Shaw Research & Consulting

Real Estate Analysis & Market Feasibility Services

A RENTAL HOUSING MARKET FEASIBILITY ANALYSIS FOR

FLORENCE, SOUTH CAROLINA

Palmetto Station Apartments

Freedom Boulevard, East of Irby Street
Florence, South Carolina 29505

February 28, 2013

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CERTIFICATE OF ACCURACY AND RELIABILITY

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.

Steven R. Shaw
SHAW RESEARCH & CONSULTING

Date: February 28, 2013

INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Florence area as it pertains to the market feasibility of Palmetto Station Apartments, a proposed 48-unit affordable rental housing development targeted for low-income family households. The subject proposal is to be located in the extreme southern portion of the city along the north side of Freedom Boulevard, approximately ¼ mile east of Irby Street (U.S. 301/U.S. 52). Located approximately three miles south of downtown Florence, the proposed development is situated within an area with a mix of retail, residential, and undeveloped property.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Florence market area. All fieldwork and community data collection was conducted on March 8th, 2012, and again on February 22, 2013 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Palmetto Station Apartments will feature a total of 48 units (24 two-bedroom and 24 three-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal, as described in the following project description, within the Florence market area. As such, the following summary highlights the key findings and conclusions reached from this information:

1) The subject proposal is a 48-unit family-oriented rental development targeting low-income family households. The facility will consist of a mix of two and three bedroom units restricted to households at 50 and 60 percent of AMI.

2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Florence PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable rental housing.

3) Occupancy rates for rental housing are quite positive throughout the Florence market area at the current time. As such, an overall occupancy rate of 97.0 percent was calculated from a February 2013 survey of 16 family-oriented rental developments identified and contacted within the PMA.

4) Considering only the five tax credit developments within the immediate Florence area, a combined occupancy rate of 97.1 percent was determined – providing a clear indication of the acceptance and need for affordable rental options locally.

5) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Florence area have been relatively positive since 2000. As such, the overall population within the PMA increased by 15 percent between 2000 and 2012, representing more than 11,550 additional residents during this time. Further, future projections indicate these gains will continue, with an estimated increase of four percent (roughly 3,150 persons) anticipated between 2012 and 2017.

6) Considering the subject's proposed targeting, extremely affordable rental rates, and competitive unit sizes and development features, the introduction of Palmetto Station Apartments should prove successful. Based on positive demographic patterns, and generally high occupancy levels throughout the local rental stock, especially within local properties, additional family-oriented rental units would undoubtedly be successful within the Florence PMA. As such, evidence presented within the market study suggests a normal lease-up period (between six and eight months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2013 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	PALMETTO STATION APARTMENTS	Total # Units:	48
Location:	Freedom Boulevard	# LIHTC Units:	48
PMA Boundary:	North=county border/Black Creek; South=Lynches River; East=Cato Rd/Cemetary Rd; West=Langston/Peniel Rd		
Development Type:	XX Family ____ Older Persons	Farthest Boundary Distance to Subject:	9.5 miles

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	16	1,816	54	97.0%
Market-Rate Housing	9	1,332	38	97.2%
Assisted/Subsidized Housing not to include LIHTC	2	204	8	96.1%
LIHTC (All that are stabilized)*	**5**	**280**	**8**	**97.1%**
Stabilized Comps**	5	280	8	97.1%
Non-stabilized Comps	0	0	0	NA

*Stabilized occupancy of at least 94% (Excludes projects still in initial lease up).
**Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	2 BR	2.0	1,075	**$360**	$817	$0.76	55.9%	$980	$0.77
18	2 BR	2.0	1,075	**$470**	$817	$0.76	42.5%	$980	$0.77
6	3 BR	2.0	1,225	**$415**	$1,033	$0.84	59.8%	$1,190	$0.78
18	3 BR	2.0	1,225	**$545**	$1,033	$0.84	47.2%	$1,190	$0.78
Gross Potential Rent Monthly*				**$22,920**	**$44,382**		**48.36%**		

*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 34)

	2010		2012		2015	
Renter Households	11,688	34.7%	11,884	34.7%	12,178	34.7%
Income-Qualified Renter HHs (LIHTC)	2,702	23.1%	2,747	23.1%	2,815	23.1%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 47)

Type of Demand	50%	60%	Market Rate	Other:______	Other:_____	Overall
Renter Household Growth	46	51				68
Existing Households (Overburd + Substand)	643	700				942
Homeowner Conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	10	26				36
Net Income-Qualified Renter HHs	**679**	**725**	**0**	**0**	**0**	**974**

CAPTURE RATES (found on page 47)

Targeted Population	50%	60%	Market Rate	Other:______	Other:_____	Overall
Capture Rate	1.8%	5.0%				4.9%

ABSORPTION RATE (found on page 49)

Absorption Period: 6 to 8 months

2013 S-2 RENT CALCULATION WORKSHEET						
# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
0	0 BR		$0		$0	
0	0 BR		$0		$0	
0	0 BR		$0		$0	
0	1 BR		$0		$0	
0	1 BR		$0		$0	
0	1 BR		$0		$0	
6	2 BR	$360	$2,160	$817	$4,901	
18	2 BR	$470	$8,460	$817	$14,702	
0	2 BR		$0		$0	
6	3 BR	$415	$2,490	$1,033	$6,195	
18	3 BR	$545	$9,810	$1,033	$18,585	
0	3 BR		$0		$0	
0	4 BR		$0		$0	
0	4 BR		$0		$0	
0	4 BR		$0		$0	
Totals	**48**		**$22,920**		**$44,382**	**48.36%**

A. PROJECT DESCRIPTION

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions:

Project Name:	**PALMETTO STATION APARTMENTS**	
Project Address:	**Freedom Boulevard**	
Project City:	**Florence, South Carolina**	
County:	**Florence County**	
Total Units:	**48**	
Occupancy Type:	**Family**	
Construction Type:	**New Construction**	
Income Targeting*:	***Overall -***	**$17,349 to $30,780**
	50% AMI -	**$17,349 to $25,650**
	60% AMI -	**$21,120 to $30,780**

Targeting/Mix	Number of Units	Unit Type	Number of Baths	Avg. Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Includes PBRA
Two-Bedroom Units	**24**								
50% of Area Median Income	6	Apt	2.0	1,075	**$360**	$146	$506	$555	No
60% of Area Median Income	18	Apt	2.0	1,075	**$470**	$146	$616	$666	No
Three-Bedroom Units	**24**								
50% of Area Median Income	6	Apt	2.0	1,225	**$415**	$174	$589	$641	No
60% of Area Median Income	18	Apt	2.0	1,225	**$545**	$174	$719	$769	No

*__Maximum LIHTC Rents__ and **Income Limits** are based on *2013 Income & Rent Limits* (effective 12/11/2012) obtained from SCSHFDA website (www.schousing.com).

Project Description:

Development Location	Florence, South Carolina
Construction Type	New construction
Occupancy Type	Family *(open)*
Target Income Group	100% LIHTC (50% and 60% AMI)
Special Population Group	N/A
Number of Units by Unit Type	See previous page
Unit Sizes	See previous page
Rents and Utility Information	See previous page
Proposed Rental Assistance (PBRA)	None

Project Size:

Total Development Size	48 units
Number of Affordable Units	48 units
Number of Market Rate Units	0 units
Number of PBRA Units	0 units
Number of Employee Units	0 units

Development Characteristics:

Number of Total Units	48 units
Number of Garden Apartments	48 units
Number of Townhouses	0 units
Number of Residential Buildings	3 *(maximum two story)*
Number of Community Buildings	1
Exterior Construction	Brick

Unit Amenities:

- Frost Free Refrigerator
- Oven/Range
- Dishwasher
- Garbage Disposal
- Microwave
- Washer/Dryer Hook-Up
- Mini-Blinds/Vertical Blinds
- Central Air Conditioning
- Walk-In Closet
- Sunroom

Development Amenities:

- Community Building
- Multi-Purpose Room w/ Kitchenette
- Equipped Computer Center
- Video Camera Security System
- On-Site Laundry Facility
- Playground
- Covered Picnic Shelter and Grills
- On-Site Management Office

Additional Assumptions:

- Only trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for mid-2013;
- On-site full-time management/staffing, including a professional management company with experience in similar rental housing alternatives, will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on March 8th, 2012 and February 22nd, 2013 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the extreme southern portion of Florence along the north side of Freedom Boulevard, approximately ¼ mile east of Irby Street (U.S. 52/U.S. 301). Located three miles south of downtown Florence, the proposed development is situated within an area with a broad mix of retail, residential, and undeveloped property. Overall characteristics of the immediate neighborhood are mixed, with a retail shopping center adjacent to the west of the site (in addition to abundant retail/commercial along Irby Street), a market-rate multi-family rental property ¼ mile to the east, and owner-occupied single-family homes and condominiums along Third Loop Road to the west of Irby Street. Undeveloped, vacant property can be found adjacent to the north, south, and east of the site, in addition to mostly undeveloped property along Freedom Boulevard to the east through Pamplico Highway.

The subject property consists of approximately five acres of vacant, grassy, undeveloped property. Situated within Census Tract 6 of Florence County (2010 tract delineation), the property is currently zoned as B-3 (General Commercial) - which allows for the development of multi-family units upon site plan approval. Based on current usages, zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

North: Undeveloped, vacant property
South: Freedom Boulevard/Undeveloped, vacant property
West: Retail (South Florence Market shopping center w/ Food Lion grocery
East: Undeveloped, vacant property

The subject property's location is near one of the prime retail corridors of Florence (Irby Street), and provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition. In addition to having good visibility from a moderately-travelled roadway (Freedom Boulevard), its location is approximately ¼ mile east of a major thoroughfare (Irby Street) offering abundant retail opportunities, and should be considered a positive attribute and suitable for multi-family housing. Access to the site will be from Freedom Boulevard, a moderately-travelled five-lane thoroughfare providing access to Irby Street to the west, and Pamplico Highway and Palmetto Street to the east and north, each representing key corridors in regard to retail, medical, educational, and employment locales.

3. Nearby Retail

As previously stated, the subject property is situated adjacent to the South Florence Market shopping center, which contains a Food Lion grocery and Dollar General. Just west of the subject, Irby Street represents the foremost retail/commercial corridor within the south Florence area, with a Wal-Mart Supercenter and the Southside Commons shopping center both within one mile of the site. Additional nearby concentrations include the Freedom Boulevard/Pamplico Highway intersection (Lowe’s, Bi-Lo grocery, and CVS/Pharmacy) approximately 1¼ miles away, and the 2nd Loop Road/Marsh Avenue intersection (Food Lion grocery and Dollar General) roughly 2¾ miles away. Several additional retail centers are also a relatively short drive away – including along Palmetto Street traversing downtown Florence and most notably the Magnolia Mall (along David McLeod Boulevard at the northeast corner of the I-20/I-95 interchange).

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area as well. There are two full-service hospitals within Florence, including Carolinas Hospital System (less than 1½ miles to the northeast of the site) and the McLeod Regional Medical Center (4¼ miles to the north). As such, each hospital is surrounded by numerous medical offices – the closest to the site is the Freedom Medical Plaza located adjacent to the Carolinas Hospital.

5. Other PMA Services

Additional services of note within the market area include a library, YMCA, and several parks and recreation facilities. The Florence Family YMCA and Freedom Florence Recreation Complex are the nearest recreation centers, located roughly 1½ miles from the site, providing activities for all ages. Fixed-route bus/transit services are provided locally through the Pee Dee

Regional Transportation Authority (PDRTA), which offers service throughout the greater Florence area in addition to commuter services to Dillon, Marion, Hartsville, and Darlington. Although there is no bus service along Freedom Boulevard, the nearest bus stop is within walking distance at the Food Lion along Irby Street.

The following identifies pertinent locations and features within the Florence market area, and can be found on the following map by the number next to the corresponding description *(all distances are estimated by paved roadway)*:

Retail

1. South Florence Market shopping center ....adjacent to west
   (w/ Food Lion grocery, Dollar General, Kelly's Cleaners, Stefano's Pizza, Hong Kong Chinese restaurant, Advance America)
2. Tractor Supply Company...0.3 miles west
3. Convenience store..0.2 miles west
4. Salvation Army Thrift Store ....0.9 miles north
5. Wal-Mart Supercenter...1.0 mile north
6. Southside Commons shopping center...1.0 mile north
   (w/ Dollar Tree, GameStop, General Nutrition Center, It's Fashion, Today's Nails, Cato Fashions, Sally Beauty Supply)
7. Aldi Food Store..1.2 miles north
8. CVS/Pharmacy..1.4 miles northeast
9. Lowe's Home Improvement Warehouse ....1.2 miles northeast
10. Bi-Lo grocery..1.4 miles northeast
11. Walgreens Pharmacy ....1.7 miles north
12. Goody's/Dollar Discount...1.6 miles north
13. Piggly Wiggly grocery...2.1 miles north
14. Food Lion grocery/Dollar General...2.7 miles northwest
15. Dollar General..2.6 miles north
16. Hallmark Square shopping center..2.5 miles north
    (w/ Big Lots, Family Dollar, Rent-A-Center, and more)
17. CVS/Pharmacy..3.0 miles north
18. Magnolia Mall...6.3 miles northwest
    (w/ Anchor stores of Belk, JC Penney, Kick's Sporting Goods, Sears, and Best Buy)

Education

19. McLaurin Elementary School *(K-4)*..3.3 miles northeast
20. Moore Intermediate School *(grades 5-6)*...3.6 miles northwest
21. Southside Middle School *(grades 7-8)*...1.0 mile south
22. South Florence High School *(grades 9-12)*..1.0 mile south
23. Florence Christian School and athletic complex ....0.7 miles north
24. Francis Marion University...8.9 miles northeast
25. Florence-Darlington Technical College – Main Campus ....8.3 miles northwest

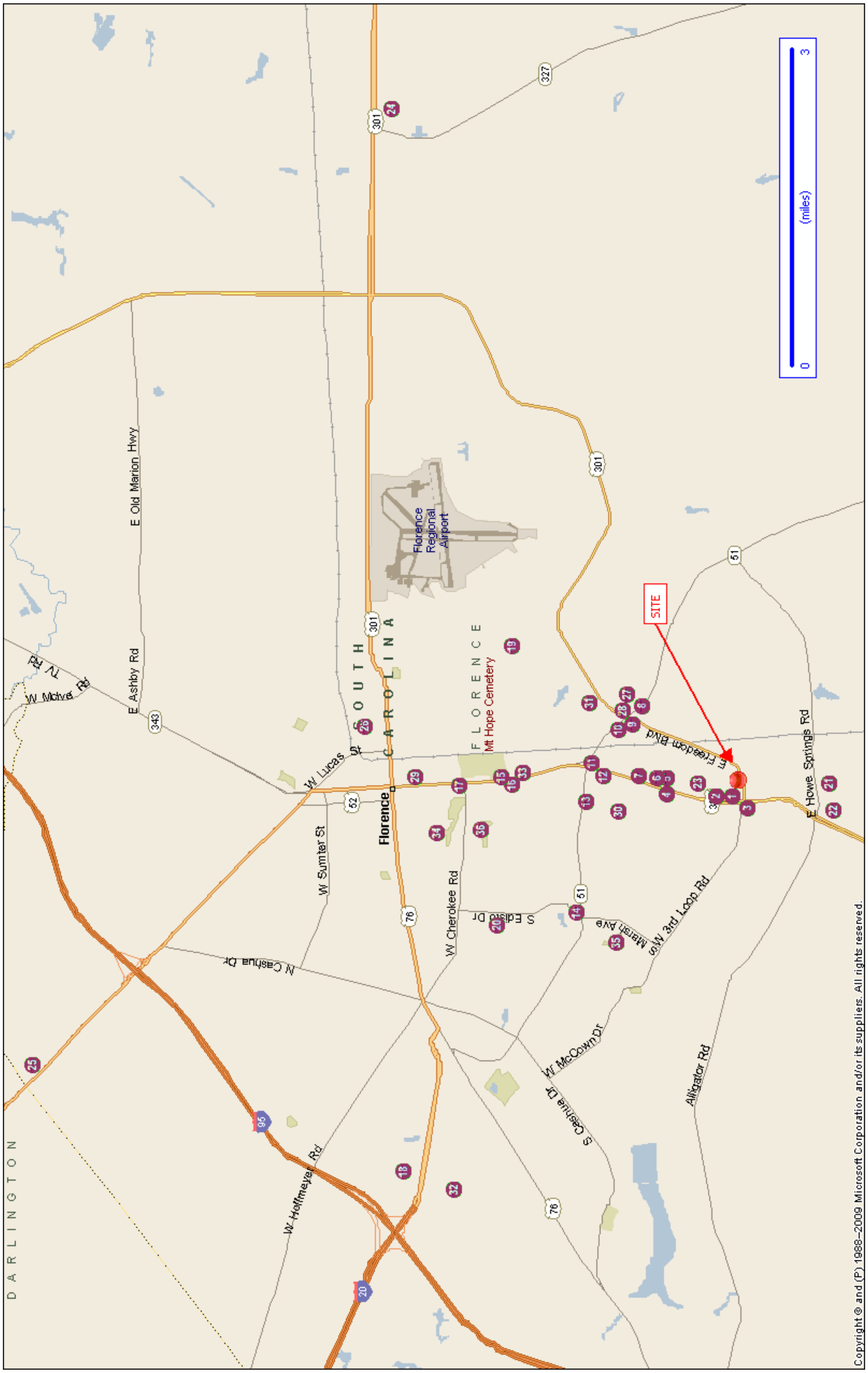
Medical

26. McLeod Regional Medical Center..4.3 miles north
27. Carolinas Hospital System...1.4 miles northeast
28. Freedom Medical Plaza..1.4 miles northeast

