,421	960	886	9,065

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,037	257	237	238	186	1,955
\$10,000 to \$19,999	665	480	133	185	143	1,606
\$20,000 to \$29,999	546	398	168	114	88	1,314
\$30,000 to \$39,999	492	265	206	148	65	1,175
\$40,000 to \$49,999	212	237	195	16	39	700
\$50,000 to \$59,999	84	99	112	93	98	486
\$60,000 to \$74,999	182	230	40	98	170	721
\$75,000 to \$99,999	160	233	162	15	12	582
\$100,000 to \$124,999	153	74	125	19	56	426
\$125,000 to \$149,999	40	11	25	13	11	101
\$150,000 to \$199,999	21	15	33	18	6	93
\$200,000 & Over	46	13	10	15	12	96
Total	3,638	2,311	1,447	971	886	9,253

Source: Ribbon Demographics; ESRI; Urban Decision Group

Between 2012 and 2015, renter households are anticipated to increase by 188, or 2.1%. Specifically, renters earning between \$20,000 and \$40,000 will increase by 43 households, or 1.8%. The proposed project will generally target households within this income range. As such, the base of potential support for the subject project is anticipated to increase. This demonstrates that the proposed development will likely be able to rely on some support from new households, which will speed the absorption process. A detailed demand analysis is included in the following section of this report.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within the Augusta-Richmond County MSA, which has a four-person median household income of \$56,800 for 2013. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI for the Augusta-Richmond County MSA. The following table summarizes the maximum allowable income by household size at various levels of AMHI.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$19,900	\$23,880
Two-Person	\$22,750	\$27,300
Three-Person	\$25,600	\$30,720
Four-Person	\$28,400	\$34,080
Five-Person	\$30,700	\$36,840
Six-Person	\$32,950	\$39,540

The largest proposed units (four-bedroom) at the subject site are expected to house up to six-person households. As such, the maximum allowable income at the subject site is **\$39,540**.

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 \$548 (at 50% and 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,576. 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 \$18,789.

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)	\$18,789	\$32,950
Tax Credit (Limited To 60% Of AMHI)	\$18,789	\$39,540
Overall Project	\$18,789	\$39,540

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 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

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

Based on the 2011 ACS 5-Year Estimates Table B25074 Gross Rent as a Percentage of Household Income, 31.3% of renter households earning between \$18,789 and \$32,950 within Aiken County are rent overburdened; 26.7% of renter households earning between \$18,789 and \$39,540 are rent overburdened; and 26.7% of renter households earning between \$18,789 and \$39,540 are overburdened. These percentages have been included in our demand analysis.

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

Based on the 2011 ACS 5-Year Estimates Table B25016, 4.4% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*
- 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 reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, we identified five (5) LIHTC properties. All of these properties, however, are operating at occupancy rates above 93.0%. As such, no comparable/competitive units have been subtracted from the following capture rate analysis.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$18,789-\$32,950)	60% AMHI (\$18,789-\$39,540)	Overall (\$18,789-\$39,540)
Demand From New Renter Households (Age- And Income-Appropriate)	1,855 - 1,824 = 31	2,630 - 2,588 = 42	2,630 - 2,588 = 42
+			
Demand From Existing Households (Rent Overburdened)	1,824 X 31.3% = 571	2,588 X 26.7% = 691	2,588 X 26.7% = 691
+			
Demand From Existing Households (Renters In Substandard Housing)	1,824 X 4.4% = 80	2,588 X 4.4% = 114	2,588 X 4.4% = 114
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	682	847	847
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2012)	0	0	0
=			
Net Demand	682	847	847
Proposed Units	13	44	52
Proposed Units/ Net Demand	13 / 682	44 / 847	52 / 847
Capture Rate	= 1.9%	= 5.2%	= 6.1%

The capture rates for each AMHI level range between 1.9% and 5.2%, which are considered low and achievable. Similarly, the overall capture rate is only 6.1%. This indicates that there will be a substantial base of demographic support for the proposed project within the Site PMA.

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	50%
Three-Bedroom	20%
Four-Bedroom	5%
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 (1,263 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%)	315	0	315	-	-
Two-Bedroom (50%)	632	0	632	5	0.8%
Three-Bedroom (20%)	253	0	253	5	2.0%
Four-Bedroom (5%)	63	0	63	3	4.8%

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

Units Targeting 60% Of AMHI (1,438 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%)	404	0	404	-	-
Two-Bedroom (50%)	719	0	719	15	2.1%
Three-Bedroom (20%)	288	0	288	15	5.2%
Four-Bedroom (5%)	72	0	72	9	12.5%

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 0.8% to 12.5%. These capture rates are also considered very low and achievable, indicating that there is a significant base of income-qualified renter households that will be able to support the subject project based on bedroom type.

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. Our absorption projections also take into consideration the absorption experienced by Meadowbrook Acres (Map I.D. 2), which occupied all 48 LIHTC units within a three month period that includes the two months of pre-leasing prior to opening.

It is our opinion that the proposed 52 LIHTC units at the subject site will reach a stabilized occupancy of 93.0% within four to five months. This absorption rate is based on an average monthly absorption rate of eight to ten units. Our absorption projections assume that household growth will continue rapidly and that no other large projects targeting a similar income group are developed during the projection period.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified seven (7) Low-Income Housing Tax Credit (LIHTC) properties within the Aiken Site PMA. However, two of these properties are restricted to senior households and are not considered competitive with the proposed development. Additionally, one of the two senior restricted properties, and Busch Crossings, a general-occupancy project, were not surveyed, as we were unable to obtain information from management at the time of this report. The remaining four properties target households with income of up to 50% and/or 60% of Area Median Household Income (AMHI) and offer similar bedroom types compared with the proposed development; therefore, they are considered competitive properties.

These four 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	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Stables At The Woods	2014	52	-	-	-	Families; 50% & 60% AMHI
2	Meadowbrook Acres	2011	48	100.0%	1.1 Miles	45 H.H.	Families; 50% & 60% AMHI
6	Olde South Terrace	2010	48	100.0%	1.2 Miles	50 H.H.	Families; 50% & 60% AMHI
16	Glen Arbor Apts.	2000	56	100.0%	1.5 Miles	3 H.H.	Families; 50% & 60% AMHI
24	Valley Homes	2002	34	100.0%	10.0 Miles	50-100 H.H.	Families; 50% AMHI

OCC. - Occupancy

The four LIHTC projects have a combined occupancy rate of 100.0%, indicating a very strong demand for affordable housing in the market. All of these projects have waiting lists. Lease-up information for Meadowbrook Acres, the newest Tax Credit development within the Site PMA, also indicates that there is substantial demand for additional Tax Credit housing. Management at this property reported that the project leased at a rate between 12 and 16 units per month. These absorption rates are considered moderate to fast. Additionally, most of the existing developments have waiting lists between three and 100 households in length. Notably, the occupancy rates, absorption rates and waiting lists indicate that there is pent-up demand for additional affordable housing. Further, these trends indicate that the selected properties will serve as accurate benchmarks to compare with the proposed subject development.

The gross rents for the four 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
		Two-Br.	Three-Br.	Four-Br.	
Site	Stables At The Woods	\$548/50% (5) \$548/60% (15)	\$631/50% (5) \$631/60% (15)	\$717/50% (3) \$717/60% (9)	-
2	Meadowbrook Acres	\$611/50% (8) \$651/60% (24)	\$699/50% (4) \$754/60% (12)	-	None
6	Olde South Terrace	\$626/50% (8) \$666/60% (8)	\$714/50% (4) \$769/60% (28)	-	None
16	Glen Arbor Apts.	\$642/50% (28) \$642/60% (12)	\$760/50% (10) \$760/60% (6)	-	None
24	Valley Homes	\$698/50% (8)	\$787/50% (22)	\$886/50% (4)	None

The proposed subject gross rents, ranging from \$548 to \$717, will be among the lowest priced LIHTC units targeting similar income levels in the market. Considering that the LIHTC units have a combined vacancy rate of 100.0% and maintain wait lists up to 100 households in length, indicates that the proposed gross rents are positioned well within the market. It should also be noted that the subject project will be one of only three LIHTC projects (including Bush Crossings, which was not surveyed) within the market to offer four-bedroom units. As such, this will provide the subject site with a competitive advantage. Based on these factors, the proposed gross rents of \$548 to \$717 are considered achievable. Due to the high occupancy rates, none of the comparable properties are offering rent concessions.

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

Map I.D.	Project Name	Number of Vouchers
2	Meadowbrook Acres	3
6	Olde South Terrace	10
16	Glen Arbor Apts.	12
24	Valley Homes	10

As the preceding table illustrates, there are a total of approximately 35 voucher holders residing at the comparable properties within the market. This comprises 18.8% of the 186 total LIHTC units. As such, it can be concluded that the gross rents at these properties are achievable as evidenced by the overall 99.8% occupancy. It should also be noted that Bush Crossings, identified but not surveyed in this report, had 22 voucher holders residing at the 23-unit property in March of 2012 based on previous reports conducted by Bowen National Research. As such, almost the entire property is occupied by Housing Choice Voucher Holders, and if surveyed in this report, the gross rents would not have been weighted heavily in the analysis for proposed gross rents.

In addition to the Vouchers in use at the above properties, the Aiken Housing Authority reported that approximately 890 Housing Choice Vouchers are in use in other area apartments. The housing authority currently reports 1,102 households on the waiting list for Vouchers, and should be noted that the wait list has been closed since May of 2010 with no plans of re-opening in the near future.

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

2 Meadowbrook Acres

1.1 miles to site



Address 5000 Canvasback Cir.
Aiken, SC 29803

Phone (803) 226-0559 **Contact** Michelle

Total Units 48 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2011 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 45 households

Ratings: **Quality** B+ **Neighborhood** B **Access/Visibility** A-/

Remarks 50% & 60% AMHI; HCV (3 units); Opened 10/2011, 100% occupied 11/2011, began preleasing 8/2011; Carpet in bedrooms, wood laminate throughout

FEATURES AND UTILITIES

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Storage
Project Amenities On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area, Social Services, Media/Theater Room
Parking Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	24	0	1096	\$0.40	\$435	60%
2	2	G	8	0	1096	\$0.36	\$395	50%
3	2	G	12	0	1196	\$0.42	\$500	60%
3	2	G	4	0	1196	\$0.37	\$445	50%

6 Olde South Terrace

1.2 miles to site



Address	4001 Eclipse Loop Aiken, SC 29081		
Phone	(803) 226-0466	Contact	Michelle
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2010	Floors	3
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	50 households		
Ratings:	Quality B+	Neighborhood B	Access/Visibility A/A

Remarks 50% & 60% AMHI; HCV (10 units); Carpet in bedrooms, wood laminate throughout

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area, Social Services, Media Room
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	8	0	1080	\$0.42	\$450	60%
2	2	G	8	0	1080	\$0.38	\$410	50%
3	2	G	28	0	1200	\$0.43	\$515	60%
3	2	G	4	0	1200	\$0.38	\$460	50%

16 Glen Arbor Apts.

1.5 miles to site



Address 2000 Glen Arbor Ct.
Aiken, SC 29801

Phone (803) 648-6808 **Contact** Von

Total Units 56 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2000 **Floors** 2,3

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 3 households

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

Remarks 50% & 60% AMHI; HCV (12 units)

FEATURES AND UTILITIES

- Utilities** Landlord pays Water, Sewer, Trash
- Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
- Project Amenities** On-site Management, Laundry Facility, Meeting Room, Playground
- Parking** Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	12	0	908	\$0.52	\$470	60%
2	1	G	28	0	908	\$0.52	\$470	50%
3	2	G	6	0	1053	\$0.52	\$550	60%
3	2	G	10	0	1053	\$0.52	\$550	50%

24 Valley Homes

10.0 miles to site



Address 411 Lawana Dr.
Gloversville, SC 29828

Phone (803) 594-0588 **Contact** Ikea

Total Units 34 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2002 **Floors** 1

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 50-100 households

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

Remarks Part of Villages at Horse Creek; 50% AMHI; HCV (10 units)

FEATURES AND UTILITIES

- Utilities** No landlord paid utilities
- Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
- Project Amenities** On-site Management
- Parking** Surface Parking

UNIT CONFIGURATION

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	8	0	850	\$0.55	\$468	50%
3	2	G	22	0	1000	\$0.52	\$519	50%
4	2	G	4	0	1200	\$0.47	\$565	50%

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:

		Square Footage		
Map I.D.	Project Name	Two-Br.	Three-Br.	Four-Br.
Site	Stables At The Woods	1,100	1,250	1,400
2	Meadowbrook Acres	1,096	1,196	-
6	Olde South Terrace	1,080	1,200	-
16	Glen Arbor Apts.	908	1,053	-
24	Valley Homes	850	1,000	1,200

		Number of Baths		
Map I.D.	Project Name	Two-Br.	Three-Br.	Four-Br.
Site	Stables At The Woods	2.0	2.0	2.5
2	Meadowbrook Acres	2.0	2.0	-
6	Olde South Terrace	2.0	2.0	-
16	Glen Arbor Apts.	1.0	2.0	-
24	Valley Homes	2.0	2.0	2.0

The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered. The size of the proposed subject units will be slightly to moderately higher than all comparable LIHTC developments. This will provide the proposed project with a competitive advantage in the market. Although 2.0 bathrooms are considered standard for two- and three-bedroom units in the Aiken market, Glen Arbor Apartments only offers 1.0 bathroom in its two-bedroom units. It should also be noted that the proposed four-bedroom units are expected to offer 2.5 bathrooms, which is higher than the other comparable properties in the market including Busch Crossings (not surveyed and not shown in the table) that also only offers 2.0 bathrooms in its four-bedroom units. As such, the proposed project will have a marketing advantage over these properties due to the inclusion of 2.0 and 2.5 bathrooms.

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

COMPARABLE PROPERTIES AMENITIES - AIKEN, SOUTH CAROLINA

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

MAP ID	PROJECT AMENITIES														OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X	X	X	X		X						X		X		X	
2		X	X		X	X		X						X		X	X		Media/Theater Room
6		X	X		X	X		X						X		X	X		Media Room
16		X	X		A			X											
24		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

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

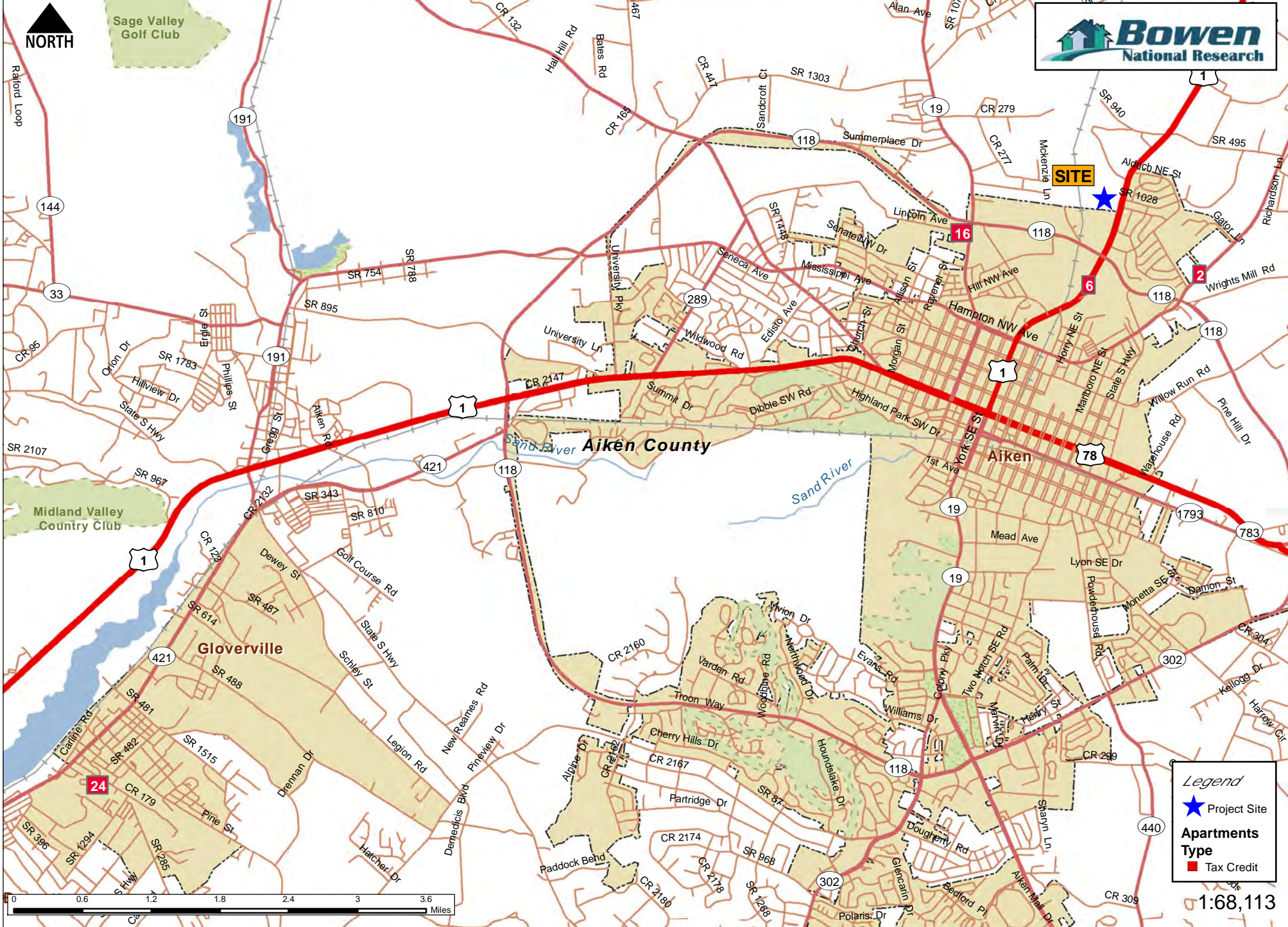
The amenity packages included at the subject development will be very competitive with those of the competing low-income projects. It will be the only LIHTC project that will offer washer/dryer appliances, a club house and business center in the market (including Busch Crossings), which will provide the project with a competitive advantage. The project does not lack any key features deemed necessary to operate as a successful LIHTC development.

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. Additionally, the proposed subject project will offer low rents, large unit sizes and bathrooms, and a comprehensive amenities package compared to the LIHTC projects in the Site PMA, therefore it will be a very marketable project.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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

Aiken, SC: Comparable LIHTC Property Locations



Legend

- ★ Project Site
- Apartments
- Tax Credit

1:68,113

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Aiken Site PMA in 2010 and 2012 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2012 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	27,441	88.5%	28,112	87.5%
Owner-Occupied	18,785	68.5%	19,047	67.8%
Renter-Occupied	8,656	31.5%	9,065	32.2%
Vacant	3,576	11.5%	4,013	12.5%
Total	31,017	100.0%	32,125	100.0%

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

Based on a 2012 update of the 2010 Census, of the 32,125 total housing units in the market, 12.5% were vacant. In 2012, it was estimated that homeowners occupied 67.8% of all occupied housing units, while the remaining 32.2% were occupied by renters. Notably, the 9,065 estimated renter households in 2012 is an increase of 409 households over 2010 levels. This represents a stable and increasing base of potential renters in the market for the subject development.