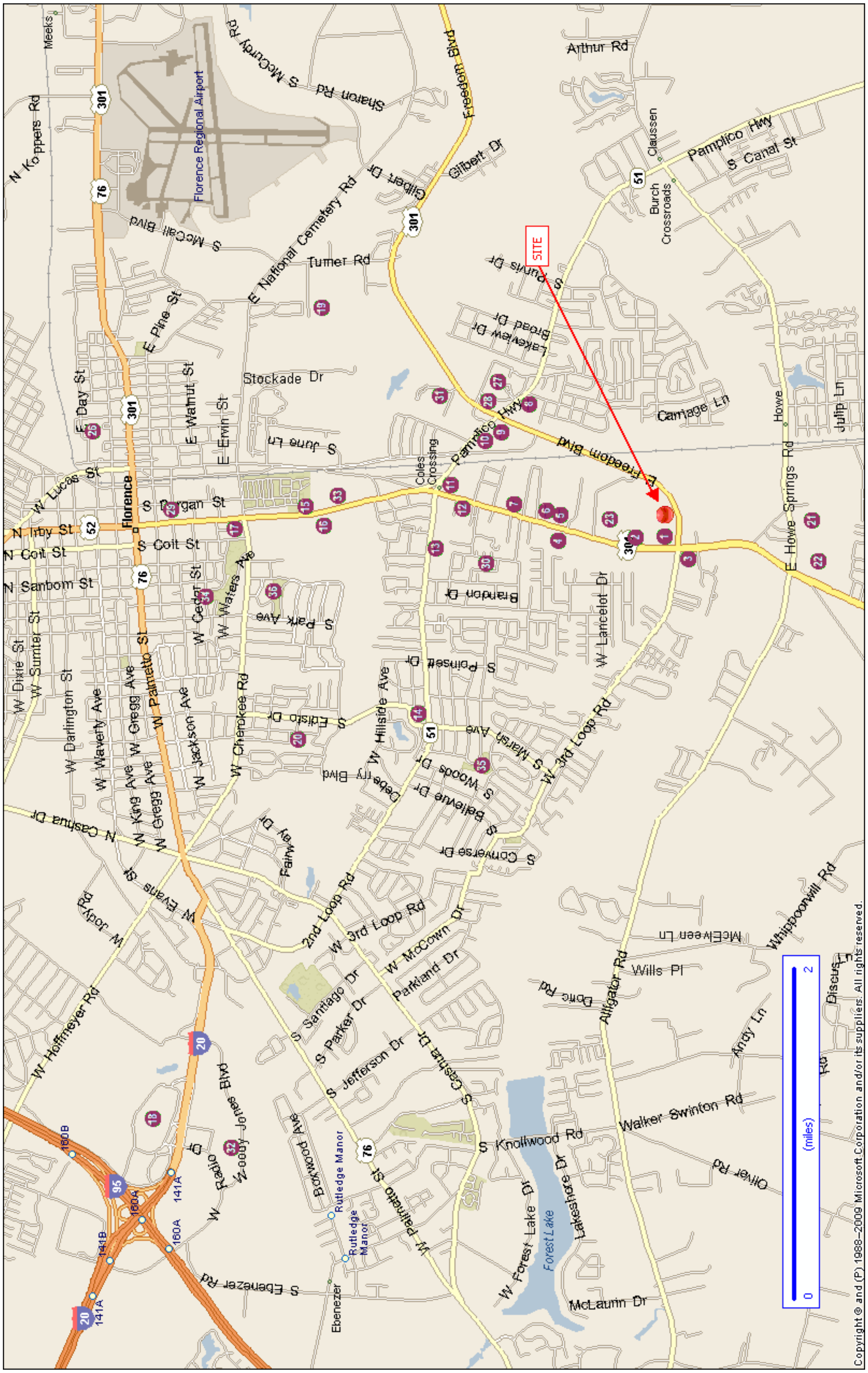
Recreation/Other

29. Florence County Public Library..3.4 miles north
30. Florence Family YMCA ....1.6 miles north
31. Freedom Florence Recreation Complex ....1.6 miles northeast
32. Florence Civic Center ....6.3 miles northwest
33. Julia Cinemas...2.4 miles north
34. Florence Museum of Art, Science, and History....................................3.5 miles north
35. South Park..2.3 miles northwest
36. Lucas Park..3.5 miles north

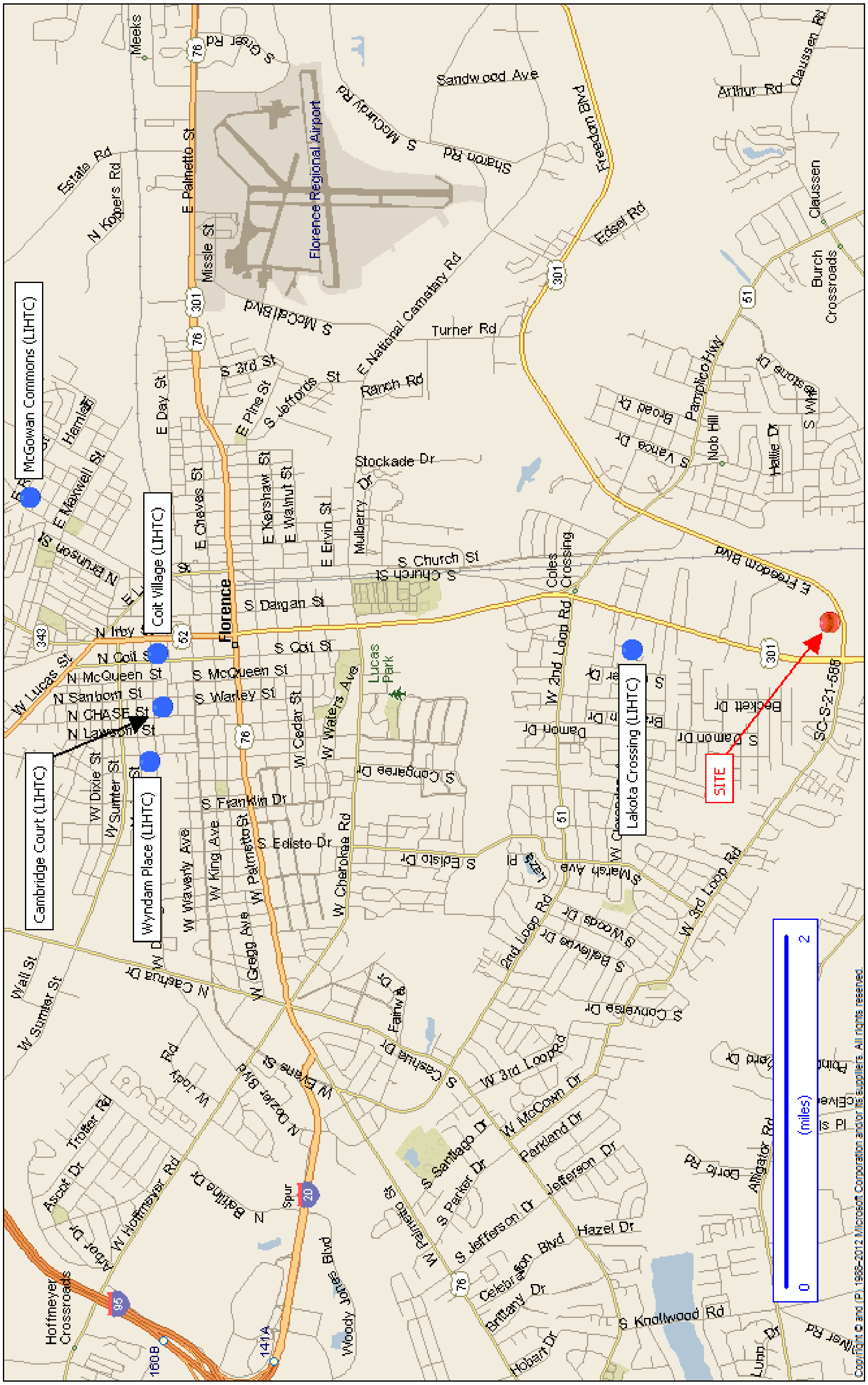
Map 1: Local Features/Amenities – Florence Area



Map 2: Local Features/Amenities – Close View



Map 3: Affordable Rental Housing



Site/Neighborhood Photos

Site – Palmetto Station Apartments
North side of Freedom Blvd – Facing northwest from entrance
Florence, NC

Site – Palmetto Station Apartments
North side of Freedom Boulevard
Facing north from Freedom Boulevard

Undeveloped wooded property adjacent to north
Facing north from site

Undeveloped wooded property adjacent to south
Facing south from Freedom Boulevard

Undeveloped wooded property adjacent to east
Facing east from site

Retail shopping center adjacent to west of site
Facing north from back of shopping center
Site is on right

Facing east along Freedom Boulevard
Site in on left

Facing west along Freedom Boulevard
Site in on right

6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is somewhat higher than both state and national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29505) had a 2010 Total Crime Risk index of 147 – as compared to the state index of 122 and national average of 100. According to index values, Murder Risk and Assault Risk were the highest (at 214 and 183, respectively), while Burglary Risk and Rape Risk were also well above the state and national averages. In contrast, factors such as Robbery Risk and Automotive Theft Risk were below national norms. Despite the somewhat elevated indices, it does not appear that there is a noticeable security concern within the immediate neighborhood, or community as a whole.

Table 1: Crime Risk Index (2010)

	Zip: 29505 Index*	State Index*
Total 2010 Crime Risk Index	**147**	**122**
Personal Crime Index		
Murder Risk	214	132
Rape Risk	178	129
Robbery Risk	99	91
Assault Risk	183	201
Property Crime Index		
Burglary Risk	164	132
Larceny Risk	126	125
Automotive Theft Risk	62	84

*Values are represented as an index, where the value 100 represents the national average.

Source: CLRsearch.com - Data by Zip Code

7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the Florence market, there were no road and/or infrastructure improvements observed near the subject property.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with schools, retail centers (including a Food Lion grocery, Dollar General, and Wal-Mart Supercenter), medical offices, parks and recreation centers, and other various services all located within the immediate area – much of which is less than 1½ miles from the subject property. Based on the most recent site visit conducted February 22nd, 2013, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that could have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location along Freedom Boulevard provides convenient access to most of the Florence area, and also provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition.

C. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Florence PMA consists of the town of Florence and the immediate surrounding area. More specifically, the PMA is comprised of 21 census tracts in central Florence County, and reaches approximately eight miles to the west of the site, six miles to the north and east, and between 3½ and eight miles to the south. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on a positive site location and Florence being the primary economic center of the county and region. Additionally, the site is located near several key roadways (including Freedom Boulevard, U.S. 301/U.S. 52, and U.S. 76/U.S. 301), each providing relatively convenient access throughout the majority of the PMA and Florence County.

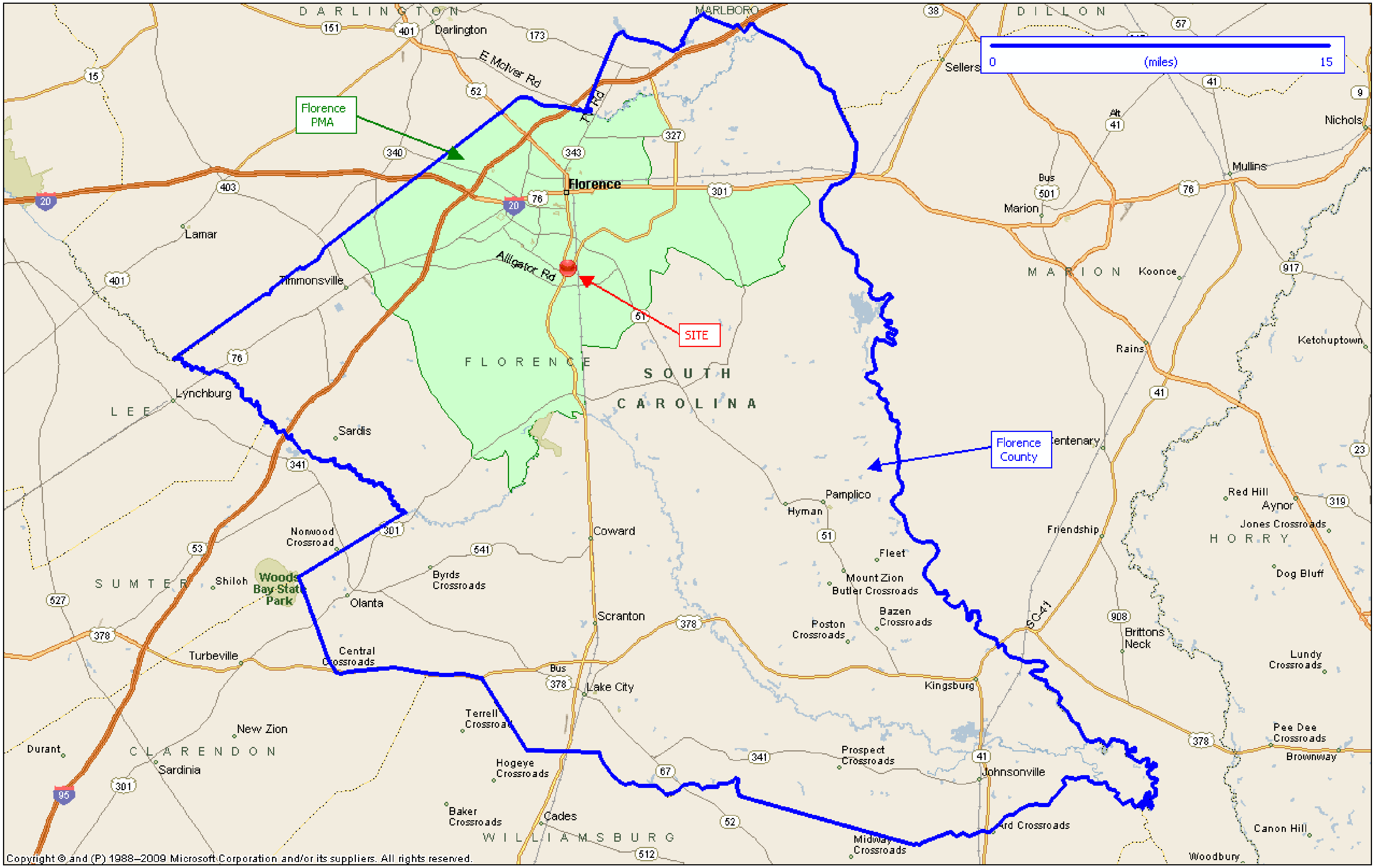
Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, school boundaries, physical boundaries, and personal experience were utilized when defining the primary market area. The PMA is also based on a previously SCSHFDA-approved delineation, and is comprised of the following census tracts *(all within Florence County utilizing 2010 boundaries)*:

- Tract 1.01
- Tract 1.02
- Tract 2.01
- Tract 2.02
- Tract 3
- Tract 5
- Tract 6
- Tract 7
- Tract 8
- Tract 9
- Tract 10
- Tract 11
- Tract 12
- Tract 13
- Tract 14
- Tract 15.03
- Tract 15.04
- Tract 15.05
- Tract 15.06
- Tract 16.01
- Tract 9801

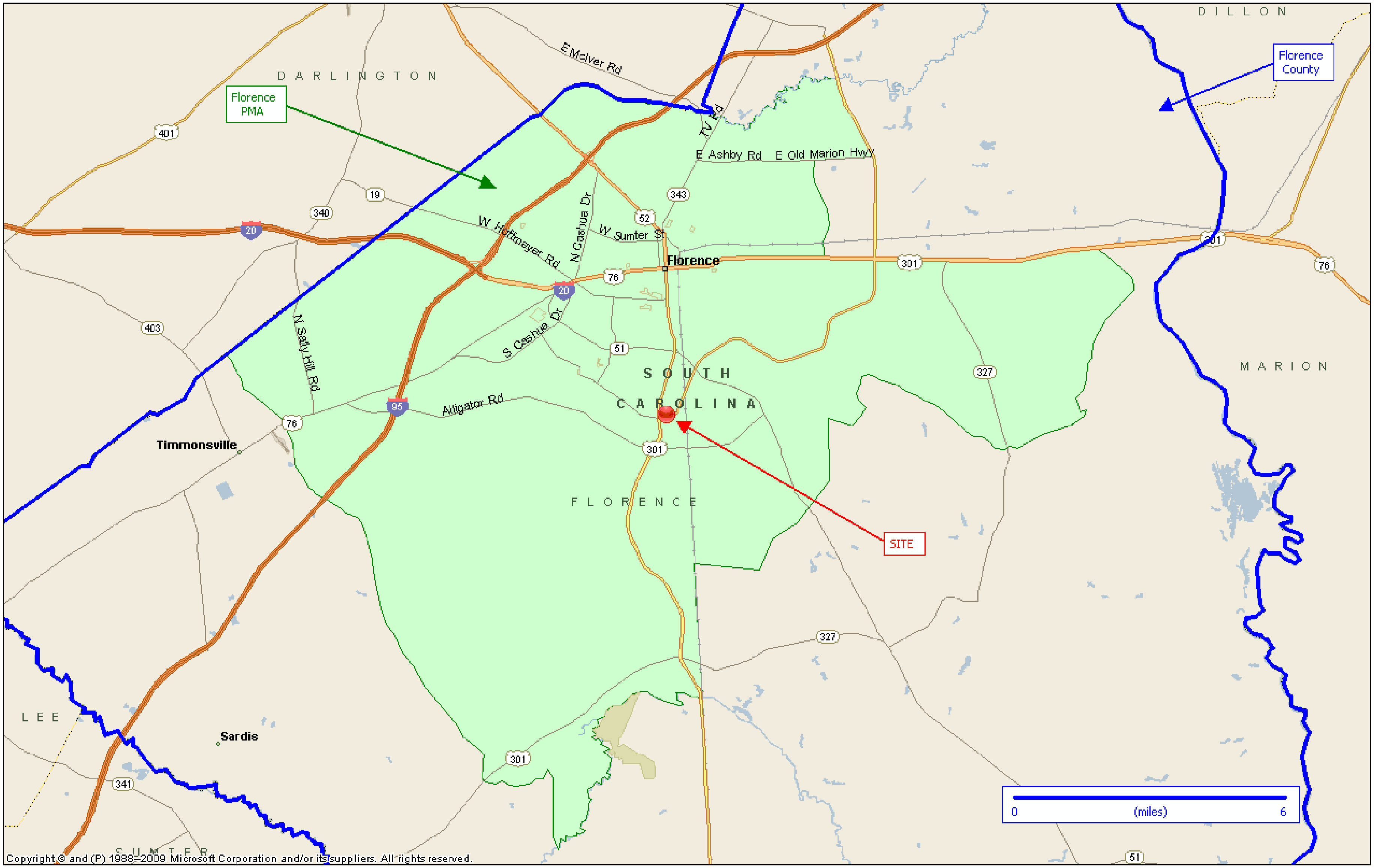
While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing within nearby communities, including Lake City, Timmonsvile, Marion, Dillon, and Darlington. However, please keep in mind that secondary market considerations will not be included in the following market analysis or demand calculations. A visual representation of the PMA can be found in the maps on the following pages. Furthermore, the city of Florence and Florence County have also been utilized throughout the analysis for local and regional comparisons.

Map 4: State of South Carolina

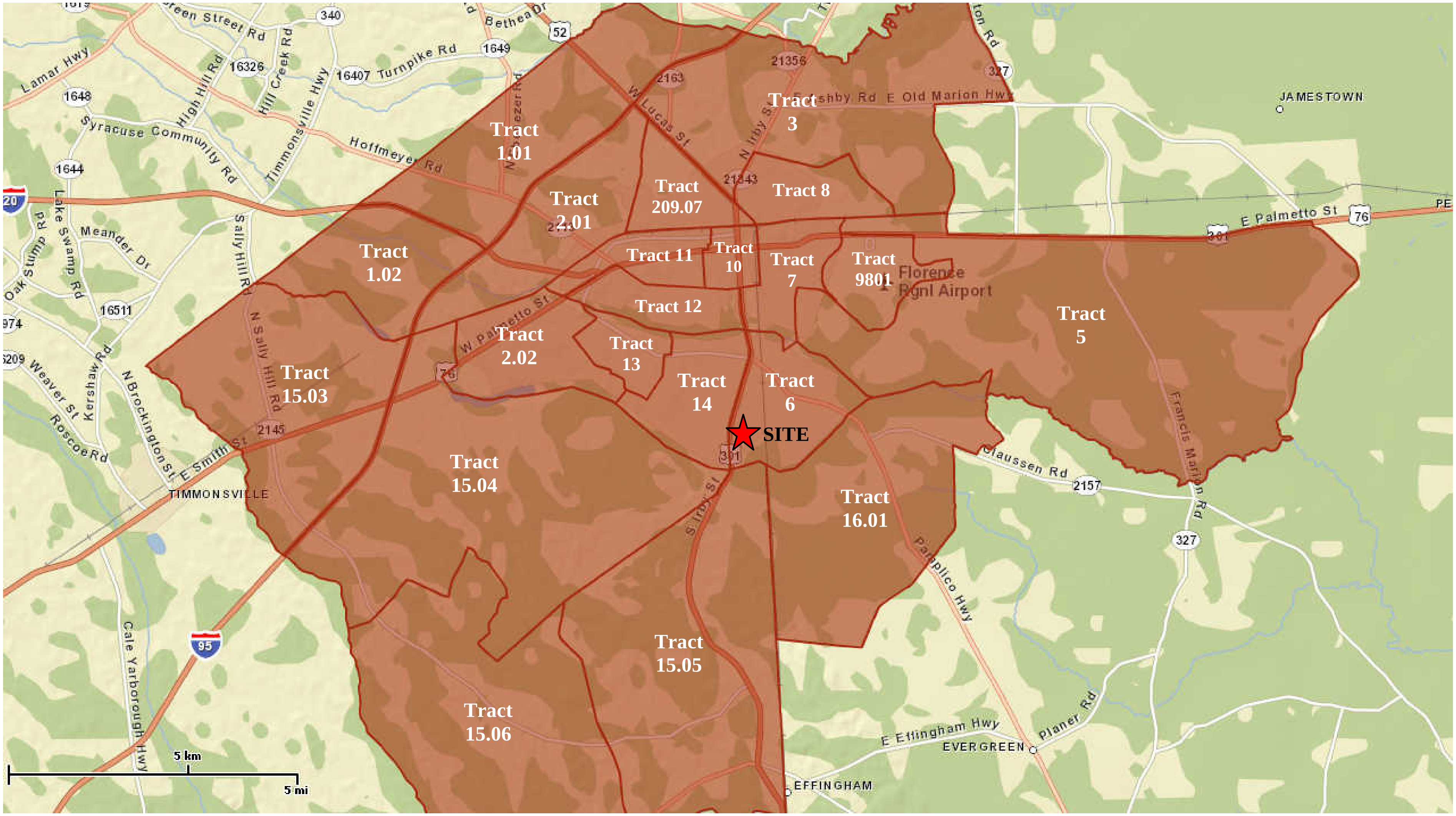
Map 5: Florence Primary Market Area – County View



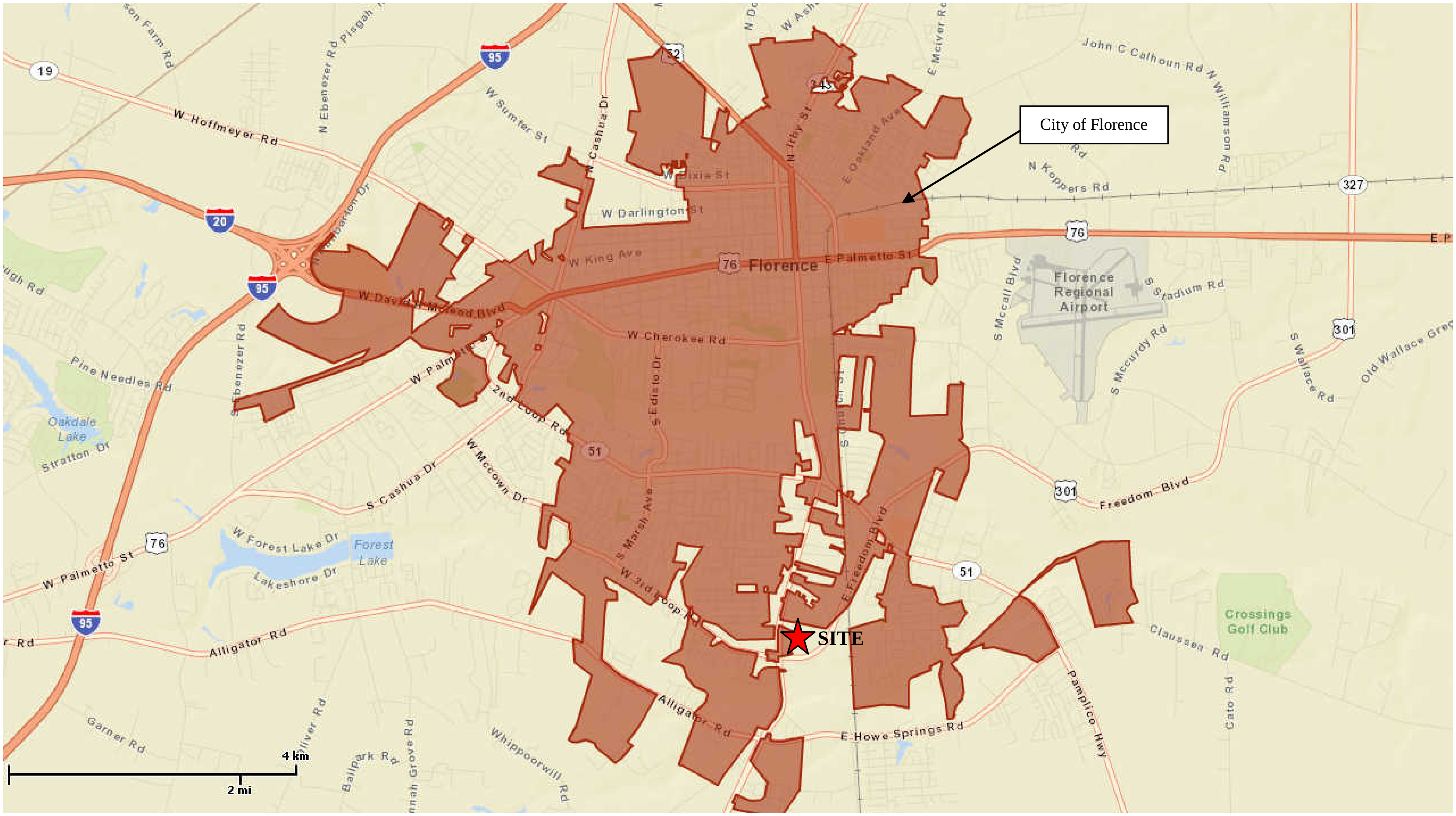
Map 6: Florence Primary Market Area – Close View



Map 7: Primary Market Area – Census Tracts



Map 8: Florence Area



D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within the private sector in Florence County was health care/social assistance (at approximately 20 percent of all jobs), followed by persons employed in retail trade (13 percent), and manufacturing and accommodation/food services (both at ten percent). Based on a comparison of employment by industry from 2007, more than one-half of the individual industries experienced declines. Construction, information, and manufacturing recorded the largest declines (each decreased by more than 20 percent). In contrast, industries experiencing the greatest level of growth since 2007 include management, finance/insurance, and professional/technical services.

Table 2: Employment by Industry – Florence County (2Q 2012)

Industry	2012 (2Q) Number Employed	Percent	2007 Employed	Percent	Change from 2007
Agriculture, forestry, fishing and hunting	213	**0.3%**	233	**0.4%**	**-8.6%**
Mining	19	**0.0%**	*	*	*
Utilities	51	**0.1%**	52	**0.1%**	**-1.9%**
Construction	1,568	**2.5%**	3,054	**4.6%**	**-48.7%**
Manufacturing	6,290	**9.9%**	8,161	**12.3%**	**-22.9%**
Wholesale trade	2,187	**3.4%**	2,445	**3.7%**	**-10.6%**
Retail trade	8,046	**12.7%**	8,585	**13.0%**	**-6.3%**
Transportation and warehousing	2,232	**3.5%**	2,009	**3.0%**	**11.1%**
Information	788	**1.2%**	1,110	**1.7%**	**-29.0%**
Finance and insurance	3,673	**5.8%**	2,985	**4.5%**	**23.0%**
Real estate and rental and leasing	703	**1.1%**	656	**1.0%**	**7.2%**
Professional and technical services	2,187	**3.4%**	1,889	**2.9%**	**15.8%**
Management of companies and enterprises	676	**1.1%**	490	**0.7%**	**38.0%**
Administrative and waste services	2,563	**4.0%**	2,844	**4.3%**	**-9.9%**
Educational services	4,961	**7.8%**	4,828	**7.3%**	**2.8%**
Health care and social assistance	12,428	**19.6%**	12,113	**18.3%**	**2.6%**
Arts, entertainment, and recreation	688	**1.1%**	695	**1.1%**	**-1.0%**
Accommodation and food services	6,273	**9.9%**	5,731	**8.7%**	**9.5%**
Other services, exc. public administration	1,515	**2.4%**	1,637	**2.5%**	**-7.5%**
Public administration	3,179	**5.0%**	3,295	**5.0%**	**-3.5%**
Unclassified	*	*	*	*	*
Public Administration - Federal Government	254	**0.4%**	268	**0.4%**	**-5.2%**
Public Administration - State Government	1,377	**2.2%**	1,562	**2.4%**	**-11.8%**
Public Administration - Local Government	1,548	**2.4%**	1,466	**2.2%**	**5.6%**

* - Data Not Available

Source: South Carolina Department of Employment & Workforce - Florence County, SC (2007 - 2012)

2. Commuting Patterns

Overall, far more workers commute to Florence County for employment than commute away from the county, according to U.S. Census information. As such, a total of 8,876 Florence County residents commuted to areas outside of the county for employment in 2000, while 16,300 persons commuted to Florence County. The most significant interaction is with Darlington and Williamsburg Counties.

Based on place of employment (using 2011 American Community Survey data), 85 percent of PMA residents are employed within Florence County, while 13 percent work outside of the county – including just one percent which commute outside of the state.

An overwhelming majority of workers throughout Florence County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to 2011 ACS data, approximately 84 percent of workers within the PMA drove alone to their place of employment, while eight percent carpooled in some manner. Only a very small number (just three percent) utilized public transportation, walked, or some other means to work.