We identified and personally surveyed 26 conventional housing projects containing a total of 2,615 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 95.3%, a good rate for rental housing. Among these projects, 21 are non-subsidized (market-rate and Tax Credit) projects containing 2,236 units. These non-subsidized units are 94.5% occupied. The remaining five projects contain 379 government-subsidized units, which are 100.0% occupied. There are no additional units under construction in the Site PMA.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	16	2,014	124	93.8%
Tax Credit	5	222	0	100.0%
Government-Subsidized	5	379	0	100.0%
Total	26	2,615	124	95.3%

The rental housing market is performing extremely well, with a 95.3% overall occupancy rate. It should be noted that all rental housing segments are maintaining occupancies above 93.0%, with the affordable housing segments maintaining 100.0% occupancy rates. As such, there appears to be no deficiencies within the market.

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
Studio	1.0	16	0.8%	0	0.0%	\$701
One-Bedroom	1.0	454	22.5%	30	6.6%	\$786
Two-Bedroom	1.0	100	5.0%	0	0.0%	\$687
Two-Bedroom	1.5	154	7.6%	3	1.9%	\$760
Two-Bedroom	2.0	835	41.5%	54	6.5%	\$941
Two-Bedroom	2.5	96	4.8%	22	22.9%	\$965
Three-Bedroom	1.0	21	1.0%	1	4.8%	\$775
Three-Bedroom	1.5	27	1.3%	0	0.0%	\$775
Three-Bedroom	2.0	311	15.4%	14	4.5%	\$1,058
Total Market-rate		2,014	100.0%	124	6.2%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	36	16.2%	0	0.0%	\$521
Two-Bedroom	1.0	40	18.0%	0	0.0%	\$642
Two-Bedroom	2.0	56	25.2%	0	0.0%	\$651
Three-Bedroom	2.0	86	38.7%	0	0.0%	\$769
Four-Bedroom	2.0	4	1.8%	0	0.0%	\$886
Total Tax Credit		222	100.0%	0	0.0%	-

As illustrated, the median Tax Credit gross rents are generally positioned below the corresponding market-rate gross rents. Based on the relatively modern median year built (2005) of the five Tax Credit rental properties and the median year built (1989) of the 16 market-rate developments, the lower Tax Credit gross rents likely represent a significant value within the market. Similarly, the proposed gross rents at the subject project are also expected to represent a substantial value 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	5	544	7.9%
1980 to 1989	6	800	5.3%
1990 to 1999	1	194	8.8%
2000 to 2005	4	222	1.8%
2006	0	0	0.0%
2007	0	0	0.0%
2008	2	316	5.7%
2009	0	0	0.0%
2010	1	48	0.0%
2011	1	48	0.0%
2012	1	64	0.0%
2013*	0	0	0.0%
Total	21	2,236	5.5%

*As of February

Over 24% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 7.9%, higher than the overall market. Note that all projects built since 2010 are 100.0% occupied, providing evidence that newer product has been well-received within the Aiken area.

As noted previously in this section, Meadowbrook Acres (Map I.D. 2), became 100.0% occupied within three months of the time management began pre-leasing, which was two months prior to opening. This further provides evidence that newer product has been well received within the market.

The Aiken apartment market offers a wide 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	\$548-50% & 60%	\$916	\$611 - \$1,125	1,281 (100.0%)
Three-Bedroom	\$631-50% & 60%	\$1,025	\$699 - \$1,385	445 (100.0%)
Four+-Bedroom	\$717-50% & 60%	\$886	\$886 - \$886	4 (100.0%)

All of the rents of existing rentals in the market are below the proposed rents at the subject site. The appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

We rated each property surveyed on a scale of "A" through "F". All market-rate and Tax Credit properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	348	4.3%
A-	1	184	4.3%
B+	4	674	4.9%
B	4	282	1.1%
B-	2	256	16.0%
C+	1	134	15.7%
C	2	136	2.2%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	4	166	0.0%
B	1	56	0.0%

As the preceding table illustrates, market-rate projects considered to be in good condition (higher than a "C+" rating), have the lowest vacancy rates, indicating that higher quality rental product is in higher demand within the market. Additionally, the non-subsidized Tax Credit projects are considered to be in good condition with B+ and B quality ratings, and all maintain 0.0% vacancies. It is expected that the proposed project will be of good quality; therefore, it will likely be well received within the market.

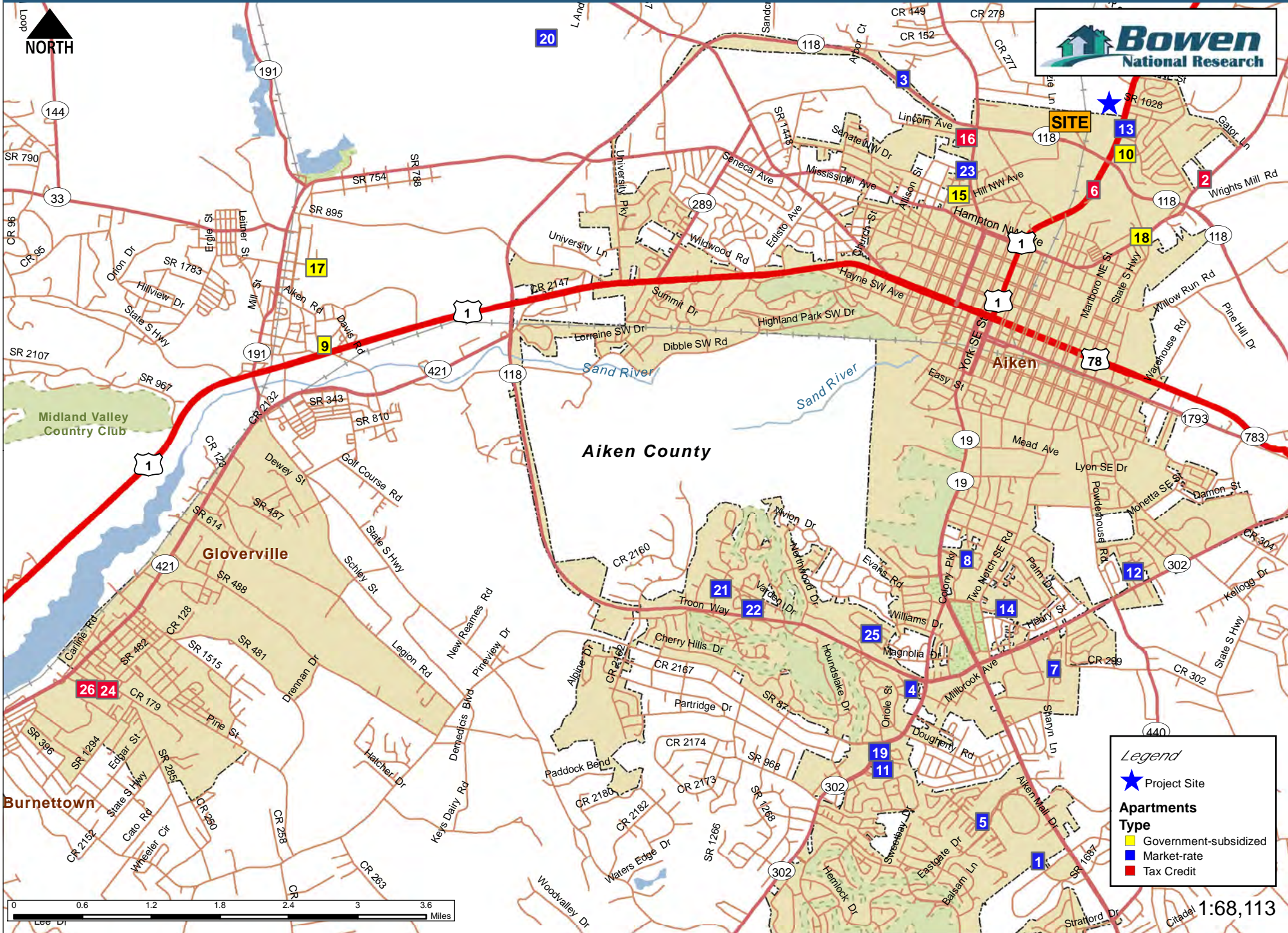
A complete list of all properties surveyed is included in Addendum A, Field Survey of Conventional Rentals.

4. RENTAL HOUSING INVENTORY MAP

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



Aiken, SC: Apartment Locations



Legend

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

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5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there is one multifamily project, Staghorn Townhomes that was recently approved in December of 2012. The project is expected to be a market-rate property containing 136 townhomes to be located approximately 5.0 miles west of the proposed site on Cantenary Boulevard in Aiken, South Carolina. No additional information was provided at the time of this report. However, we do not anticipate any competitive impact between Staghorn Townhomes and the proposed subject site.

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 five comparable LIHTC projects within or near the Site PMA that have received Tax Credit funding, which includes Bush Crossings that we were unable to survey at the time of this report. In addition, we identified a total of 16 projects offering market-rate units of which none are considered both economically and conceptually comparable. Our methodology for identifying conceptual comparability are those projects that target a similar age cohort, are of similar design, offered similar amenity packages, have a year built or received significant renovations no earlier than 1980. The four stabilized comparable Tax Credit and market-rate 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	Stables At The Woods	2014	TC	52	-
2	Meadowbrook Acres	2011	TC	48	100.0%
6	Olde South Terrace	2010	TC	48	100.0%
16	Glen Arbor Apts.	2000	TC	56	100.0%
24	Valley Homes	2002	TC	34	100.0%
Total				186	100.0%

TC – Tax Credit
MR – Market-Rate

The overall occupancy rate of the four stabilized comparable Tax Credit projects identified in the Site PMA is 100.0%. Note that historical data obtained by Bowen National Research as of March 2012 reflects that Busch Crossings (not surveyed and not shown in this table) was previously 100.0% occupied. As such, we do not anticipate the proposed subject development will have any adverse impact on the occupancy of this project, which was unable to be surveyed at the time of this report.

8. MARKET RENT ADVANTAGE

We identified five market-rate properties within the Aiken Site PMA that we consider most comparable to the subject development. 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 five selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Stables At The Woods	2014	52	-	-	20 (-)	20 (-)	12 (-)
3	Grand Oaks	2008	32	90.6%	-	24 (91.7%)	8 (87.5%)	-
7	Churchill Commons Apts.	1989	240	99.2%	-	160 (99.4%)	80 (98.8%)	-
8	Colony at South Park	1989	184	95.7%	48 (93.8%)	88 (97.7%)	48 (93.8%)	-
20	Haven at Market Street Station	2008	284	94.7%	118 (91.5%)	142 (96.5%)	24 (100.0%)	-
21	Trotters Run Apts.	2001	96	95.8%	24 (100.0%)	60 (95.0%)	12 (91.7%)	-

Occ. - Occupancy

The five selected market-rate projects have a combined total of 836 units with an overall occupancy rate of 96.2%. None of the comparable properties has an occupancy rate below 90.6%.

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

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Stables At The Woods		Grand Oaks		Churchill Commons Apts.		Colony at South Park		Haven at Market Street Station		Trotters Run Apts.	
1199 York St.		140 Majestic Oak Wy.		1900 Roses Run		101 Greengate Cir.		8034 Macbean Loop		925 Trail Ridge Rd.	
Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$725		\$750		\$720		\$885		\$790	
2	Date Surveyed	Dec-12		Dec-12		Dec-12		Dec-12		Dec-12	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	92%		99%		98%		96%		95%	
5	Effective Rent & Rent/ sq. ft	\$725	0.57	\$750	0.79	\$720	0.76	\$885	0.77	\$790	0.79
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		WU/2		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2014		2008	\$6	1989	\$25	1989	\$25	2008	\$6
8	Condition /Street Appeal	E		G	\$15	G	\$15	E		G	\$15
9	Neighborhood	E		E		E		E		E	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1100		1275	(\$32)	950	\$27	950	\$27	1149	(\$9)
14	Balcony/ Patio	Y		N	\$5	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		Y/Y		N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	W/D		HU	\$25	HU/L	\$25	HU/L	\$25	HU/L	\$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	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		N	\$5	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		Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y/Y		N/N	\$10	Y/N	\$5	Y/N	\$5	Y/N	\$5
28	Pool/ Recreation Areas	F		N	\$5	P/S	(\$8)	P/F/J	(\$13)	P/F	(\$10)
29	Computer Center	Y		N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y		N	\$3	Y		Y		Y	
31	Playground	Y		N	\$3	Y		Y		Y	
32	Social Services	N		N		Y	(\$10)	N		Y	(\$10)
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/G		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		N/N	\$44	N/N	\$44	N/N	\$44	N/N	\$44
39	Trash /Recycling	Y/N		Y/N		Y/N		N/N	\$14	N/N	\$14
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	1	8	2	5	1	3	4	5	1
41	Sum Adjustments B to D	\$75	(\$32)	\$110	(\$18)	\$85	(\$13)	\$36	(\$34)	\$76	(\$10)
42	Sum Utility Adjustments	\$44		\$44		\$58		\$58			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$87	\$151	\$136	\$172	\$130	\$156	\$60	\$128	\$66	\$86
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$812		\$886		\$850		\$945		\$856	
45	Adj Rent/Last rent		112%		118%		118%		107%		108%
46	Estimated Market Rent	\$860		\$0.78		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Stables At The Woods		Grand Oaks		Churchill Commons Apts.		Colony at South Park		Haven at Market Street Station		Trotters Run Apts.	
1199 York St.		140 Majestic Oak Wy.		1900 Roses Run		101 Greengate Cir.		8034 Macbean Loop		925 Trail Ridge Rd.	
Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$800		\$800		\$790		\$1,110		\$890	
2	Date Surveyed	Dec-12		Dec-12		Dec-12		Dec-12		Dec-12	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	88%		99%		94%		100%		92%	
5	Effective Rent & Rent/ sq. ft	\$800	0.54	\$800	0.73	\$790	0.69	\$1,110	0.86	\$890	0.72
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		WU/2		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2014		2008	\$6	1989	\$25	1989	\$25	2008	\$6
8	Condition /Street Appeal	E		G	\$15	G	\$15	E		E	\$15
9	Neighborhood	E		E		E		E		E	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1250		1492	(\$42)	1100	\$26	1150	\$18	1292	(\$7)
14	Balcony/ Patio	Y		N	\$5	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		Y/Y		N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	W/D		HU	\$25	HU/L	\$25	HU/L	\$25	HU/L	\$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	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		N	\$5	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		Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y/Y		N/N	\$10	Y/N	\$5	Y/N	\$5	Y/N	\$5
28	Pool/ Recreation Areas	F		N	\$5	P/S	(\$8)	P/F/J	(\$13)	P/F	(\$10)
29	Computer Center	Y		N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y		N	\$3	Y		Y		Y	
31	Playground	Y		N	\$3	Y		Y		Y	
32	Social Services	N		N		Y	(\$10)	N		Y	(\$10)
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/G		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		N/N	\$44	N/N	\$44	N/N	\$44	N/N	\$44
39	Trash /Recycling	Y/N		Y/N		Y/N		N/N	\$14	N/N	\$14
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	1	8	2	5	1	3	4	5	1
41	Sum Adjustments B to D	\$75	(\$42)	\$109	(\$18)	\$76	(\$13)	\$36	(\$32)	\$62	(\$10)
42	Sum Utility Adjustments	\$44		\$44		\$58		\$58			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$77	\$161	\$135	\$171	\$121	\$147	\$62	\$126	\$52	\$72
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$877		\$935		\$911		\$1,172		\$942	
45	Adj Rent/Last rent		110%		117%		115%		106%		106%
46	Estimated Market Rent	\$950		\$0.76		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **FOUR BEDROOM**

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Stables At The Woods		Grand Oaks		Churchill Commons Apts.		Colony at South Park		Haven at Market Street Station		Trotters Run Apts.	
1199 York St.		140 Majestic Oak Wy.		1900 Roses Run		101 Greengate Cir.		8034 Macbean Loop		925 Trail Ridge Rd.	
Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC		Aiken, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$800		\$883		\$848		\$1,120		\$890	
2	Date Surveyed	Dec-12		Dec-12		Dec-12		Dec-12		Dec-12	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	88%		99%		94%		100%		92%	
5	Effective Rent & Rent/ sq. ft	\$800	0.54	\$883	0.80	\$848	0.74	\$1,120	0.87	\$890	0.72
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		WU/2		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2014	\$6	1989	\$25	1989	\$25	2008	\$6	2001	\$13
8	Condition /Street Appeal	E	\$15	G	\$15	E		E		G	\$15
9	Neighborhood	E		E		E		E		E	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4	\$50	3	\$50	3	\$50	3	\$50	3	\$50
12	# Baths	2.5	\$15	2	\$15	2	\$15	2	\$15	2	\$15
13	Unit Interior Sq. Ft.	1400	(\$17)	1100	\$54	1150	\$45	1292	\$20	1230	\$31
14	Balcony/ Patio	Y	\$5	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	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	W/D	\$25	HU/L	\$25	HU/L	\$25	HU/L	\$25	HU	\$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	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		N	\$5	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		Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y/Y	\$10	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5
28	Pool/ Recreation Areas	F	\$5	P/S	(\$8)	P/F/J	(\$13)	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Picnic Area	Y	\$3	Y		Y		Y		Y	
31	Playground	Y	\$3	Y		Y		Y		Y	
32	Social Services	N		Y	(\$10)	N		Y	(\$10)	N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/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/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	\$44	N/N	\$44	N/N	\$44	N/N	\$44	Y/Y	
39	Trash /Recycling	Y/N		Y/N		N/N	\$14	N/N	\$14	Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	11	1	10	2	7	1	6	3	7	1
41	Sum Adjustments B to D	\$140	(\$17)	\$202	(\$18)	\$168	(\$13)	\$121	(\$25)	\$154	(\$10)
42	Sum Utility Adjustments	\$44		\$44		\$58		\$58			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$167	\$201	\$228	\$264	\$213	\$239	\$154	\$204	\$144	\$164
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$967		\$1,111		\$1,061		\$1,274		\$1,034	
45	Adj Rent/Last rent		121%		126%		125%		114%		116%
46	Estimated Market Rent	\$1,070	\$0.76	← 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 \$860 for a two-bedroom unit, \$950 for a three-bedroom unit and \$1,070 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	\$420	\$860	51.16%
Three-Bedroom	\$470	\$950	50.53%
Four-Bedroom	\$520	\$1070	51.40%
Weighted Average			51.03%

The proposed collected Tax Credit rents represent market rent advantages ranging from 50.53% to 51.40% for the two- three- and four-bedroom units at the subject project. 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 very likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA, as all have market-rent advantages above 50.0%

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 1989 and 2008. 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 a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.
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. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by 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 subject project will offer a unit amenity package similar to the selected properties. We have, however, made 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 subject project offers a limited project amenities package as compared to those offered at three of the comparable properties. We have made adjustments for features lacking at the subject property, and in some cases, we have made adjustments for features the subject property offers that the comparable properties do not offer.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2014
2	Meadowbrook Acres	100.0%	95.0%+
6	Olde South Terrace	100.0%	95.0%+
16	Glen Arbor Apts.	100.0%	95.0%+
24	Valley Homes	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which have a combined occupancy of 100.0%. Given the high occupancies and waiting list, we expect all Tax Credit projects to operate at or above 95.0% once the proposed subject units are built. Overall, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on existing Tax Credit projects within the market if the proposed subject project is developed.