Table 3: Place of Work/ Means of Transportation (2011)

EMPLOYMENT BY PLACE OF WORK

	City of Florence		Florence PMA		Florence County	
Total	**15,955**	**100.0%**	**38,912**	**100.0%**	**57,685**	**100.0%**
Worked in State of Residence	15,837	99.3%	38,398	98.7%	57,025	98.9%
Worked in County of Residence	14,063	88.1%	33,207	85.3%	48,542	84.2%
Worked Outside County of Residence	1,774	11.1%	5,191	13.3%	8,483	14.7%
Worked Outside State of Residence	118	0.7%	514	1.3%	660	1.1%

MEANS OF TRANSPORTATION TO WORK

	City of Florence		Florence PMA		Florence County	
Total	**15,955**	**100.0%**	**38,912**	**100.0%**	**57,204**	**100.0%**
Drove Alone - Car, Truck, or Van	13,159	82.5%	32,775	84.2%	47,334	82.7%
Carpooled - Car, Truck, or Van	1,322	8.3%	3,240	8.3%	5,537	9.7%
Public Transportation	296	1.9%	323	0.8%	339	0.6%
Walked	210	1.3%	516	1.3%	872	1.5%
Other Means	320	2.0%	506	1.3%	705	1.2%
Worked at Home	648	4.1%	1,552	4.0%	2,417	4.2%

Source: U.S. Census Bureau; 2007-2011 American Community Survey

Table 4: Employment Commuting Patterns (2000)

Persons Commuting TO FLORENCE COUNTY

Commuters Living In:	Number	Percent
Total Persons	**16,300**	
Darlington County	7,853	48.2%
Williamsburg County	1,653	10.1%
Marion County	1,611	9.9%
Dillon County	1,108	6.8%
Sumter County	731	4.5%

Persons Commuting FROM FLORENCE COUNTY

Commuters Working In :	Number	Percent
Total Persons	**8,876**	
Darlington County	3,214	36.2%
Williamsburg County	1,349	15.2%
Horry County	785	8.8%
Marion County	474	5.3%
Sumter County	396	4.5%

Source: U.S. Census of Population and Housing (SF3) - 2000

3. Largest Employers

Below is a chart depicting the largest employers within Florence County, according to information obtained through the Greater Florence Chamber of Commerce. As can be seen, the area has a relatively diverse employment base, as the largest employment sectors within the county include health care, education, manufacturing, insurance/finance, and Government.

Employer	Industry	Number of Employees
McLeod Regional Medical Center	Health Care	3,151
Florence School District 1	Education	1,718
Carolinas Hospital System	Health Care	1,640
Honda of South Carolina	Manufacturing	1,625
Blue Cross/Blue Shied	Insurance	1,600
J.P. Morgan Chase	Finance	1,150
Florence County	Government	898
Nan Ya Plastics Corporation	Manufacturing	860
The Assurant Group	NA	675
ESAB Welding and Cutting Products	Manufacturing	650
Wal-Mart	Retail	620
South Carolina DHEC	Government	600
Smurfit-Stone Container Corp.	Manufacturing	550
Source: Greater Florence Chamber of Commerce – 2011-2012 Newcomers Guide		

Additional Top Employers (Listed Alphabetically)	
City of Florence	Florence County School District #3
Florence-Darlington Technical College	Francis Marion University
Marion County Medical Center	Nightingales Nursing
QVC, Inc.	Wellman Plastics Recycling, LLC
Source: SC Department of Employment & Workforce – 2011 Q1	

According to U.S. Census data for the first quarter of 2012, there were approximately 2,720 new jobs created by either new businesses in Florence County or the expansion by existing firms. Additionally, there were slightly less hires than separations during the quarter.

	2012 Quarter 1	Average: 3 Prior Quarters
Job Creation	2,720	2,627
New Hires	7,238	7,283
Separations	7,246	7,912
Turnover	7.3%	8.2%
Avg. Monthly Earnings	$3,145	$3,116
Avg. New Hire Earnings	$1,878	$1,965

Source: QWI Online - U.S. Census Bureau

4. Employment and Unemployment Trends

The overall economy throughout Florence County has been somewhat volatile in recent years, with sporadic job creation and an unemployment rate typically above both the state and national average. As such, despite steady job creation between 2004 and 2007 (nearly 3,100 new jobs representing an increase of six percent), approximately 3,450 jobs were lost (a decline of six percent) between 2007 and 2011 – largely due to effects of the nationwide recession.

However, the latest employment figures indicate the local economy has appeared to stabilize and even improve somewhat, increasing by nearly 1,775 jobs in 2012 and recording an annual unemployment rate of 9.5 percent (down from 11.0 percent in 2011, but still slightly above the state and national averages of 9.0 percent and 8.1 percent, respectively). According to December 2012 figures, an increase of approximately 938 jobs was recorded from December 2011. As a result, the county had an unemployment rate of 9.4 percent in December 2012 (down from 10.1 percent in December 2011), remaining somewhat above the state and national averages. As such, the county's economic situation coupled with its employment distribution and prevailing average incomes are reflective of the need for affordable housing locally.

Figure 1: Employment Growth

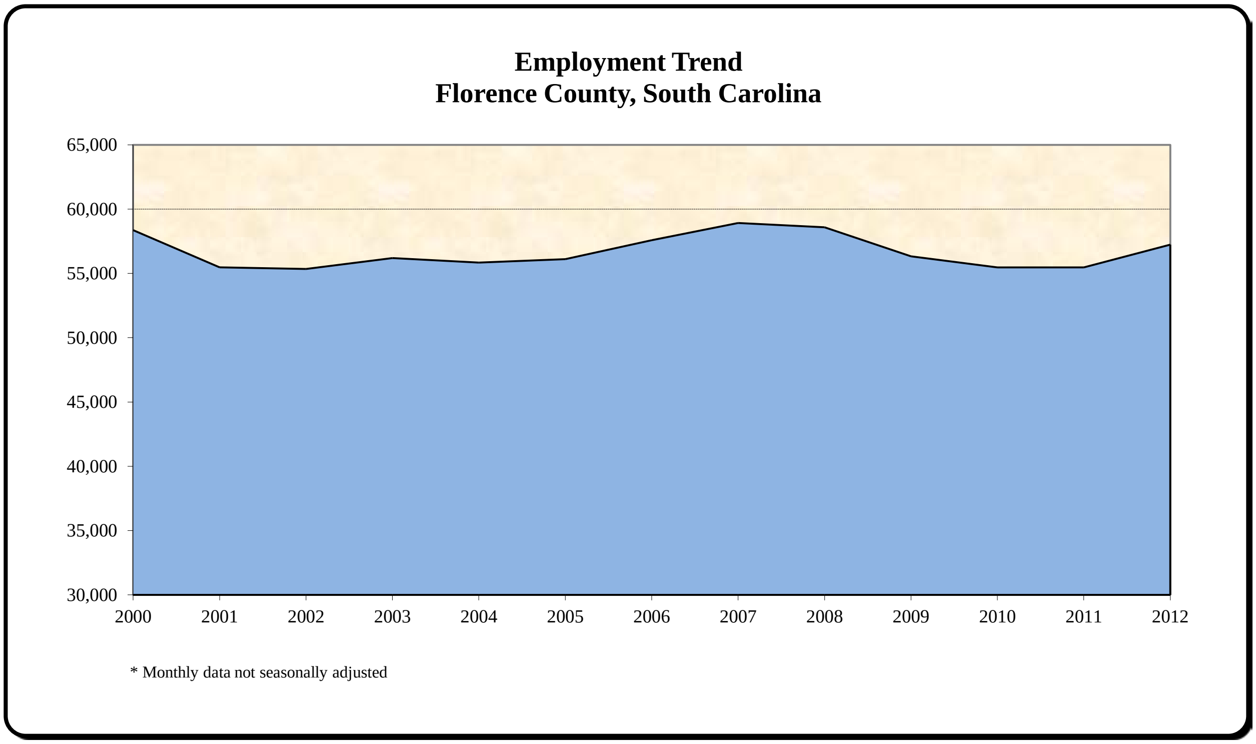


Figure 2: Historical Unemployment Rate

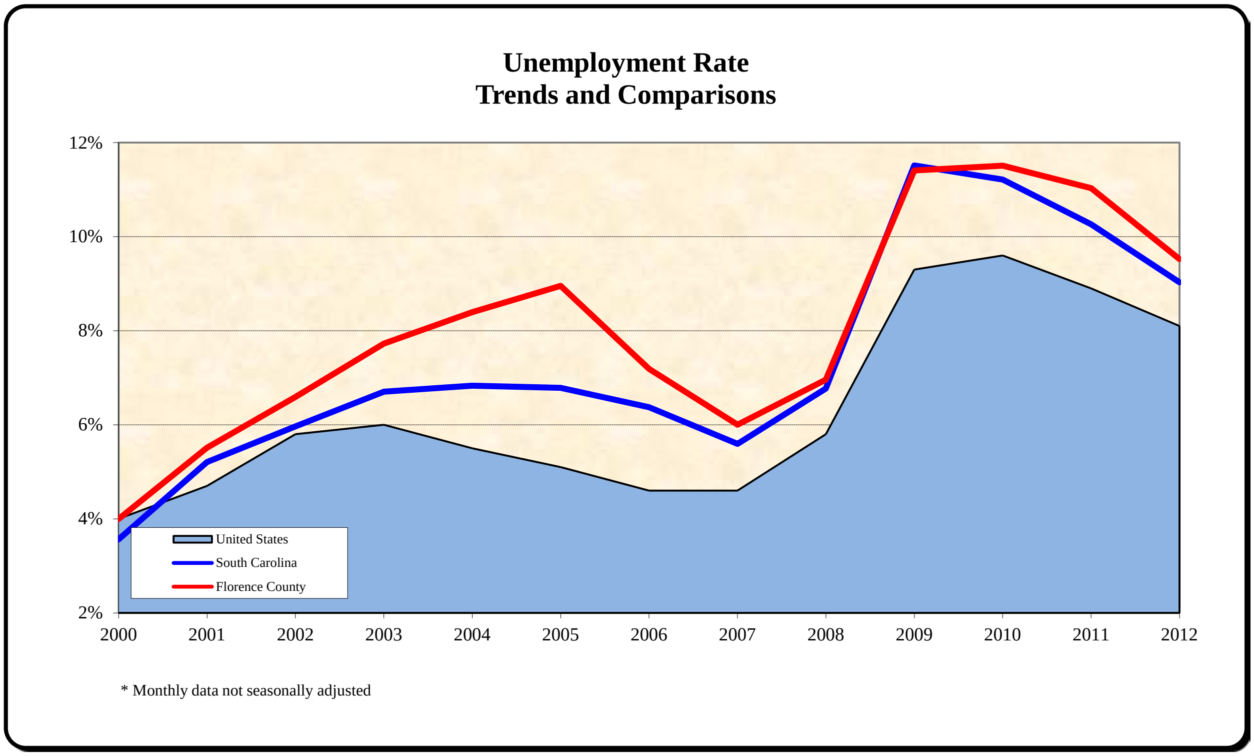


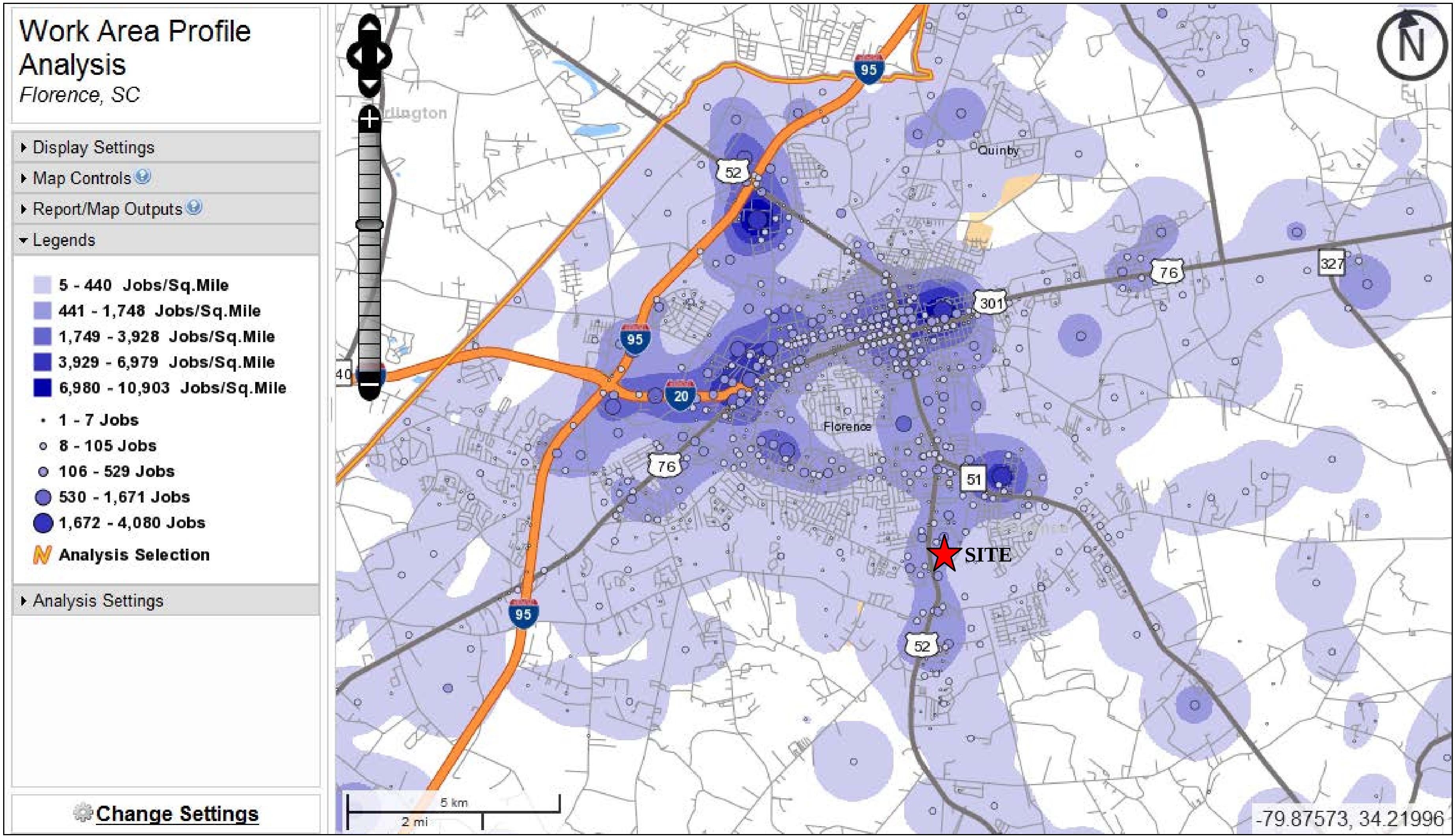
Table 5: Historical Employment Trends

	Florence County				Employment Annual Change			Unemployment Rate		
Year	**Labor Force**	**Number Employed**	**Annual Change**	**Percent Change**	**Florence County**	**South Carolina**	**United States**	**Florence County**	**South Carolina**	**United States**
2000	60,792	58,362	---	---	---	---	---	4.0%	3.6%	4.0%
2001	58,707	55,471	(2,891)	-5.0%	-5.0%	-4.3%	0.0%	5.5%	5.2%	4.7%
2002	59,251	55,344	(127)	-0.2%	-0.2%	-0.5%	-0.3%	6.6%	6.0%	5.8%
2003	60,898	56,191	847	1.5%	1.5%	1.5%	0.9%	7.7%	6.7%	6.0%
2004	60,955	55,840	(351)	-0.6%	-0.6%	1.8%	1.1%	8.4%	6.8%	5.5%
2005	61,626	56,107	267	0.5%	0.5%	1.8%	1.8%	9.0%	6.8%	5.1%
2006	62,040	57,580	1,473	2.6%	2.6%	2.5%	1.9%	7.2%	6.4%	4.6%
2007	62,681	58,918	1,338	2.3%	2.3%	2.0%	1.1%	6.0%	5.6%	4.6%
2008	62,968	58,585	(333)	-0.6%	-0.6%	-0.5%	-0.5%	7.0%	6.8%	5.8%
2009	63,580	56,327	(2,258)	-3.9%	-3.9%	-4.9%	-3.8%	11.4%	11.5%	9.3%
2010	62,680	55,465	(862)	-1.5%	-1.5%	0.3%	-0.6%	11.5%	11.2%	9.6%
2011	62,342	55,466	1	0.0%	0.0%	1.4%	0.6%	11.0%	10.3%	8.9%
2012	63,260	57,235	1,769	3.2%	3.2%	0.9%	1.9%	9.5%	9.0%	8.1%
Dec-11*	62,137	55,836	---	---	---	---	---	10.1%	9.6%	8.3%
Dec-12*	62,644	56,774	938	1.7%	1.7%	0.9%	1.7%	9.4%	8.4%	7.6%

Florence County				South Carolina		
	Number	**Percent**	**Ann. Avg.**		**Percent**	**Ann. Avg.**
Change (2000-Present):	**(1,588)**	**-2.7%**	**-0.2%**	Change (2000-Present):	**2.7%**	**0.2%**
Change (2005-Present):	**667**	**1.2%**	**0.2%**	Change (2005-Present):	**2.5%**	**0.4%**
Change (2010-Present):	**1,309**	**2.4%**	**1.2%**	Change (2010-Present):	**3.1%**	**1.6%**
Change (2000-2005):	**(2,255)**	**-3.9%**	**-0.8%**	Change (2000-2005):	**0.3%**	**0.1%**
Change (2005-2010):	**(642)**	**-1.1%**	**-0.2%**	Change (2005-2010):	**-0.7%**	**-0.1%**
Change (2010-2012):	**1,770**	**3.2%**	**1.6%**	Change (2010-2012):	**2.3%**	**1.1%**

*Monthly data not seasonally adjusted

Map 9: Employment Concentrations



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Florence County has experienced positive demographic gains since 2000, including the city of Florence and the immediate area. Overall, the PMA had an estimated population of 87,753 persons in 2012, representing an increase of 15 percent from 2000 (a gain of more than 11,550 persons). Similarly, the city increased by 24 percent since 2000 (approximately 7,250 additional persons), while the county grew by a steady 11 percent between 2000 and 2012.

Future projections indicate continued steady growth (albeit at a more modest rate than the previous decade), with an estimated increase of four percent expected within the PMA between 2012 and 2017 (approximately 3,150 persons), and a three percent gain for Florence proper (roughly 1,125 persons). In comparison, Florence County is expected to increase by five percent between 2012 and 2017.

Table 6: Population Trends (1990 to 2017)

	2000	2010	2012	2015	2017
City of Florence	30,248	37,056	37,511	38,193	38,648
Florence PMA	76,179	86,489	87,753	89,650	90,914
Florence County	125,761	136,885	139,468	143,341	145,924
		2000-2010 Change	**2010-2012 Change**	**2012-2015 Change**	**2012-2017 Change**
City of Florence		22.5%	1.2%	1.8%	3.0%
Florence PMA		13.5%	1.5%	2.2%	3.6%
Florence County		8.8%	1.9%	2.8%	4.6%
		2000-2010 Ann. Change	**2010-2012 Ann. Change**	**2012-2015 Ann. Change**	**2012-2017 Ann. Change**
City of Florence		2.1%	0.6%	0.6%	0.6%
Florence PMA		1.3%	0.7%	0.7%	0.7%
Florence County		0.9%	0.9%	0.9%	0.9%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 33 percent of all persons. In comparison, this age cohort represented a similar ratio of persons within the city and county as a whole. Persons under the age of 20 also accounted for a relatively large portion of the population in each area. As such, 27 percent of the total population in the PMA was within this age cohort in 2010, while representing near identical proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2017, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 45 has declined slightly since 2000, and is expected to decrease further through 2017. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons 45 years and over, which represented 35 percent of the population in 2000, is expected to increase to account for 41 percent of all persons by 2017, while persons aged 65 and over are anticipated to increase from 12 percent to 15 percent during the same time span – clearly demonstrating the aging of the baby boom generation.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Florence and the PMA (at 57 percent and 59 percent of all persons in 2017, respectively) signify positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 7: Age Distribution (2000 to 2017)

	City of Florence				Florence PMA				Florence County			
	2010 Number	2000 Percent	2010 Percent	2017 Percent	2010 Number	2000 Percent	2010 Percent	2017 Percent	2010 Number	2000 Percent	2010 Percent	2017 Percent
Under 20 years	**10,022**	27.4%	27.0%	25.3%	**23,275**	28.6%	26.9%	26.0%	**37,360**	29.0%	27.3%	26.4%
20 to 24 years	**2,335**	6.3%	6.3%	6.0%	**6,399**	6.8%	7.4%	6.9%	**9,580**	6.7%	7.0%	6.5%
25 to 34 years	**5,019**	13.6%	13.5%	13.1%	**11,082**	14.0%	12.8%	13.0%	**17,062**	13.6%	12.5%	12.7%
35 to 44 years	**4,957**	14.6%	13.4%	12.3%	**11,447**	15.3%	13.2%	12.5%	**17,795**	15.3%	13.0%	12.3%
45 to 54 years	**4,958**	14.2%	13.4%	12.3%	**12,234**	14.5%	14.1%	12.6%	**19,454**	14.4%	14.2%	12.7%
55 to 59 years	**2,429**	5.0%	6.6%	7.3%	**5,785**	5.0%	6.7%	7.1%	**9,303**	5.1%	6.8%	7.2%
60 to 64 years	**2,176**	3.9%	5.9%	6.8%	**5,148**	4.0%	6.0%	6.6%	**8,314**	4.1%	6.1%	6.8%
65 to 74 years	**2,761**	7.4%	7.5%	9.8%	**6,377**	6.3%	7.4%	9.3%	**10,527**	6.3%	7.7%	9.8%
75 to 84 years	**1,623**	5.7%	4.4%	4.8%	**3,397**	4.1%	3.9%	4.1%	**5,458**	4.1%	4.0%	4.1%
85 years and older	**776**	2.0%	2.1%	2.3%	**1,345**	1.5%	1.6%	1.7%	**2,032**	1.4%	1.5%	1.6%
Under 20 years	**10,022**	27.4%	27.0%	25.3%	**23,275**	28.6%	26.9%	26.0%	**37,360**	29.0%	27.3%	26.4%
20 to 44 years	**12,311**	34.5%	33.2%	31.5%	**28,928**	36.0%	33.4%	32.5%	**44,437**	35.6%	32.5%	31.5%
45 to 64 years	**9,563**	23.0%	25.8%	26.4%	**23,167**	23.5%	26.8%	26.3%	**37,071**	23.6%	27.1%	26.7%
65 years and older	**5,160**	15.1%	13.9%	16.8%	**11,119**	12.0%	12.9%	15.1%	**18,017**	11.8%	13.2%	15.5%
55 years and older	**9,765**	23.9%	26.4%	30.9%	**22,052**	20.9%	25.5%	28.9%	**35,634**	21.0%	26.0%	29.5%
75 years and older	**2,399**	7.7%	6.5%	7.1%	**4,742**	5.7%	5.5%	5.8%	**7,490**	5.5%	5.5%	5.7%
Non-Elderly (<65)	**31,896**	84.9%	86.1%	83.2%	**75,370**	88.0%	87.1%	84.9%	**118,868**	88.2%	86.8%	84.5%
Elderly (65+)	**5,160**	15.1%	13.9%	16.8%	**11,119**	12.0%	12.9%	15.1%	**18,017**	11.8%	13.2%	15.5%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

2. Household Trends

Similar to population patterns, the Florence area has experienced relatively positive household creation since 2000. As such, occupied households within the PMA numbered 34,250 units in 2012, representing an increase of 18 percent from 2000 (a gain of 5,325 households). ESRI forecasts for 2017 indicate this number will continue to increase, with a forecasted growth rate of four percent (roughly 1,325 additional households) anticipated between 2012 and 2017.

Furthermore, the number of households within Florence itself increased by 27 percent between 2000 and 2012, and is anticipated to increase an additional three percent through 2017. In comparison, the number of households grew by 14 percent within Florence County as a whole between 2000 and 2012, demonstrating relatively strong demographic patterns throughout the region.

Table 8: Household Trends (2000 to 2017)

	2000	2010	2012	2015	2017
City of Florence	11,925	14,979	15,178	15,477	15,676
Florence PMA	28,921	33,720	34,250	35,046	35,576
Florence County	47,147	52,653	53,705	55,283	56,335

	2000-2010 Change	2010-2012 Change	2012-2015 Change	2012-2017 Change
City of Florence	25.6%	1.3%	2.0%	3.3%
Florence PMA	16.6%	1.6%	2.3%	3.9%
Florence County	11.7%	2.0%	2.9%	4.9%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Average household sizes have shown slight declines throughout Florence County since 2000, a pattern generally consistent with an aging population. For the PMA, the average household size was 2.49 persons in 2012, representing a decrease of approximately two percent from 2000's average of 2.53 persons. However, ESRI forecasts indicate the average household size will remain generally constant within the market area through 2017.

Overall, the PMA contains somewhat smaller household sizes than Florence County as a whole, but larger sizes than Florence proper. In comparison to the PMA average of 2.49 persons per household in 2012, the city had an average household size of 2.43 persons, while the county had an average of 2.54 persons per household.

Table 9: Average Household Size (2000 to 2017)

	2000	2010	2012	2015	2017
City of Florence	2.44	2.43	2.43	2.43	2.42
Florence PMA	2.53	2.49	2.49	2.49	2.48
Florence County	2.59	2.54	2.54	2.53	2.53

	2000-2010 Change	2010-2012 Change	2012-2015 Change	2012-2017 Change
City of Florence	-0.4%	-0.1%	-0.1%	-0.2%
Florence PMA	-1.6%	-0.1%	-0.1%	-0.2%
Florence County	-1.8%	-0.1%	-0.1%	-0.2%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Renter-occupied households throughout the Florence market area have also exhibited considerable gains over the past decade, increasing at a rate nearly double than that of overall household creation. According to U.S. Census figures and ESRI estimates, a total of 11,884 renter-occupied households are estimated within the PMA for 2012, representing an increase of 36 percent from 2000 figures (a gain of nearly 3,150 additional rental units). In comparison, it is estimated that the number of renter households increased at a similar rate in both Florence itself (34 percent) and Florence County (37 percent).

Overall, a relatively sizeable ratio of renter households exists throughout the Florence market area. For the PMA, the renter household percentage was calculated at 35 percent in 2012, slightly lower than the city ratio (41 percent), and more in line with the county's renter representation (33 percent). Furthermore, it should also be noted that renter propensities within all three areas have increased since 2000, with the PMA's renter percentage increasing by nearly five percentage points between 2000 and 2012.

Table 10: Renter Household Trends (2000 to 2017)

	2000	2010	2012	2017	2000-2010 Change	2010-2012 Change	2012-2017 Change
City of Florence	4,600	6,013	6,161	6,531	30.7%	2.5%	6.0%
Florence PMA	8,735	11,688	11,884	12,374	33.8%	1.7%	4.1%
Florence County	12,732	17,127	17,477	18,351	34.5%	2.0%	5.0%

	% Renter 2000	% Renter 2010	% Renter 2012	% Renter 2017
City of Florence	38.6%	40.1%	40.6%	41.7%
Florence PMA	30.2%	34.7%	34.7%	34.8%
Florence County	27.0%	32.5%	32.5%	32.6%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

As with overall households, renter household sizes for the Florence PMA were generally larger than those reported for Florence itself, on average, but smaller than averages calculated for the county as a whole. In contrast to overall household patterns, however, average renter sizes increased over the past decade – from 2.31 persons per rental unit in 2000 to 2.45 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (61 percent), with three persons occupying 18 percent of units, and 21 percent of units with four or more persons.

Table 11: Rental Units by Size (2010)

	One Person	Two Persons	Three Persons	Four Persons	5 or More Persons	Median Persons Per Rental Unit 2000	Median Persons Per Rental Unit 2010
City of Florence	2,193	1,567	1,042	640	571	2.32	2.37
Florence PMA	4,120	3,029	2,049	1,345	1,145	2.31	2.45
Florence County	5,724	4,350	3,066	2,099	1,888	2.40	2.50

	1 Person Percent	2 Person Percent	3 Person Percent	4 Person Percent	5+ Person Percent	Median Change
City of Florence	36.5%	26.1%	17.3%	10.6%	9.5%	2.2%
Florence PMA	35.2%	25.9%	17.5%	11.5%	9.8%	6.0%
Florence County	33.4%	25.4%	17.9%	12.3%	11.0%	4.2%

Source: U.S. Census - 2000/2010; Shaw Research & Consulting

3. Household Income Trends

Income levels throughout the Florence area have experienced somewhat sluggish gains over the past decade. While much of the county recorded annual increases between one and two percent between 1999 and 2010, it is anticipated that income appreciation will slow to annual increases of one percent through 2017. In 2012, the median household income was estimated at $46,927 for the PMA, which was approximately eight percent greater than that estimated for Florence proper ($43,616), and roughly 14 percent higher than Florence County ($41,314). Furthermore, the PMA figure represents an increase of 22 percent from 1999 (an average annual increase of 1.7 percent), while the city increased at a somewhat faster rate between 1999 and 2012 (1.8 percent annually).

According to ESRI data, the rate of income growth is forecast to remain sluggish through 2017. As such, it is projected that the median income within the PMA will increase by 0.7 percent annually between 2012 and 2017, slightly lower than gains anticipated within the city and county for the same time span.

Table 12: Median Household Incomes (1999 to 2017)

	1999	2010	2012	2015	2017
City of Florence	**$35,388**	**$42,500**	**$43,616**	**$44,733**	**$46,407**
Florence PMA	**$38,448**	**$46,303**	**$46,927**	**$47,552**	**$48,488**
Florence County	**$35,144**	**$40,487**	**$41,314**	**$42,140**	**$43,380**

	1999-2010 Change	2010-2012 Change	2012-2015 Change	2012-2017 Change
City of Florence	20.1%	2.6%	2.6%	6.4%
Florence PMA	20.4%	1.3%	1.3%	3.3%
Florence County	15.2%	2.0%	2.0%	5.0%

	1999-2010 Ann. Change	2010-2012 Ann. Change	2012-2015 Ann. Change	2012-2017 Ann. Change
City of Florence	1.7%	1.3%	0.8%	1.2%
Florence PMA	1.7%	0.7%	0.4%	0.7%
Florence County	1.3%	1.0%	0.7%	1.0%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 38 percent of all households within the Florence PMA had an annual income of less than $35,000 in 2011 – the portion of the population with the greatest need for affordable housing options. In comparison, a slightly higher 42 percent of both city and county households had incomes within this range. With more than one out of every three households within the immediate Florence area earning less than $35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 13: Overall Household Income Distribution (2011)

	City of Florence		Florence PMA		Florence County	
	Number	Percent	Number	Percent	Number	Percent
Less than $10,000	1,496	10.3%	2,754	8.4%	5,151	10.0%
$10,000 to $14,999	1,250	8.6%	2,242	6.8%	4,021	7.8%
$15,000 to $19,999	757	5.2%	1,719	5.2%	2,969	5.8%
$20,000 to $24,999	869	6.0%	2,101	6.4%	3,296	6.4%
$25,000 to $29,999	815	5.6%	1,783	5.4%	3,192	6.2%
$30,000 to $34,999	867	6.0%	1,981	6.0%	3,108	6.0%
$35,000 to $39,999	732	5.0%	1,997	6.1%	3,188	6.2%
$40,000 to $44,999	790	5.4%	1,761	5.3%	2,674	5.2%
$45,000 to $49,999	658	4.5%	1,710	5.2%	2,813	5.5%
$50,000 to $59,999	1,063	7.3%	2,702	8.2%	4,122	8.0%
$60,000 to $74,999	1,229	8.5%	3,090	9.4%	4,916	9.5%
$75,000 to $99,999	1,476	10.2%	3,422	10.4%	4,905	9.5%
$100,000 to $124,999	1,032	7.1%	2,426	7.4%	3,073	6.0%
$125,000 to $149,999	563	3.9%	1,308	4.0%	1,739	3.4%
$150,000 to $199,999	505	3.5%	1,135	3.4%	1,330	2.6%
$200,000 and Over	424	2.9%	848	2.6%	1,011	2.0%
TOTAL	**14,526**	**100.0%**	**32,979**	**100.0%**	**51,508**	**100.0%**
Less than $34,999	6,054	41.7%	12,580	38.1%	21,737	42.2%
$35,000 to $49,999	2,180	15.0%	5,468	16.6%	8,675	16.8%
$50,000 to $74,999	2,292	15.8%	5,792	17.6%	9,038	17.5%
$75,000 to $99,999	1,476	10.2%	3,422	10.4%	4,905	9.5%
$100,000 and Over	2,524	17.4%	5,717	17.3%	7,153	13.9%

Source: 2011 American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is $17,349 to $30,780 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic's website. Based on this data, the targeted income range accounts for a sizable number of low-income households throughout the area. As such, roughly 11 percent of the PMA's owner-occupied household number, and 23 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for approximately 15 percent of all households within the PMA. Considering the relative density of the PMA, this equates to nearly 5,250 potential income-qualified households for the proposed development, including more than 2,800 income-qualified renter households.