10. OTHER HOUSING OPTIONS

a. Buy vs. Rent Analysis

According to ESRI, the median home value within the Site PMA was \$109,252. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$109,252 home is \$778, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$109,252
Mortgaged Value = 95% of Median Home Price	\$103,789
Interest Rate - Bankrate.com	6.0%
Term	30
Monthly Principal & Interest	\$622
Estimated Taxes and Insurance*	\$156
Estimated Monthly Mortgage Payment	\$778

*Estimated at 25% of principal and interest

In comparison, the proposed collected LIHTC rents at the subject property range from \$420 to \$520 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$258 to \$358 greater than the cost of renting at the subject site, depending on unit size and targeted income level. As such, it is not likely that any of the subject site's potential residents would be able to afford the monthly payments required to own a home, let alone the down payment on such a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

b. Shadow Rental Market

We identified nine single-family home rentals within the Aiken Site PMA which are summarized in the following table:

Single-Family Homes within the Aiken Area				
Address	Number Bedrooms	Number of Bathrooms	Square Feet	Collected Rent
1229 Woodbine Rd.	4	2.5	2357	1100
3125 Chamomile Ct.	4	2.5	2770	1300
209 Grandiflora Circle	4	2.5	2254	1300
1059 Brashum Dr.	4	2.5	3080	1400
326 Locke Lane	3	1.5	1144	725
18 Parkway South	3	2	1400	800
804 East Rollingwood Rd.	3	1	1641	850
147 Peconic Court	3	2	1110	875
143 Fairfield St. NE	3	2.5	1696	950

These single-family homes contain between three- to four-bedrooms with collected rents ranging from \$725 to \$1,400. Therefore, the cost of renting a typical single-family home is \$205 to \$880 greater than the cost of renting at the subject site, depending on unit size. Further, single-family home rentals typically do not include an extensive amenities package compared to the subject site. Therefore, we do not anticipate any competitive impact on or from the shadow rental market.

11. HOUSING VOIDS

As previously noted, there are four competitive Tax Credit projects located within the Aiken Site PMA which we surveyed. These projects have an overall occupancy rate of 100.0% indicating a strong demand for affordable rental housing in the market. The proposed subject project will include a total of 52 general-occupancy units targeting households up to 50% and 60% of AMHI. Additionally, the proposed subject will offer four-bedroom units, which the market has a demand for this specific bedroom type as only two of the five LIHTC projects offer four-bedrooms, and maintain 100.0% occupied. Therefore, this indicates there is pent-up demand for such units. Further, it is expected that the subject project will help fill part of the housing void that exists in the market.

As shown in the demographic section of this report, the Aiken Site PMA is expected to have growth among its population and household bases. With this generally positive demographic growth in the market, the demand for housing will increase. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the market that is currently being unmet and that is expected to increase over the foreseeable future.

I. INTERVIEWS

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

Based on our interviews with apartment managers in the Site PMA, the affordable housing projects are 100.0% occupied. Specifically, Ms. Susan Lockhart and Ms. Michelle Clayton were interviewed about the demand for additional Tax Credit housing. Ms. Lockhart and Ms. Clayton are both property managers at existing LIHTC developments.

- Ms. Lockhart (Glen Arbor Apartments) stated that there is always a need for more affordable housing in the area. Ms. Lockhart noted that she receives several inquiries a week and keeps a stabilized waiting list. She further commented that the market area is not very competitive due to the high demand.
- Ms. Clayton (Meadowbrook Acres and Olde South Terrace) stated that there is a “huge” need for more affordable housing in the area. Her properties have maintained long waiting lists since they first opened in 2010 and 2011.
- Ms. Althea Levi is the Administrative Housing Administrator with the Aiken Housing Authority. According to Ms. Levi, there are approximately 890 Housing Choice Voucher holders within the housing authority’s jurisdiction and 1,102 households currently on the waiting list for additional Vouchers. The waiting list is currently closed and there are no plans to open it any time soon. Annual turnover of persons in the Voucher program is estimated at 120 households. At this rate, a new household on the waiting list would receive a Voucher in approximately 12 years. This reflects the continuing need for Housing Choice Voucher assistance.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 52 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes. Given the 50.53% to 51.40% market rent advantage, the proposed project will be considered a significant value. This is demonstrated in Section IV.

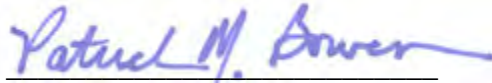
As illustrated by the high occupancy rates, waiting lists and absorption rates at the five comparable LIHTC projects, the proposed project will provide a housing type that is currently in high demand. Based on the 6.1% capture rate illustrated in Section G of this report, there are a substantial number of income-qualified renter households present within the Site PMA that could support the proposed development. Further, demographic trends illustrate the number of low-income renters will continue to increase through 2015. However, many of these households have no viable affordable housing alternative at the moment given the high occupancy rates of existing supply. Therefore, the proposed project will fill a void in the Aiken rental housing market.

No recommendations are proposed at this time.

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:



Patrick Bowen
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Date: February 27, 2013



Chuck Ewing
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Heather Moore
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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.

Chuck Ewing, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

Jeff Gibson, Market Analyst, has been a licensed home inspector (commercial and residential) since 1996. He has worked with city inspectors ensuring proper completion of work to obtain permits and pass inspections as required. 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.

Carolyn Thurman, Market Analyst, has worked on several large projects such as Tax Credit applications, market study reviews, and site audits. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. 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. Ms. Thurman graduated with a Bachelors of Art in Psychology/Economics from Case Western Reserve University, and a Masters in City and Regional Planning from The Ohio State University

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

AIKEN, 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.

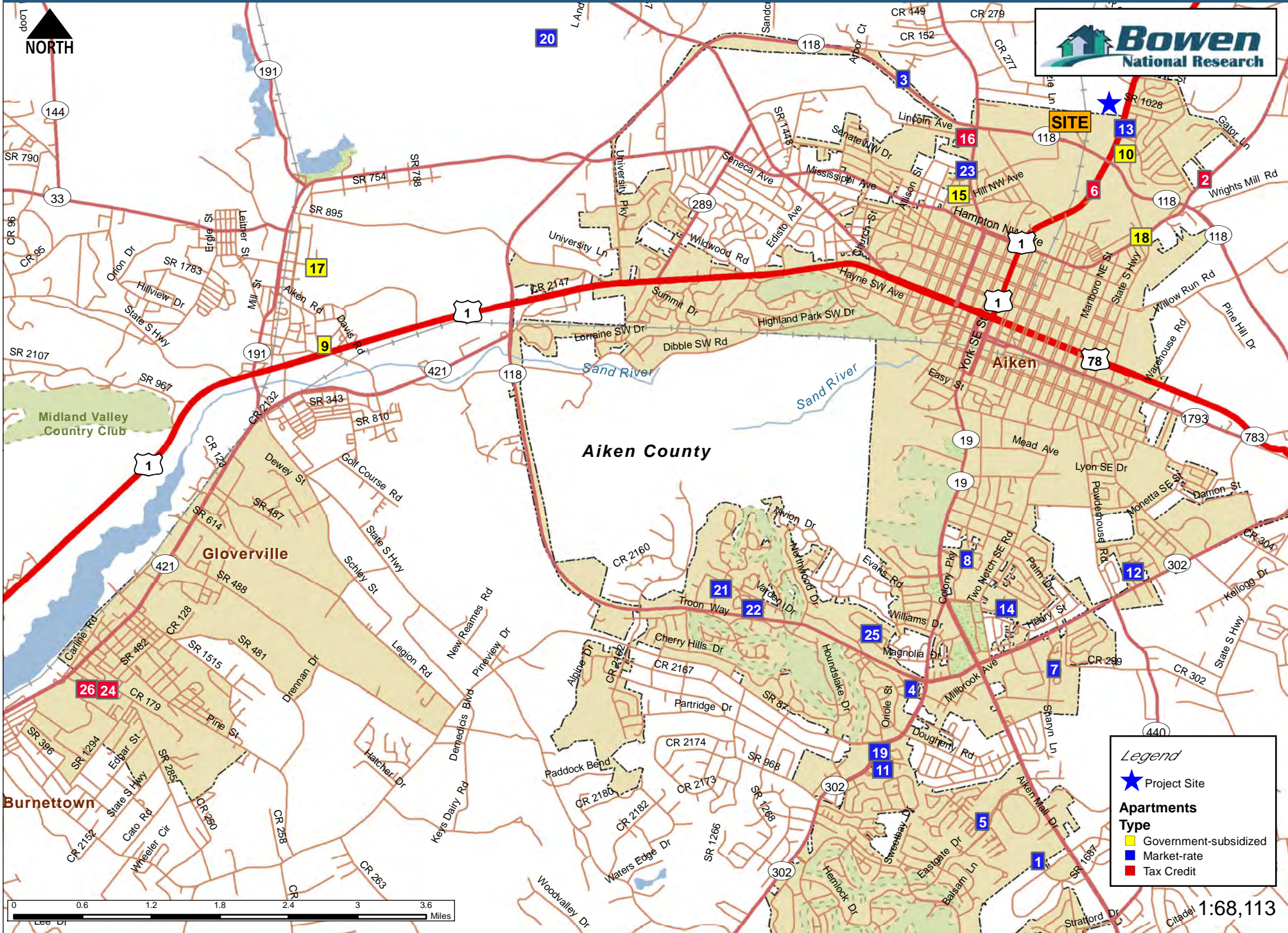
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- 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.

Aiken, SC: Apartment Locations



Legend

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

1:68,113

MAP IDENTIFICATION LIST - AIKEN, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	New London Apts.	MRR	A	2012	64	0	100.0%	6.4
2	Meadowbrook Acres	TAX	B+	2011	48	0	100.0%	1.1
3	Grand Oaks	MRR	B	2008	32	3	90.6%	2.1
4	Bluff Manor Apts.	MRR	C	1976	64	1	98.4%	4.9
5	Brittany Downs	MRR	B+	1998	194	17	91.2%	6.1
6	Olde South Terrace	TAX	B+	2010	48	0	100.0%	1.2
7	Churchill Commons Apts.	MRR	B+	1989	240	2	99.2%	4.9
8	Colony at South Park	MRR	A-	1989	184	8	95.7%	4.0
9	New Hope Community I	GSS	C-	1981	69	0	100.0%	6.8
10	Crosland Apts.	GSS	B+	1987	56	0	100.0%	0.4
11	Dexter Arms	MRR	C	1978	72	2	97.2%	5.6
12	Gateway Apts.	MRR	C+	1984	134	21	84.3%	4.2
13	Glendale Terrace	MRR	B	1974	60	0	100.0%	0.2
14	Greenbriar Apts.	MRR	B	1987	64	0	100.0%	4.4
15	Hahn Village	GSS	C-	1979	102	0	100.0%	1.8
16	Glen Arbor Apts.	TAX	B	2000	56	0	100.0%	1.5
17	Kalmia Apts.	GSS	B-	1980	96	0	100.0%	7.4
18	Pace's Run Apts.	GSS	C+	1970	56	0	100.0%	1.1
19	Steeplechase Apts.	MRR	B	1971	126	0	100.0%	5.6
20	Haven at Market Street Station	MRR	A	2008	284	15	94.7%	4.7
21	Trotters Run Apts.	MRR	B+	2001	96	4	95.8%	6.1
22	Verandas on the Green	MRR	B-	1978	222	40	82.0%	5.9
23	Colony Woods Apts.	MRR	B-	1986	34	1	97.1%	1.7
24	Valley Homes	TAX	B+	2002	34	0	100.0%	10.0
25	Woodwinds Apts.	MRR	B+	1989	144	10	93.1%	5.4
26	Villages at Horse Creek Senior Housing	TAX	B+	2004	36	0	100.0%	10.1

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	16	2,014	124	93.8%	0
TAX	5	222	0	100.0%	0
GSS	5	379	0	100.0%	0

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

* - Drive Distance (Miles)

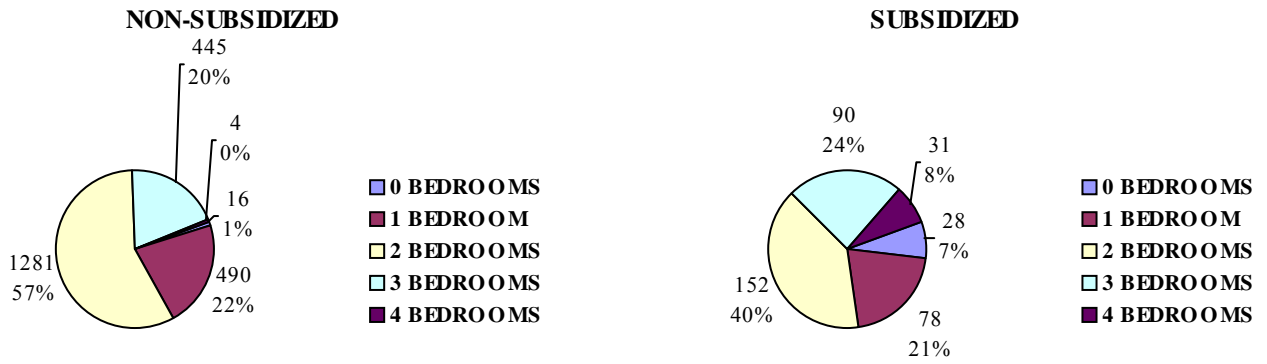
Survey Date: February 2013

DISTRIBUTION OF UNITS - AIKEN, SOUTH CAROLINA






MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	16	0.8%	0	0.0%	\$701
1	1	454	22.5%	30	6.6%	\$786
2	1	100	5.0%	0	0.0%	\$687
2	1.5	154	7.6%	3	1.9%	\$760
2	2	835	41.5%	54	6.5%	\$941
2	2.5	96	4.8%	22	22.9%	\$965
3	1	21	1.0%	1	4.8%	\$775
3	1.5	27	1.3%	0	0.0%	\$775
3	2	311	15.4%	14	4.5%	\$1,058
TOTAL		2,014	100.0%	124	6.2%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	36	16.2%	0	0.0%	\$521
2	1	40	18.0%	0	0.0%	\$642
2	2	56	25.2%	0	0.0%	\$651
3	2	86	38.7%	0	0.0%	\$769
4	2	4	1.8%	0	0.0%	\$886
TOTAL		222	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	28	7.4%	0	0.0%	N.A.
1	1	78	20.6%	0	0.0%	N.A.
2	1	104	27.4%	0	0.0%	N.A.
2	1.5	48	12.7%	0	0.0%	N.A.
3	1	66	17.4%	0	0.0%	N.A.
3	1.5	24	6.3%	0	0.0%	N.A.
4	1	31	8.2%	0	0.0%	N.A.
TOTAL		379	100.0%	0	0.0%	
GRAND TOTAL		2,615	-	124	4.7%	

DISTRIBUTION OF UNITS - AIKEN, SOUTH CAROLINA

DISTRIBUTION OF UNITS BY BEDROOM



SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA




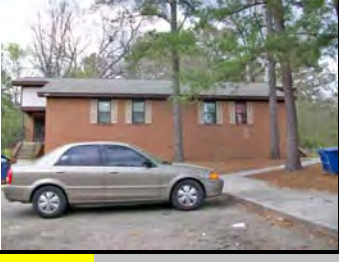

1 New London Apts.			
	Address 3000 London Ct. Aiken, SC 29803	Phone (665) 648-7005 (Contact in person)	Total Units 64
	Year Built 2012 Comments Opened 7/2012, 100% occupied 12/2012; Second floor units have ceiling fans; Rent range based on floor level	Contact Daniel	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A
			Waiting List None
2 Meadowbrook Acres			
	Address 5000 Canvasback Cir. Aiken, SC 29803	Phone (803) 226-0559 (Contact in person)	Total Units 48
	Year Built 2011 Comments 50% & 60% AMHI; HCV (3 units); Opened 10/2011, 100% occupied 11/2011, began preleasing 8/2011; Carpet in bedrooms, wood laminate throughout	Contact Michelle	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 45 households
3 Grand Oaks			
	Address 140 Majestic Oak Wy. Aiken, SC 29801	Phone (803) 648-8200 (Contact in person)	Total Units 32
	Year Built 2008 Comments Does not accept HCV	Contact Craig	Vacancies 3 Occupied 90.6% Floors 2 Quality Rating B
			Waiting List None
4 Bluff Manor Apts.			
	Address 102 Olde Towne Rd. Aiken, SC 29803	Phone (803) 648-8200 (Contact in person)	Total Units 64
	Year Built 1976 Comments Does not accept HCV; Larger 2-br townhomes have fireplaces	Contact Thelma	Vacancies 1 Occupied 98.4% Floors 1,2 Quality Rating C
			Waiting List None
5 Brittany Downs			
	Address 200 Berringer Dr. SW Aiken, SC 29803	Phone (803) 641-6560 (Contact in person)	Total Units 194
	Year Built 1998 Comments Does not accept HCV; Rent range based on floor level & floor plan; Washer/dryer in studios only; Phase II built in 2000	Contact Rebecca	Vacancies 17 Occupied 91.2% Floors 1,2 Quality Rating B+
			Waiting List None

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA

6 Olde South Terrace			
	Address 4001 Eclipse Loop Aiken, SC 29081	Phone (803) 226-0466 (Contact in person)	Total Units 48
	Year Built 2010	Contact Michelle	Vacancies 0
	Comments 50% & 60% AMHI; HCV (10 units); Carpet in bedrooms, wood laminate throughout		Occupied 100.0%
			Floors 3
			Quality Rating B+
			Waiting List 50 households
7 Churchill Commons Apts.			
	Address 1900 Roses Run Aiken, SC 29803	Phone (803) 642-7070 (Contact in person)	Total Units 240
	Year Built 1989	Contact Arie	Vacancies 2
	Comments Does not accept HCV; Eight 2-br units have fireplace; Rent range based on unit amenities		Occupied 99.2%
			Floors 2
			Quality Rating B+
	Rent Special Move-in by 12/31 get \$500 off 1st month's rent		Waiting List None
8 Colony at South Park			
	Address 101 Greengate Cir. Aiken, SC 29803	Phone (803) 649-4140 (Contact in person)	Total Units 184
	Year Built 1989	Contact Amy	Vacancies 8
	Comments Rents change daily; Accepts HCV (0 currently); Rent range due to unit amenities & length of lease		Occupied 95.7%
			Floors 2
			Quality Rating A-
	Rent Special 2 & 3-br: All fees waived, \$500 off 1st month's rent		Waiting List None
9 New Hope Community I			
	Address 346 Aiken Rd. Graniteville, SC 29829	Phone (803) 649-6673 (Contact in person)	Total Units 69
	Year Built 1981	Contact Ms. Byas	Vacancies 0
	Comments Public Housing; Washer hookup only; Unit mix & square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 6-12 months
10 Crosland Apts.			
	Address 630 Aldrich St. NE Aiken, SC 29801	Phone (803) 648-9939 (Contact in person)	Total Units 56
	Year Built 1987	Contact Gaye	Vacancies 0
	Comments HUD Section 8; Year built & square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating B+
			Waiting List 35 households