Table 14: Household Income by Tenure – Florence PMA (2015)

	Number of 2015 Households			Percent of 2015 Households		
	Total	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Less than $5,200	**1,050**	338	711	**3.0%**	1.5%	5.9%
$5,200 to $10,400	**1,844**	507	1,337	**5.3%**	2.2%	11.0%
$10,400 to $15,600	**2,360**	820	1,541	**6.8%**	3.6%	12.7%
$15,600 to $20,800	**1,817**	857	959	**5.2%**	3.7%	7.9%
$28,000 to $26,000	**2,214**	841	1,373	**6.4%**	3.7%	11.3%
$26,000 to $36,400	**3,989**	2,246	1,743	**11.4%**	9.8%	14.3%
$36,400 to $52,000	**5,803**	3,543	2,260	**16.6%**	15.5%	18.6%
$52,000 to $78,000	**6,180**	4,858	1,323	**17.6%**	21.2%	10.9%
$78,000 and Over	**9,789**	8,876	912	**27.7%**	38.8%	7.5%
Total	**35,046**	**22,886**	**12,160**	**100.0%**	**100.0%**	**100.0%**

Source: U.S. Census Bureau; BLS CPI Calculator; Shaw Research & Consulting

The 2011 American Community Survey shows that approximately 38 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 15: Renter Overburdened Households (2011)

Gross Rent as a % of Household Income	City of Florence		Florence PMA		Florence County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	**5,839**	**100.0%**	**11,674**	**100.0%**	**17,452**	**100.0%**
Less than 10.0 Percent	128	2.4%	340	3.2%	601	4.0%
10.0 to 14.9 Percent	428	8.0%	1,166	11.1%	1,584	10.5%
15.0 to 19.9 Percent	568	10.7%	1,463	13.9%	1,912	12.7%
20.0 to 24.9 Percent	675	12.7%	1,567	14.9%	2,023	13.4%
25.0 to 29.9 Percent	604	11.3%	875	8.3%	1,532	10.2%
30.0 to 34.9 Percent	600	11.3%	1,095	10.4%	1,593	10.6%
35.0 to 39.9 Percent	363	6.8%	758	7.2%	991	6.6%
40.0 to 49.9 Percent	528	9.9%	915	8.7%	1,287	8.5%
50 Percent or More	1,429	26.8%	2,370	22.5%	3,534	23.5%
Not Computed	516	--	1,125	--	2,395	--
35 Percent or More	2,320	43.6%	4,043	38.3%	5,812	38.6%
40 Percent or More	1,957	36.8%	3,285	31.1%	4,821	32.0%

Source: U.S. Census Burearu; 2007-2011 American Community Survey

F. DEMAND ANALYSIS

1. Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of $30,780 (the 4.5-person income limit at 60 percent AMI for Florence County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	Minimum	Maximum
50 percent of AMI	$17,349	$25,650
60 percent of AMI	$21,120	$30,780
Overall	**$17,349**	**$30,780**

By applying the income-qualified range and 2015 household forecasts to the current-year household income distribution by tenure (adjusted from data based on the Labor Statistics' Consumer Price Index), the number of income-qualified households can be calculated. As a result, 23 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 16 percent of all renter households are income-qualified for units at 50 percent of AMI, while 17 percent of renters are income-eligible for units restricted at 60 percent of AMI.

Based on U.S. Census data and projections from ESRI, approximately 294 additional renter households are anticipated between 2012 and 2015. By applying the income-qualified percentage to the overall eligible figure, a demand for 68 tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately 3.7 percent of all renter households within the Florence PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 100 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on the most recent data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the 2011 ACS, the percentage of renter households within this overburdened range is reported at approximately 38 percent. However, in an effort to keep calculations somewhat conservative, households paying 40 percent of income to rent will be utilized – 31 percent. Applying this rate to the number of renter households yields a total demand of 842 additional units as a result of rent overburden.

There is one comparable LIHTC multi-family rental development within the Florence PMA that was placed in service in 2012. Therefore, units from McGowan Commons (a 36-unit property allocated tax credits in 2010) need to be deducted from the three sources of demand listed previously. As such, combining all above factors results in an overall demand of 974 LIHTC units for 2015.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income households should receive a positive response due to the strong demographic growth within the Florence area coupled with positive occupancy levels within most existing local developments (especially among LIHTC properties).

Table 16: Demand Calculation – by Income Targeting (2015)

		Income Targeting 50% AMI	Income Targeting 60% AMI	Total LIHTC
2010 Total Occupied Households	**33,720**			
2010 Owner-Occupied Households	**22,020**			
2010 Renter-Occupied Households	**11,700**			
QUALIFIED-INCOME RANGE				
Minimum Annual Income		$17,349	$21,120	**$17,349**
Maximum Annual Income		$25,650	$30,780	**$30,780**
DEMAND FROM NEW HOUSEHOLD GROWTH				
Renter Household Growth, 2012-2015		294	294	**294**
Percent Income Qualified Renter Households		15.8%	17.2%	**23.1%**
Total Demand From New Households		**46**	**51**	**68**
DEMAND FROM EXISTING HOUSEHOLDS				
Percent of Renters in Substandard Housing		3.7%	3.7%	**3.7%**
Percent Income Qualified Renter Households		15.8%	17.2%	**23.1%**
Total Demand From Substandard Renter Households		**68**	**74**	**100**
Percent of Renters Rent-Overburdened		31.1%	31.1%	**31.1%**
Percent Income Qualified Renter Households		15.8%	17.2%	**23.1%**
Total Demand From Overburdened Renter Households		**574**	**626**	**842**
Total Demand From Existing Households		**643**	**700**	**942**
TOTAL DEMAND		**689**	**751**	**1,010**
LESS: Total Comparable Activity Since 2012/Under Construction		10	26	**36**
TOTAL NET DEMAND		**679**	**725**	**974**
PROPOSED NUMBER OF UNITS		**12**	**36**	**48**
CAPTURE RATE		**1.8%**	**5.0%**	**4.9%**

Note: Totals may not sum due to rounding

Table 17: Demand Calculation – by Bedroom Size (2015)

2010 Total Occupied Households	**33,720**
2010 Owner-Occupied Households	**22,020**
2010 Renter-Occupied Households	**11,700**

	Two-Bedroom Units			Three-Bedroom Units		
	50% AMI	60% AMI	Total LIHTC	50% AMI	60% AMI	Total LIHTC
QUALIFIED-INCOME RANGE						
Minimum Annual Income	$17,349	$21,120	**$17,349**	$20,194	$24,651	**$20,194**
Maximum Annual Income	$22,200	$25,650	**$25,650**	$26,640	$30,780	**$30,780**
DEMAND FROM NEW HOUSEHOLD GROWTH						
Renter Household Growth, 2012-2015	294	294	**294**	294	294	**294**
Percent Income Qualified Renter Households	8%	10%	**16%**	13%	10%	**19%**
Total Demand From New Households	**24**	**29**	**46**	**38**	**28**	**55**
DEMAND FROM EXISTING HOUSEHOLDS						
Percent of Renters in Substandard Housing	3.7%	3.7%	**3.7%**	3.7%	3.7%	**3.7%**
Percent Income Qualified Renter Households	8%	10%	**16%**	13%	10%	**19%**
Total Demand From Substandard Renter Households	**36**	**42**	**68**	**57**	**41**	**81**
Percent of Renters Rent-Overburdened	31.1%	31.1%	**31.1%**	31.1%	31.1%	**31.1%**
Percent Income Qualified Renter Households	8%	10%	**16%**	13%	10%	**19%**
Total Demand From Overburdened Renter Households	**302**	**358**	**574**	**477**	**347**	**685**
Total Demand From Existing Households	**337**	**401**	**643**	**533**	**388**	**766**
TOTAL DEMAND	**362**	**430**	**689**	**572**	**416**	**821**
LESS: Total Comparable Activity Since 2012/Under Construction	5	13	**18**	5	13	**18**
TOTAL NET DEMAND	**357**	**417**	**671**	**567**	**403**	**803**
PROPOSED NUMBER OF UNITS	6	18	**24**	6	18	**24**
CAPTURE RATE	**1.7%**	**4.3%**	**3.6%**	**1.1%**	**4.5%**	**3.0%**

Note: Totals may not sum due to rounding

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 4.9 percent was determined based on the demand calculation (including renter household growth, substandard and/or overburdened units among existing renter households, and excluding any comparable properties placed in service in 2012 or currently under construction), providing an indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 1.8 percent, and units at 60 percent AMI was at 5.0 percent. As such, these capture rates provide an extremely positive indication of the need for affordable rental options locally and are well within acceptable industry thresholds.

Taking into consideration the overall occupancy rates for the Florence PMA, the success of local LIHTC developments (with five projects a combined 97 percent occupied), the rapid absorption of the most recent tax credit property (McGowan Commons opened in October 2012 and was fully leased in four months), and also the proposed affordable rental rates within the subject, an estimate of the overall absorption period to reach 93 percent occupancy is estimated at six to eight months. This determination is based on a market entry in late 2013/early 2014; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Florence PMA Rental Market Characteristics

As part of the rental analysis for the Florence PMA, a survey of existing rental projects within the Florence primary market area was completed by Shaw Research & Consulting in February 2013. Excluding senior-only developments, a total of 16 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Florence area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 1,816 units were reported, with the overwhelming majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 19 percent of all units had one bedroom, 61 percent had two bedrooms, and 18 percent of units contained three bedrooms. Only a few efficiency or four-bedroom units were reported in the survey. The average age of the rental properties was 18 years old (an average build date of 1995), with nine properties built since 2000. A total of seven facilities (44 percent of all properties) reported to have some sort of income eligibility requirements – with five tax credit developments and two subsidized HUD projects.

Overall conditions for the Florence rental market appear to be relatively strong at the current time. Among the 16 properties included in the survey, the overall occupancy rate was calculated at 97.0 percent. As such, 13 developments were 96 percent occupied or better, with seven at 98 percent or better occupancy. When breaking down occupancy rates by financing type, market rate developments averaged 97.2 percent, tax credit properties averaged 97.1 percent, and subsidized projects were a combined 96.1 percent – clearly demonstrating positive rental conditions throughout the Florence market area.

It should be noted that Florentine Apartment Homes was not included within survey results. At the current time, the property reported an occupancy rate of just 40 percent but is in the process of being renovated so most of these vacant units are presently unavailable.

2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing the LIHTC, Shaw Research has identified the five similar tax credit facilities as being most comparable. According to survey results, the combined occupancy rate for these developments was calculated at 97.1 percent, with all five at 94 percent occupancy or better. Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at $360 per month with an average size of 738 square feet – the resulting average rent per square foot ratio is $0.49. Further, the average tax credit rent for a two-bedroom unit was $470 with an average size of 918 square feet (an average rent per square foot ratio of $0.51), while three-bedroom units averaged $551 and 1,144 square feet ($0.48 per square foot). In comparison to tax credit averages, the subject proposal's rental rates are competitive with generally larger unit sizes. When taking into account unit sizes and rent-per-square foot averages, the proposal is extremely affordable as compared to both market and other tax credit options. As such, the subject has a rent per square foot ratio ranging between $0.34 and $0.44, much lower than the overall LIHTC ratios of $0.48 to $0.51 per square foot. As can be seen, the proposed rental rates are extremely competitive, and in most cases superior, with other tax credit projects throughout the Florence rental market.

The most comparable properties within the PMA are McGowan Commons and Coit Village – the most recently developed LIHTC projects in Florence (constructed in 2012 and 2008, respectively). Just two vacancies were reported among 96 combined units – both at Coit Village, and are in the process of being filled through the waiting list (more than ten persons). Furthermore, it should be noted that McGowan Commons opened in 2012 and was fully leased within four months, and is already maintaining a small waiting list as well.

From a market standpoint, it is evident that sufficient demand is present for the development of additional affordable tax credit units targeting low-income family households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the Florence rental market, and should be considered a positive factor.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, there is no comparable multi-family tax credit rental development under construction within the Florence PMA at the current time. McGowan Commons is the most recent development activity, which opened in October 2012. Because this project is already fully leased and stabilized, it will not have any negative effect on the marketability or absorption of the subject property.

4. Impact on Existing Tax Credit Properties

Based on the relatively strong occupancy rates among all five local LIHTC developments, especially within McGowan Commons (the most recent tax credit project), and also considering that each tax credit property is maintaining a waiting list, the construction of the proposal will not have any adverse impact on existing affordable rental properties. Considering future demographic growth anticipated for the PMA, as well as the positive characteristics of the site location, affordable housing will undoubtedly continue to be in demand locally.

5. Competitive Environment

According to Realtor.com, price points are relatively affordable within the immediate area as compared to previous years. However, considering recessionary conditions throughout the nation, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who largely has credit issues and require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 18: Rental Housing Survey - Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Bentree Apartments	1981	132	0	36	72	24	0	No	Gas	No	**96%**	Open	Florence
Cambridge Court Apartments	2003	64	0	0	32	32	0	No	ELE	No	**98%**	Open	Florence
Charles Pointe Apartments	2003	168	0	78	78	12	0	No	ELE	No	**95%**	Open	Florence
Coit Village	2008	60	0	0	36	24	0	No	ELE	No	**97%**	Open	Florence
Columns at Millstone	2007	60	0	0	60	0	0	No	ELE	No	**93%**	Open	Florence
Reserve at Mill Creek	2008	268	0	122	122	24	0	No	ELE	No	**96%**	Open	Florence
Lakota Crossing Apartments	2004	72	0	4	38	30	0	No	ELE	No	**96%**	Open	Florence
Magnolia Court Apartments	2001	24	0	0	24	0	0	No	ELE	No	**100%**	Open	Florence
Magnolia Trace Apartments	1978	144	0	16	60	60	8	No	ELE	No	**96%**	Open	Florence
McGowan Commons	2012	36	0	0	18	18	0	No	ELE	No	**100%**	Open	Florence
Mt. Zion Church Apartments	1971	108	0	12	36	36	24	No	ELE	No	**94%**	Open	Florence
Sedgefield Apartment Homes	1976	272	0	NA	NA	NA	0	No	ELE	No	**100%**	Open	Florence
Somerset Acres	2008	192	0	0	192	0	0	No	ELE	No	**98%**	Open	Florence
Sterling Apartments	1976	72	0	16	48	8	0	No	ELE	No	**100%**	Open	Florence
Village Creek Apartments	1979	96	0	16	72	8	0	No	ELE	No	**98%**	Open	Florence
Wyndham Place Apartments	1999	48	0	0	48	0	0	No	ELE	No	**96%**	Open	Florence
Totals and Averages	**1995**	**1,816**	**0**	**300**	**936**	**276**	**32**				**97.0%**		
Unit Distribution			**0%**	**19%**	**61%**	**18%**	**2%**						
SUBJECT PROJECT													
PALMETTO STATION APTS	**2014/15**	**48**	**0**	**0**	**24**	**24**	**0**	**No**	**ELE**	**No**		**Open**	**Florence**