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA

11 Dexter Arms			
	Address 650 Silver Bluff Rd. SW Aiken, SC 29801	Phone (803) 648-8200 (Contact in person)	Total Units 72
	Year Built 1978 Comments Does not accept HCV	Contact Thelma	Vacancies 2 Occupied 97.2% Floors 1,2 Quality Rating C
			Waiting List None
12 Gatewood Apts.			
	Address 303-D Pebble Ln. Aiken, SC 29801	Phone (803) 642-6553 (Contact in person)	Total Units 134
	Year Built 1984 Comments Does not accept HCV; Rent range based on unit upgrades that include wood flooring; Typical 2-br TH rent \$825-840	Contact Stephaine	Vacancies 21 Occupied 84.3% Floors 1,2 Quality Rating C+
Rent Special Reported 2-br TH rents discounted, \$99 deposit & one month free rent			Waiting List None
13 Glendale Terrace			
	Address 1223 York St. NE Aiken, SC 29801	Phone (803) 648-6242 (Contact in person)	Total Units 60
	Year Built 1974 Comments HCV (19 units)	Contact Patti	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B
			Waiting List 4 households
14 Greenbriar Apts.			
	Address 1 Nancy Ln. SE Aiken, SC 29803	Phone (803) 648-8200 (Contact in person)	Total Units 64
	Year Built 1987 Comments Does not accept HCV; Year built estimated	Contact Nancy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List None
15 Hahn Village			
	Address 101 Rogers Ter. NW Aiken, SC 29801	Phone (803) 649-6673 (Contact in person)	Total Units 102
	Year Built 1979 Comments Public Housing; Washer hookup only; Square footage estimated	Contact Ms. Byas	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C-
			Waiting List 6-12 months

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA





16 Glen Arbor Apts.			
	Address 2000 Glen Arbor Ct. Aiken, SC 29801	Phone (803) 648-6808 (Contact in person)	Total Units 56
	Year Built 2000 Comments 50% & 60% AMHI; HCV (12 units)	Contact Von	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B
			Waiting List 3 households
17 Kalmia Apts.			
	Address 1600 Kalmia Ln. Graniteville, SC 29829	Phone (803) 663-3213 (Contact in person)	Total Units 96
	Year Built 1980 Renovated 2011 Comments HUD Section 8	Contact Aileen	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B-
			Waiting List 6-12 months
18 Pace's Run Apts.			
	Address 826 Brant Ct. Aiken, SC 29801	Phone (803) 648-7214 (Contact in person)	Total Units 56
	Year Built 1970 Renovated 1990 Comments HUD Section 8; Renovation year & square footage estimated	Contact Dee	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+
			Waiting List 2 years
19 Steeplechase Apts.			
	Address 749 Silver Bluff Rd. SW Aiken, SC 29803	Phone (803) 648-3800 (Contact in person)	Total Units 126
	Year Built 1971 Comments Does not accept HCV; 3-br townhomes have patios; Rent range based on unit upgrades	Contact Erin	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List None
20 Haven at Market Street Station			
	Address 8034 Macbean Loop Aiken, SC 29801	Phone (803) 641-3111 (Contact in person)	Total Units 284
	Year Built 2008 Comments Does not accept HCV; Large 1-br units have den	Contact Lyla	Vacancies 15 Occupied 94.7% Floors 2,3 Quality Rating A
			Waiting List None

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA


21 Trotters Run Apts.			
	Address 925 Trail Ridge Rd. Aiken, SC 29803	Phone (803) 641-7163 (Contact in person)	Total Units 96
	Year Built 2001	Contact Christy	Vacancies 4
	Comments Does not accept HCV; Furnished units corporate, rent negotiated & varies; 24 2-br does not have patio storage		Occupied 95.8%
			Floors 3
			Quality Rating B+
	Rent Special \$25 off per month with 12-month lease or 1 month free & application fee waived		Waiting List None
22 Verandas on the Green			
	Address 101 Fairway Ridge Rd. SW Aiken, SC 29803	Phone (803) 649-3468 (Contact in person)	Total Units 222
	Year Built 1978	Contact Jennifer	Vacancies 40
	Comments Rent range based on floor level & unit upgrades; Vacancies due to job loss		Occupied 82.0%
			Floors 2
			Quality Rating B-
	Rent Special \$500 off 1st month's rent with 14 month lease		Waiting List None
23 Colony Woods Apts.			
	Address 811 Laurens St. NW Aiken, SC 29801	Phone (803) 226-0084 (Contact in person)	Total Units 34
	Year Built 1986 Renovated 2007	Contact Nemika	Vacancies 1
	Comments		Occupied 97.1%
			Floors 1
			Quality Rating B-
			Waiting List None
24 Valley Homes			
	Address 411 Lawana Dr. Gloverville, SC 29828	Phone (803) 594-0588 (Contact in person)	Total Units 34
	Year Built 2002	Contact Ikea	Vacancies 0
	Comments Part of Villages at Horse Creek; 50% AMHI; HCV (10 units)		Occupied 100.0%
			Floors 1
			Quality Rating B+
			Single-Family Homes Waiting List 50-100 households
25 Woodwinds Apts.			
	Address 100 Cody Ln. Aiken, SC 29803	Phone (803) 648-5451 (Contact in person)	Total Units 144
	Year Built 1989	Contact Angela	Vacancies 10
	Comments Accepts HCV (0 currently); Rent range based on unit location, fireplace & unit updates; Vaulted ceilings in 3-br townhomes only		Occupied 93.1%
			Floors 1,2
			Quality Rating B+
			Waiting List None

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - AIKEN, SOUTH CAROLINA

26 Villages at Horse Creek Senior Housing			
	Address 456 Lawana Dr. Gloverville, SC 29828 Year Built 2004 Comments 50% AMHI; HCV (approx. 30 units)	Phone (803) 594-0588 (Contact in person) Contact Ikea	Total Units 36 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Senior Restricted (55+) Waiting List 50-100 households

Project Type

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

Survey Date: February 2013

COLLECTED RENTS - AIKEN, 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
1		\$665 to \$695	\$765 to \$795						
2			\$395 to \$435	\$445 to \$500					
3			\$725 to \$750	\$800					
4			\$550	\$625			\$540 to \$550		
5	\$555	\$570 to \$635	\$650 to \$725				\$680		
6			\$410 to \$450	\$460 to \$515					
7			\$750 to \$900	\$800 to \$965					
8		\$590 to \$700	\$720 to \$820	\$790 to \$906					
11		\$490					\$535	\$610	
12			\$815 to \$830	\$905 to \$920			\$769		
13		\$495	\$595	\$670					
14			\$535						
16			\$470	\$550					
19		\$517 to \$543	\$657					\$720	
20		\$715 to \$735	\$885 to \$905	\$1110 to \$1130					
21		\$670	\$790	\$890					
22		\$661 to \$664	\$704 to \$735	\$835					
23				\$675					
24			\$468	\$519	\$565				
25			\$680 to \$695	\$810 to \$850			\$700 to \$710	\$855 to \$870	
26		\$521							

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - AIKEN, SOUTH CAROLINA

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Brittany Downs	1	520	\$701	\$1.35
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	New London Apts.	1	725	\$847 to \$877	\$1.17 to \$1.21
5	Brittany Downs	1	720 to 800	\$752 to \$817	\$1.02 to \$1.04
8	Colony at South Park	1	750	\$786 to \$896	\$1.05 to \$1.19
11	Dexter Arms	1	750	\$608	\$0.81
13	Glendale Terrace	1	608	\$633	\$1.04
19	Steeplechase Apts.	1	543 to 635	\$635 to \$661	\$1.04 to \$1.17
20	Haven at Market Street Station	1	776 to 988	\$903 to \$923	\$0.93 to \$1.16
21	Trotters Run Apts.	1	700	\$788	\$1.13
22	Verandas on the Green	1	775	\$779 to \$782	\$1.01 to \$1.01
26	Villages at Horse Creek Senior Housing	1	600	\$521	\$0.87
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	New London Apts.	2	985	\$981 to \$1011	\$1.00 to \$1.03
3	Grand Oaks	2	1275 to 1387	\$941 to \$966	\$0.70 to \$0.74
4	Bluff Manor Apts.	1.5	1000 to 1102	\$750 to \$760	\$0.69 to \$0.75
5	Brittany Downs	1.5	1008	\$896	\$0.89
		2	1048	\$866 to \$941	\$0.83 to \$0.90
7	Churchill Commons Apts.	2	950	\$916 to \$1066	\$0.96 to \$1.12
8	Colony at South Park	2	950	\$950 to \$1050	\$1.00 to \$1.11
11	Dexter Arms	1.5	1000	\$687	\$0.69
12	Gatewood Apts.	1.5	975	\$1011 to \$1026	\$1.04 to \$1.05
		2.5	1053	\$965	\$0.92
13	Glendale Terrace	1	794	\$767	\$0.97
14	Greenbriar Apts.	1	983	\$687	\$0.70
19	Steeplechase Apts.	1.5	835	\$809	\$0.97
20	Haven at Market Street Station	2	1149	\$1105 to \$1125	\$0.96 to \$0.98
21	Trotters Run Apts.	2	1000 to 1010	\$942	\$0.93 to \$0.94
22	Verandas on the Green	2	1000	\$856 to \$887	\$0.86 to \$0.89
25	Woodwinds Apts.	2	1074	\$845 to \$860	\$0.79 to \$0.80
		2.5	1157	\$865 to \$875	\$0.75 to \$0.76
2	Meadowbrook Acres	2	1096	\$611 to \$651	\$0.56 to \$0.59
6	Olde South Terrace	2	1080	\$626 to \$666	\$0.58 to \$0.62

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - AIKEN, SOUTH CAROLINA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
16	Glen Arbor Apts.	1	908	\$642	\$0.71
24	Valley Homes	2	850	\$698	\$0.82
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Grand Oaks	2	1492	\$1054	\$0.71
4	Bluff Manor Apts.	2	1138	\$873	\$0.77
7	Churchill Commons Apts.	2	1100	\$1001 to \$1166	\$0.91 to \$1.06
8	Colony at South Park	2	1150	\$1058 to \$1174	\$0.92 to \$1.02
11	Dexter Arms	2	1200	\$800	\$0.67
12	Gatewood Apts.	2	1125	\$1139 to \$1154	\$1.01 to \$1.03
13	Glendale Terrace	1	1039	\$880	\$0.85
19	Steeplechase Apts.	1.5	1050	\$910	\$0.87
20	Haven at Market Street Station	2	1292	\$1365 to \$1385	\$1.06 to \$1.07
21	Trotters Run Apts.	2	1230	\$1080	\$0.88
22	Verandas on the Green	2	1235	\$1025	\$0.83
23	Colony Woods Apts.	1 to 1.5	968	\$775	\$0.80
25	Woodwinds Apts.	2	1252 to 1256	\$1003 to \$1063	\$0.80 to \$0.85
2	Meadowbrook Acres	2	1196	\$699 to \$754	\$0.58 to \$0.63
6	Olde South Terrace	2	1200	\$714 to \$769	\$0.60 to \$0.64
16	Glen Arbor Apts.	2	1053	\$760	\$0.72
24	Valley Homes	2	1000	\$787	\$0.79
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
24	Valley Homes	2	1200	\$886	\$0.74

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

Survey Date: February 2013

AVERAGE GROSS RENT PER SQUARE FOOT - AIKEN, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.07	\$0.93	\$0.92
TOWNHOUSE	\$0.00	\$0.79	\$0.79

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.87	\$0.66	\$0.69
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.06	\$0.90	\$0.87
TOWNHOUSE	\$0.00	\$0.79	\$0.79

TAX CREDIT UNITS - AIKEN, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
26	Villages at Horse Creek Senior Housing	36	600	1	50%	\$521
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Meadowbrook Acres	8	1096	2	50%	\$395
6	Olde South Terrace	8	1080	2	50%	\$410
2	Meadowbrook Acres	24	1096	2	60%	\$435
6	Olde South Terrace	8	1080	2	60%	\$450
24	Valley Homes	8	850	2	50%	\$468
16	Glen Arbor Apts.	12	908	1	60%	\$470
16	Glen Arbor Apts.	28	908	1	50%	\$470
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Meadowbrook Acres	4	1196	2	50%	\$445
6	Olde South Terrace	4	1200	2	50%	\$460
2	Meadowbrook Acres	12	1196	2	60%	\$500
6	Olde South Terrace	28	1200	2	60%	\$515
24	Valley Homes	22	1000	2	50%	\$519
16	Glen Arbor Apts.	6	1053	2	60%	\$550
16	Glen Arbor Apts.	10	1053	2	50%	\$550
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
24	Valley Homes	4	1200	2	50%	\$565

◆ - Senior Restricted

QUALITY RATING - AIKEN, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

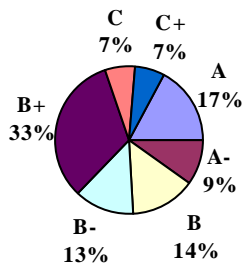
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	2	348	4.3%		\$903	\$1,105	\$1,365	
A-	1	184	4.3%		\$786	\$950	\$1,058	
B+	4	674	4.9%	\$701	\$788	\$916	\$1,048	
B	4	282	1.1%		\$635	\$767	\$910	
B-	2	256	16.0%		\$779	\$856	\$775	
C+	1	134	15.7%			\$965	\$1,139	
C	2	136	2.2%		\$608	\$750	\$800	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

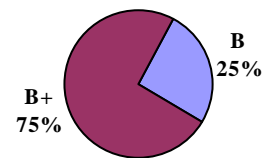
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	4	166	0.0%		\$521	\$651	\$769	\$886
B	1	56	0.0%			\$642	\$760	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - AIKEN, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	5	544	43	7.9%	544	24.3%
1980 to 1989	6	800	42	5.3%	1344	35.8%
1990 to 1999	1	194	17	8.8%	1538	8.7%
2000 to 2005	4	222	4	1.8%	1760	9.9%
2006	0	0	0	0.0%	1760	0.0%
2007	0	0	0	0.0%	1760	0.0%
2008	2	316	18	5.7%	2076	14.1%
2009	0	0	0	0.0%	2076	0.0%
2010	1	48	0	0.0%	2124	2.1%
2011	1	48	0	0.0%	2172	2.1%
2012	1	64	0	0.0%	2236	2.9%
2013**	0	0	0	0.0%	2236	0.0%
TOTAL	21	2236	124	5.5%	2236	100.0 %

YEAR RENOVATED - AIKEN, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	1	34	1	2.9%	34	100.0%
2008	0	0	0	0.0%	34	0.0%
2009	0	0	0	0.0%	34	0.0%
2010	0	0	0	0.0%	34	0.0%
2011	0	0	0	0.0%	34	0.0%
2012	0	0	0	0.0%	34	0.0%
2013**	0	0	0	0.0%	34	0.0%
TOTAL	1	34	1	2.9%	34	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

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

** As of February 2013

APPLIANCES AND UNIT AMENITIES - AIKEN, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	21	100.0%	2,236
REFRIGERATOR	21	100.0%	2,236
ICEMAKER	10	47.6%	1,086
DISHWASHER	20	95.2%	2,176
DISPOSAL	16	76.2%	2,010
MICROWAVE	11	52.4%	996
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	21	100.0%	2,236
AC - WINDOW	0	0.0%	
FLOOR COVERING	21	100.0%	2,236
WASHER/DRYER	1	4.8%	194
WASHER/DRYER HOOK-UP	16	76.2%	1,878
PATIO/DECK/BALCONY	18	85.7%	2,106
CEILING FAN	19	90.5%	1,802
FIREPLACE	5	23.8%	854
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	21	100.0%	2,236
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	4.8%	36

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

PROJECT AMENITIES - AIKEN, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	10	47.6%	1,566
ON-SITE MANAGEMENT	20	95.2%	2,172
LAUNDRY	14	66.7%	1,618
CLUB HOUSE	9	42.9%	1,464
MEETING ROOM	4	19.0%	188
FITNESS CENTER	7	33.3%	918
JACUZZI/SAUNA	1	4.8%	184
PLAYGROUND	12	57.1%	1,616
COMPUTER LAB	6	28.6%	832
SPORTS COURT	1	4.8%	732
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	1	4.8%	36
SECURITY GATE	2	9.5%	506
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	3	14.3%	708
PICNIC AREA	11	52.4%	1,486
CONCIERGE SERVICE	3	14.3%	708
SOCIAL SERVICE PACKAGE	4	19.0%	620

DISTRIBUTION OF UTILITIES - AIKEN, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	36	1.4%
GAS	2	136	5.2%
TENANT			
ELECTRIC	21	2,230	85.3%
GAS	2	213	8.1%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	36	1.4%
TENANT			
ELECTRIC	25	2,579	98.6%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	36	1.4%
GAS	2	136	5.2%
TENANT			
ELECTRIC	19	1,706	65.2%
GAS	4	737	28.2%
			100.0%
ELECTRIC			
LANDLORD			
ELECTRIC	1	36	1.4%
TENANT			
ELECTRIC	25	2,579	98.6%
			100.0%
WATER			
LANDLORD			
ELECTRIC	13	1,076	41.1%
TENANT			
ELECTRIC	13	1,539	58.9%
			100.0%
SEWER			
LANDLORD			
ELECTRIC	13	1,076	41.1%
TENANT			
ELECTRIC	13	1,539	58.9%
TRASH PICK-UP			
LANDLORD			
ELECTRIC	21	1,980	75.7%
TENANT			
ELECTRIC	5	635	24.3%
			100.0%

UTILITY ALLOWANCE - AIKEN, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$23	\$31		\$14	\$13	\$18	\$5	\$6	\$47	\$15	\$29	\$14	\$20
1	GARDEN	\$29	\$44		\$20	\$18	\$26	\$6	\$8	\$60	\$15	\$29	\$14	\$20
1	TOWNHOUSE	\$29	\$44		\$20	\$18	\$26	\$6	\$8	\$60	\$15	\$29	\$14	\$20
2	GARDEN	\$35	\$56		\$26	\$23	\$33	\$8	\$10	\$73	\$15	\$29	\$14	\$20
2	TOWNHOUSE	\$35	\$56		\$26	\$23	\$33	\$8	\$10	\$73	\$15	\$29	\$14	\$20
3	GARDEN	\$41	\$69		\$32	\$28	\$41	\$10	\$13	\$87	\$15	\$29	\$14	\$20
3	TOWNHOUSE	\$41	\$69		\$32	\$28	\$41	\$10	\$13	\$87	\$15	\$29	\$14	\$20
4	GARDEN	\$51	\$88		\$40	\$36	\$52	\$13	\$16	\$107	\$15	\$29	\$14	\$20
4	TOWNHOUSE	\$51	\$88		\$40	\$36	\$52	\$13	\$16	\$107	\$15	\$29	\$14	\$20

SC-Aiken (2/2012) Fees

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ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

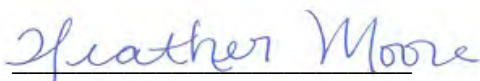
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

		Section (s)
OTHER REQUIREMENTS		
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