SUMMARY

	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.
Total Developments	**16**	**1995**	**1,816**	**0**	**300**	**936**	**276**	**32**	**97.0%**
Market Rate Only	**9**	**1993**	**1,332**	**0**	**268**	**656**	**128**	**8**	**97.2%**
LIHTC Only	**5**	**2005**	**280**	**0**	**4**	**172**	**104**	**0**	**97.1%**
Subsidized Only	**2**	**1975**	**204**	**0**	**28**	**108**	**44**	**24**	**96.1%**

Note: Shaded Properties are LIHTC

Table 19: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent LOW	1BR Rent HIGH	1BR Square Feet LOW	1BR Square Feet HIGH	Rent per Square Foot Range		2BR Rent LOW	2BR Rent HIGH	2BR Square Feet LOW	2BR Square Feet HIGH	Rent per Square Foot Range	
Bentree Apartments	Market	0	$600	$620	650		$0.92	$0.95	$640	$660	860		$0.74	$0.77
Cambridge Court Apartments	LIHTC	0							$440	$538	950		$0.46	$0.57
Charles Pointe Apartments	Market	0	$700		700		$1.00		$800		1,100		$0.73	
Coit Village	LIHTC	0							$480	$555	950		$0.51	$0.58
Columns at Millstone	Market	0							$725	$750	1,100		$0.66	$0.68
Reserve at Mill Creek	Market	0	$820	$895	783	965	$1.05	$0.93	$980		1,130		$0.87	
Lakota Crossing Apartments	LIHTC	0	$360		738		$0.49		$465		936		$0.50	
Magnolia Court Apartments	Market	0							$575	$660	1,050	1,250	$0.55	$0.53
Magnolia Trace Apartments	Market	0	$435						$500		900		$0.56	
McGowan Commons	LIHTC/BOI	8							$430	$465	954		$0.45	$0.49
Mt. Zion Church Apartments	BOI-HUD	108												
Sedgefield Apartment Homes	Market	0	$555	$585	650	900	$0.85	$0.65	$595	$645	900	1,125	$0.66	$0.57
Somerset Acres	Market	0							$725	$750	1,040	1,118	$0.70	$0.67
Sterling Apartments	Market	0	$460	$470	650		$0.71	$0.72	$505	$525	950		$0.53	$0.55
Village Creek Apartments	BOI-HUD	96			646						892			
Wyndham Place Apartments	LIHTC	0							$420	$440	800		$0.53	$0.55
Totals and Averages		**116**		**$591**		**742**		**$0.80**		**$595**		**1,000**		**$0.59**
SUBJECT PROPERTY														
PALMETTO STATION APTS	**LIHTC**	**0**							**$360**	**$470**	**1,050**	**1,100**	**$0.34**	**$0.43**
SUMMARY														
Overall				**$591**		**742**		**$0.80**		**$595**		**1,000**		**$0.59**
Market Rate Only				**$614**		**757**		**$0.81**		**$669**		**1,044**		**$0.64**
LIHTC Only				**$360**		**738**		**$0.49**		**$470**		**918**		**$0.51**
Subsidized Only				**NA**		**646**		**NA**		**NA**		**892**		**NA**

Note: Shaded Properties are LIHTC

Table 20: Rent Range for 3 & 4 Bedrooms - Overall

Project Name	Program	3BR Rent LOW	3BR Rent HIGH	3BR Square Feet LOW	3BR Square Feet HIGH	Rent per Square Foot Range		4BR Rent LOW	4BR Rent HIGH	4BR Square Feet LOW	4BR Square Feet HIGH	Rent per Square Foot Range
Bentree Apartments	Market	$735	$765	1,100		$0.67	$0.70					
Cambridge Court Apartments	LIHTC	$510	$600	1,100		$0.46	$0.55					
Charles Pointe Apartments	Market	$955		1,230		$0.78						
Coit Village	LIHTC	$555	$630	1,120		$0.50	$0.56					
Columns at Millstone	Market											
Reserve at Mill Creek	Market	$1,190		1,285		$0.93						
Lakota Crossing Apartments	LIHTC	$565		1,116		$0.51						
Magnolia Court Apartments	Market											
Magnolia Trace Apartments	Market	$555										
McGowan Commons	LIHTC/BOI	$490	$510	1,240		$0.40	$0.41					
Mt. Zion Church Apartments	BOI-HUD											
Sedgefield Apartment Homes	Market	$700	$750	1,086	1,350	$0.64	$0.56					
Somerset Acres	Market											
Sterling Apartments	Market	$625	$635	1,160		$0.54	$0.55					
Village Creek Apartments	BOI-HUD			1,048								
Wyndham Place Apartments	LIHTC											
Totals and Averages			**$673**		**1,167**		**$0.58**		**NA**		**NA**	**NA**
SUBJECT PROPERTY												
PALMETTO STATION APTS	**LIHTC**	**$415**	**$545**	**1,200**	**1,250**	**$0.35**	**$0.44**					
SUMMARY												
Overall			**$673**		**1,167**		**$0.58**		**NA**		**NA**	**NA**
Market Rate Only			**$768**		**1,202**		**$0.64**		**NA**		**NA**	**NA**
LIHTC Only			**$551**		**1,144**		**$0.48**		**NA**		**NA**	**NA**
Subsidized Only			**NA**		**1,048**		**NA**		**NA**		**NA**	**NA**

Note: Shaded Properties are LIHTC

Table 21a: Project Amenities - Overall

Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/ Balcony	Base-ment	Fireplace	Hi-Speed Internet	Club/ Comm. Room	Computer Center	Exercise Room
Bentree Apartments	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No	Yes	No	No
Cambridge Court Apartments	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Charles Pointe Apartments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	Yes
Coit Village	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Columns at Millstone	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Reserve at Mill Creek	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Lakota Crossing Apartments	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Magnolia Court Apartments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Magnolia Trace Apartments	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	No	No	No	No
McGowan Commons	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No
Mt. Zion Church Apartments	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes	No
Sedgefield Apartment Homes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No
Somerset Acres	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes
Sterling Apartments	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	No	No
Village Creek Apartments	Yes	Yes	No	No	No	No	Yes	No	No	No	No	Yes	No	No
Wyndham Place Apartments	Yes	No	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No
Totals and Averages	**100%**	**75%**	**88%**	**38%**	**63%**	**75%**	**100%**	**69%**	**0%**	**0%**	**50%**	**63%**	**31%**	**25%**
SUBJECT PROJECT														
PALMETTO STATION APTS	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**No**	**No**	**Yes**	**Yes**	**Yes**	**No**
SUMMARY														
Overall	**100%**	**75%**	**88%**	**38%**	**63%**	**75%**	**100%**	**69%**	**0%**	**0%**	**50%**	**63%**	**31%**	**25%**
Market Rate Only	**100%**	**100%**	**100%**	**56%**	**78%**	**89%**	**100%**	**78%**	**0%**	**0%**	**56%**	**44%**	**11%**	**33%**
LIHTC Only	**100%**	**40%**	**100%**	**20%**	**60%**	**60%**	**100%**	**80%**	**0%**	**0%**	**60%**	**80%**	**60%**	**20%**
Subsidized Only	**100%**	**50%**	**0%**	**0%**	**0%**	**50%**	**100%**	**0%**	**0%**	**0%**	**0%**	**100%**	**50%**	**0%**

Note: Shaded Properties are LIHTC

Table 21b: Project Amenities - Overall

Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Bentree Apartments	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No
Cambridge Court Apartments	No	Yes	No	Yes	No	Yes	No	No	No	Yes	No	No	No
Charles Pointe Apartments	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	Yes	Yes
Coit Village	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
Columns at Millstone	No	No	No	No	No	No	No	No	No	Yes	No	No	No
Reserve at Mill Creek	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Lakota Crossing Apartments	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Magnolia Court Apartments	No	No	No	No	No	No	No	No	No	Yes	No	No	No
Magnolia Trace Apartments	No	No	No	No	No	Yes	No	No	Yes	No	No	No	No
McGowan Commons	No	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	No
Mt. Zion Church Apartments	No	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
Sedgefield Apartment Homes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No
Somerset Acres	Yes	No	No	No	No	No	No	No	No	Yes	No	No	No
Sterling Apartments	No	No	No	No	No	Yes	No	Yes	Yes	No	No	No	No
Village Creek Apartments	No	No	No	No	Yes	Yes	No	No	Yes	No	No	No	No
Wyndham Place Apartments	No	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Totals and Averages	**31%**	**63%**	**13%**	**31%**	**25%**	**75%**	**6%**	**13%**	**69%**	**69%**	**0%**	**6%**	**13%**
SUBJECT PROJECT													
PALMETTO STATION APTS	**No**	**Yes**	**Yes**	**No**	**No**	**Yes**	**No**	**No**	**Yes**	**Yes**	**No**	**No**	**No**
SUMMARY													
Overall	**31%**	**63%**	**13%**	**31%**	**25%**	**75%**	**6%**	**13%**	**69%**	**69%**	**0%**	**6%**	**13%**
Market Rate Only	**56%**	**44%**	**0%**	**33%**	**33%**	**67%**	**11%**	**22%**	**56%**	**78%**	**0%**	**11%**	**22%**
LIHTC Only	**0%**	**100%**	**40%**	**40%**	**0%**	**80%**	**0%**	**0%**	**80%**	**80%**	**0%**	**0%**	**0%**
Subsidized Only	**0%**	**50%**	**0%**	**0%**	**50%**	**100%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**	**0%**

Note: Shaded Properties are LIHTC

Table 22: Rental Housing Survey - Comparable

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Cambridge Court Apartments	2003	64	0	0	32	32	0	No	ELE	No	**98%**	Open	Florence
Coit Village	2008	60	0	0	36	24	0	No	ELE	No	**97%**	Open	Florence
Lakota Crossing Apartments	2004	72	0	4	38	30	0	No	ELE	No	**96%**	Open	Florence
McGowan Commons	2012	36	0	0	18	18	0	No	ELE	No	**100%**	Open	Florence
Wyndham Place Apartments	1999	48	0	0	48	0	0	No	ELE	No	**96%**	Open	Florence
Totals and Averages	**2005**	**280**	**0**	**4**	**172**	**104**	**0**				**97.1%**		
Unit Distribution			**0%**	**1%**	**61%**	**37%**	**0%**						
SUBJECT PROJECT													
PALMETTO STATION APTS	**2014/15**	**48**	**0**	**0**	**24**	**24**	**0**	**No**	**ELE**	**No**		**Open**	**Florence**

Table 23: Rent Range for 1 & 2 Bedrooms - Comparable

Project Name	Program	PBRA Units	1BR Rent LOW	1BR Rent HIGH	1BR Square Feet LOW	1BR Square Feet HIGH	Rent per Square Foot Range		2BR Rent LOW	2BR Rent HIGH	2BR Square Feet LOW	2BR Square Feet HIGH	Rent per Square Foot Range	
Cambridge Court Apartments	LIHTC	0							$440	$538	950		$0.46	$0.57
Coit Village	LIHTC	0							$480	$555	950		$0.51	$0.58
Lakota Crossing Apartments	LIHTC	0	$360		738		$0.49		$465		936		$0.50	
McGowan Commons	LIHTC/BOI	8							$430	$465	954		$0.45	$0.49
Wyndham Place Apartments	LIHTC	0							$420	$440	800		$0.53	$0.55
Totals and Averages		**8**		**$360**		**738**		**$0.49**		**$470**		**918**		**$0.51**
SUBJECT PROPERTY														
PALMETTO STATION APTS	**LIHTC**	**0**							**$360**	**$470**	**1,050**	**1,100**	**$0.34**	**$0.43**

Table 24: Rent Range for 3 & 4 Bedrooms - Comparable

Project Name	Program	3BR Rent LOW	3BR Rent HIGH	3BR Square Feet LOW	3BR Square Feet HIGH	Rent per Square Foot Range		4BR Rent LOW	4BR Rent HIGH	4BR Square Feet LOW	4BR Square Feet HIGH	Rent per Square Foot Range	
Cambridge Court Apartments	LIHTC	$510	$600	1,100		$0.46	$0.55						
Coit Village	LIHTC	$555	$630	1,120		$0.50	$0.56						
Lakota Crossing Apartments	LIHTC	$565		1,116		$0.51							
McGowan Commons	LIHTC/BOI	$490	$510	1,240		$0.40	$0.41						
Wyndham Place Apartments	LIHTC												
Totals and Averages			**$551**		**1,144**		**$0.48**		**NA**		**NA**		**NA**
SUBJECT PROPERTY													
PALMETTO STATION APTS	**LIHTC**	**$415**	**$545**	**1,200**	**1,250**	**$0.35**	**$0.44**						

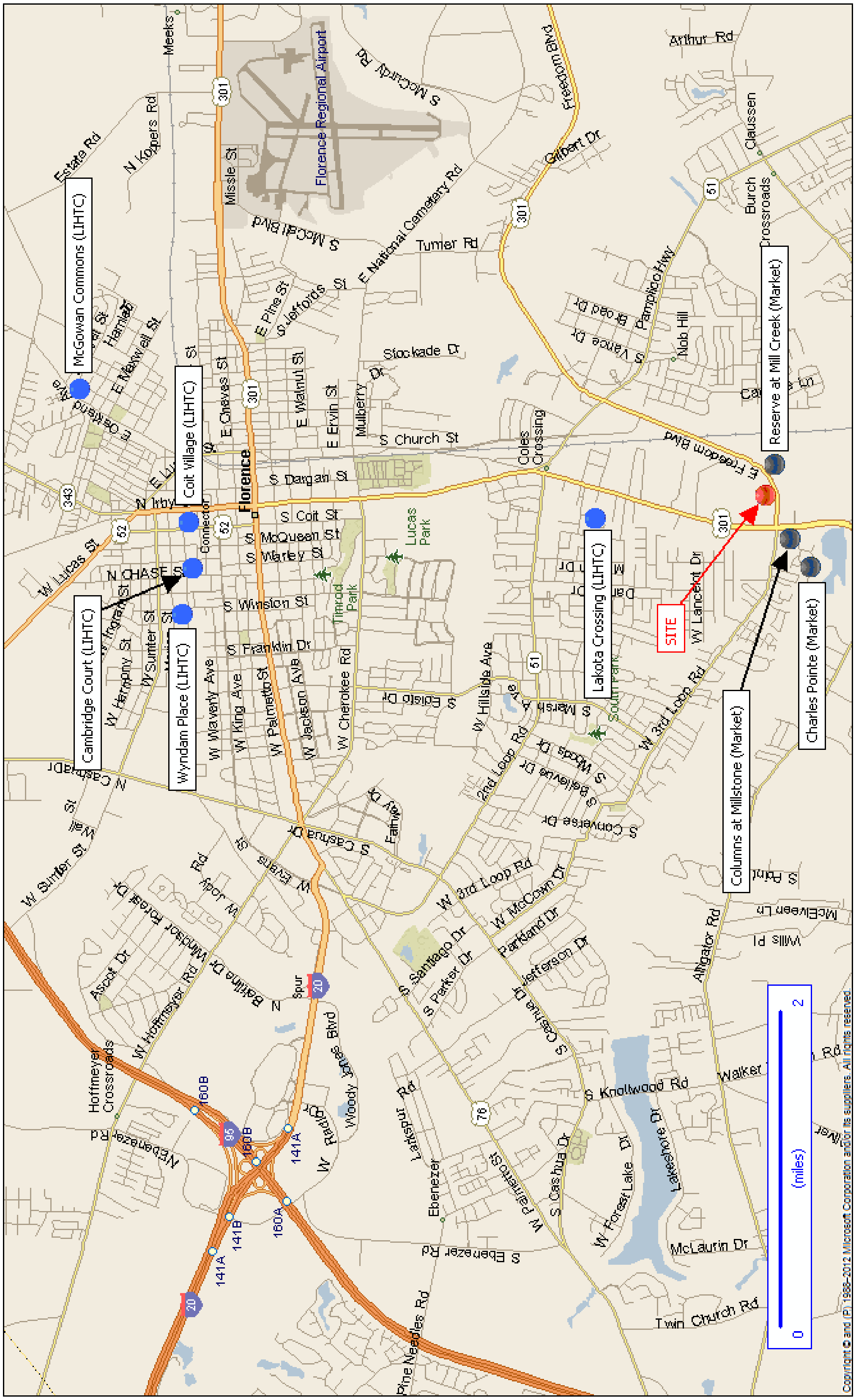
Table 25a: Project Amenities - Comparable

Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/ Balcony	Base-ment	Fireplace	Hi-Speed Internet	Club/ Comm. Room	Computer Center	Exercise Room
Cambridge Court Apartments	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Coit Village	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Lakota Crossing Apartments	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
McGowan Commons	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No
Wyndham Place Apartments	Yes	No	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No
Totals and Averages	**100%**	**40%**	**100%**	**20%**	**60%**	**60%**	**100%**	**80%**	**0%**	**0%**	**60%**	**80%**	**60%**	**20%**
SUBJECT PROJECT														
PALMETTO STATION APTS	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**No**	**No**	**Yes**	**Yes**	**Yes**	**No**

Table 25b: Project Amenities - Comparable

Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Cambridge Court Apartments	No	Yes	No	Yes	No	Yes	No	No	No	Yes	No	No	No
Coit Village	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
Lakota Crossing Apartments	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
McGowan Commons	No	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	No
Wyndham Place Apartments	No	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Totals and Averages	**0%**	**100%**	**40%**	**40%**	**0%**	**80%**	**0%**	**0%**	**80%**	**80%**	**0%**	**0%**	**0%**
SUBJECT PROJECT													
PALMETTO STATION APTS	**No**	**Yes**	**Yes**	**No**	**No**	**Yes**	**No**	**No**	**Yes**	**Yes**	**No**	**No**	**No**

Map 10: Comparable Rental Developments



COMPARABLE PROJECT INFORMATION

Project Name: Cambridge Court Apartments
Address: 550 West Darlington Street
City: Florence
State: SC **Zip Code:** 29501

Phone Number: (843) 413-0586
Contact Name: Melinda
Contact Date: 03/04/13
Current Occup: 98.4%

DEVELOPMENT CHARACTERISTICS

Total Units:	64	**Year Built:**	2003
Project Type:	Open	**Floors:**	2 and 3
Program:	LIHTC	**Accept Vouchers:**	Yes
PBRA Units*:	0	**Voucher #:**	27

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

BR	Bath	Target	Type	# Units	Square Feet Low	Square Feet High	Contract Rent Low	Contract Rent High	Vacant	Occup. Rate	Wait List
TOTAL 2-BEDROOM UNITS				**32**					**0**	**100.0%**	**Yes**
2	2.0	50	Apt	16	950		$440		0	100.0%	
2	2.0	60	Apt	16	950		$538		0	100.0%	
TOTAL 3-BEDROOM UNITS				**32**					**1**	**96.9%**	**Yes**
3	2.0	50	Apt	16	1,100		$510		0	100.0%	
3	2.0	60	Apt	16	1,100		$600		1	93.8%	
TOTAL DEVELOPMENT				**64**					**1**	**98.4%**	**50+ Names**

AMENITIES

Unit Amenities

X	- Central A/C
	- Wall A/C Unit
X	- Garbage Disposal
X	- Dishwasher
	- Microwave
X	- Ceiling Fan
X	- Walk-In Closet
X	- Mini-Blinds
	- Draperies
X	- Patio/Balcony
	- Basement
	- Fireplace
	- High-Speed Internet

Development Amenities

	- Clubhouse
	- Community Room
	- Computer Center
	- Exercise/Fitness Room
	- Community Kitchen
	- Swimming Pool
X	- Playground
	- Gazebo
	- Elevator
X	- Storage
	- Sports Courts
X	- On-Site Management
	- Security - Access Gate
	- Security - Intercom

Laundry Type

	- Coin-Operated Laundry
X	- In-Unit Hook-Up
	- In-Unit Washer/Dryer

Parking Type

X	- Surface Lot	
	- Carport	$0
	- Garage (att)	$0
	- Garage (det)	$0

Utilities Included

	- Heat	ELE
	- Electricity	
X	- Trash Removal	
	- Water/Sewer	

COMPARABLE PROJECT INFORMATION

Project Name: **Coit Village**
Address: 230 North Coit Street
City: Florence
State: SC **Zip Code:** 29501

Phone Number: (843) 662-7008
Contact Name: Tammy
Contact Date: 03/04/13
Current Occup: 96.7%

DEVELOPMENT CHARACTERISTICS

Total Units:	60	**Year Built:**	2008
Project Type:	Open	**Floors:**	3
Program:	LIHTC	**Accept Vouchers:**	Yes
PBRA Units*:	0	**Voucher #:**	22

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

BR	Bath	Target	Type	# Units	Square Feet Low	Square Feet High	Contract Rent Low	Contract Rent High	Vacant	Occup. Rate	Wait List
TOTAL 2-BEDROOM UNITS				**36**					**1**	**97.2%**	**Yes**
2	2.0	50	Apt	16	950		$480		0	100.0%	
2	2.0	60	Apt	20	950		$555		1	95.0%	
TOTAL 3-BEDROOM UNITS				**24**					**1**	**95.8%**	**Yes**
3	2.0	50	Apt	8	1,120		$555		0	100.0%	
3	2.0	60	Apt	16	1,120		$630		1	93.8%	
TOTAL DEVELOPMENT				**60**					**2**	**96.7%**	**10+ Names**

AMENITIES

Unit Amenities

X	- Central A/C
	- Wall A/C Unit
	- Garbage Disposal
X	- Dishwasher
X	- Microwave
X	- Ceiling Fan
X	- Walk-In Closet
X	- Mini-Blinds
	- Draperies
X	- Patio/Balcony
	- Basement
	- Fireplace
X	- High-Speed Internet

Development Amenities

	- Clubhouse
X	- Community Room
X	- Computer Center
	- Exercise/Fitness Room
X	- Community Kitchen
	- Swimming Pool
X	- Playground
X	- Gazebo
	- Elevator
	- Storage
	- Sports Courts
X	- On-Site Management
	- Security - Access Gate
	- Security - Intercom

Laundry Type

X	- Coin-Operated Laundry
X	- In-Unit Hook-Up
	- In-Unit Washer/Dryer

Parking Type

X	- Surface Lot	
	- Carport	$0
	- Garage (att)	$0
	- Garage (det)	$0

Utilities Included

	- Heat	ELE
	- Electricity	
X	- Trash Removal	
X	- Water/Sewer	

COMPARABLE PROJECT INFORMATION

Project Name: **Lakota Crossing Apartments**
Address: 1741 Lakota Drive
City: Florence
State: SC **Zip Code:** 29505

Phone Number: (843) 664-9030
Contact Name: Shena
Contact Date: 02/27/13
Current Occup: 95.8%

DEVELOPMENT CHARACTERISTICS

Total Units:	72	**Year Built:**	2004
Project Type:	Open	**Floors:**	1
Program:	LIHTC	**Accept Vouchers:**	Yes
PBRA Units*:	0	**Voucher #:**	0.3

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

BR	Bath	Target	Type	# Units	Square Feet Low	Square Feet High	Contract Rent Low	Contract Rent High	Vacant	Occup. Rate	Wait List
TOTAL 1-BEDROOM UNITS				**4**					**0**	**100.0%**	**Yes**
1	1.0	50	Apt	2	738		$360		0	100.0%	
1	1.0	60	Apt	2	738		$360		0	100.0%	
TOTAL 2-BEDROOM UNITS				**38**					**0**	**100.0%**	**Yes**
2	1.0	50	Apt	19	936		$465		0	100.0%	
2	1.0	60	Apt	19	936		$465		0	100.0%	
TOTAL 3-BEDROOM UNITS				**30**					**3**	**90.0%**	**Yes**
3	2.0	50 to 59	Apt	15	1,116		$565		0	100.0%	
3	2.0	60+/RD	Apt	15	1,116		$565		3	80.0%	
TOTAL DEVELOPMENT				**72**					**3**	**95.8%**	**35+ Names**

AMENITIES

Unit Amenities

X	- Central A/C
	- Wall A/C Unit
	- Garbage Disposal
X	- Dishwasher
	- Microwave
X	- Ceiling Fan
X	- Walk-In Closet
X	- Mini-Blinds
	- Draperies
X	- Patio/Balcony
	- Basement
	- Fireplace
X	- High-Speed Internet

Development Amenities

	- Clubhouse
X	- Community Room
X	- Computer Center
X	- Exercise/Fitness Room
X	- Community Kitchen
	- Swimming Pool
X	- Playground
	- Gazebo
	- Elevator
	- Storage
	- Sports Courts
X	- On-Site Management
	- Security - Access Gate
	- Security - Intercom

Laundry Type

X	- Coin-Operated Laundry
X	- In-Unit Hook-Up
	- In-Unit Washer/Dryer

Parking Type

X	- Surface Lot	
	- Carport	$0
	- Garage (att)	$0
	- Garage (det)	$0

Utilities Included

	- Heat	ELE
	- Electricity	
X	- Trash Removal	
X	- Water/Sewer	

COMPARABLE PROJECT INFORMATION

Project Name: McGowan Commons
Address: 709 Mechanics Street
City: Florence
State: SC **Zip Code:** 29501

Phone Number: (843) 317-6736
Contact Name: Sheena
Contact Date: 03/05/13
Current Occup: 100.0%

DEVELOPMENT CHARACTERISTICS

Total Units:	36	**Year Built:**	2012
Project Type:	Open	**Floors:**	2
Program:	LIHTC/BOI	**Accept Vouchers:**	Yes
PBRA Units*:	8	**Voucher #:**	16

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

BR	Bath	Target	Type	# Units	Square Feet Low	Square Feet High	Contract Rent Low	Contract Rent High	Vacant	Occup. Rate	Wait List
TOTAL 2-BEDROOM UNITS				**18**					**0**	**100.0%**	**Yes**
2	2.0	BOI	TH	4	954				0	100.0%	
2	2.0	50	TH	5	954		$430		0	100.0%	
2	2.0	60	TH	9	954		$465		0	100.0%	
TOTAL 3-BEDROOM UNITS				**18**					**0**	**100.0%**	**Yes**
3	2.0	BOI	TH	4	1,240				0	100.0%	
3	2.0	50	TH	5	1,240		$490		0	100.0%	
3	2.0	60	TH	9	1,240		$510		0	100.0%	
TOTAL DEVELOPMENT				**36**					**0**	**100.0%**	**< 10 Names**

AMENITIES

Unit Amenities

X	- Central A/C
	- Wall A/C Unit
X	- Garbage Disposal
X	- Dishwasher
	- Microwave
	- Ceiling Fan
	- Walk-In Closet
X	- Mini-Blinds
	- Draperies
X	- Patio/Balcony
	- Basement
	- Fireplace
X	- High-Speed Internet

Development Amenities

X	- Clubhouse
X	- Community Room
X	- Computer Center
	- Exercise/Fitness Room
	- Community Kitchen
	- Swimming Pool
X	- Playground
X	- Gazebo
	- Elevator
X	- Storage
	- Sports Courts
X	- On-Site Management
	- Security - Access Gate
	- Security - Intercom

Laundry Type

X	- Coin-Operated Laundry
X	- In-Unit Hook-Up
	- In-Unit Washer/Dryer

Parking Type

X	- Surface Lot	
	- Carport	$0
	- Garage (att)	$0
	- Garage (det)	$0

Utilities Included

	- Heat	ELE
	- Electricity	
X	- Trash Removal	
	- Water/Sewer	

COMPARABLE PROJECT INFORMATION

Project Name: **Wyndham Place Apartments**
Address: 307 Harrell Street
City: Florence
State: SC **Zip Code:** 29501

Phone Number: (843) 669-6619
Contact Name: Cindy
Contact Date: 03/04/13
Current Occup: 95.8%

DEVELOPMENT CHARACTERISTICS

Total Units:	48	**Year Built:**	1999
Project Type:	Open	**Floors:**	1
Program:	LIHTC	**Accept Vouchers:**	Yes
PBRA Units*:	0	**Voucher #:**	7

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

BR	Bath	Target	Type	# Units	Square Feet Low	Square Feet High	Contract Rent Low	Contract Rent High	Vacant	Occup. Rate	Wait List
TOTAL 2-BEDROOM UNITS				**48**					**2**	**95.8%**	**Yes**
2	1.0	50	Apt	24	800		$420		1	95.8%	
2	1.0	60	Apt	24	800		$440		1	95.8%	
TOTAL DEVELOPMENT				**48**					**2**	**95.8%**	**< 10 Names**

AMENITIES

Unit Amenities

X	- Central A/C
	- Wall A/C Unit
	- Garbage Disposal
X	- Dishwasher
	- Microwave
	- Ceiling Fan
	- Walk-In Closet
X	- Mini-Blinds
	- Draperies
	- Patio/Balcony
	- Basement
	- Fireplace
	- High-Speed Internet

Development Amenities

	- Clubhouse
X	- Community Room
	- Computer Center
	- Exercise/Fitness Room
X	- Community Kitchen
	- Swimming Pool
X	- Playground
	- Gazebo
	- Elevator
	- Storage
	- Sports Courts
	- On-Site Management
	- Security - Access Gate
	- Security - Intercom

Laundry Type

X	- Coin-Operated Laundry
	- In-Unit Hook-Up
	- In-Unit Washer/Dryer

Parking Type

X	- Surface Lot	
	- Carport	$0
	- Garage (att)	$0
	- Garage (det)	$0

Utilities Included

	- Heat	ELE
	- Electricity	
X	- Trash Removal	
X	- Water/Sewer	

6. Market Rent Calculations

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, target market, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

A total of three market-rate properties were selected to determine the estimated market rate, based largely on construction date, location, and building type. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property's corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
Two-Bedroom Units			
50% AMI	$360	$817	**56%**
60% AMI	$470	$817	**42%**
Three-Bedroom Units			
50% AMI	$415	$1,033	**60%**
60% AMI	$545	$1,033	**47%**

Rent Comparability Grid

Subject Property		***Comp #1***		***Comp #2***		***Comp #3***	
Project Name		Charles Pointe Apartments		Columns at Millstone		Reserve at Mill Creek	
Project City	**Subject**	Florence		Florence		Florence	
Date Surveyed	**Data**	3/4/13		3/4/13		2/27/13	
A. Design, Location, Condition		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Structure Type	**Apt**	Apt		Apt		Apt	
Yr. Built/Yr. Renovated	**2014**	2003	$8	2007	$5	2008	$5
Condition /Street Appeal	**Exc**	Exc		Exc		Exc	
Neighborhood	**Exc**	Exc		Exc		Exc	
B. Unit Amenities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Central A/C	**Yes**	Yes		Yes		Yes	
Garbage Disposal	**Yes**	Yes		Yes		Yes	
Dishwasher	**Yes**	Yes		Yes		Yes	
Microwave	**Yes**	Yes		Yes		Yes	
Walk-In Closet	**Yes**	Yes		Yes		Yes	
Mini-Blinds	**Yes**	Yes		Yes		Yes	
Patio/Balcony	**No**	Yes	($5)	Yes	($5)	Yes	($5)
Basement	**No**	No		No		No	
Fireplace	**No**	No		No		No	
C. Site Amenities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Clubhouse	**Yes**	Yes		No	$5	Yes	
Community Room	**No**	No		No		No	
Computer Center	**Yes**	No	$3	No	$3	Yes	
Exercise Room	**No**	Yes	($5)	No		Yes	($5)
Swimming Pool	**No**	Yes	($5)	No		Yes	($5)
Playground	**Yes**	Yes		No	$3	Yes	
Sports Courts	**No**	Yes	($3)	No		No	
On-Site Management	**Yes**	Yes		No	$5	Yes	
Security - Access Gate	**No**	No		No		Yes	($5)
Security - Intercom	**No**	No		No		Yes	($3)
D. Other Amenities		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Coin-Operated Laundry	**Yes**	No	$5	No	$5	Yes	
In-Unit Hook-Up	**Yes**	Yes		Yes		Yes	
In-Unit Washer/Dryer	**No**	No		No		No	
Carport	**No**	Yes	($5)	No		No	
Garage (attached)	**No**	No		No		No	
Garage (detached)	**No**	Yes	($10)	No		Yes	($10)
E. Utilities Included		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Heat	**No**	No		No		No	
Electric	**No**	No		No		No	
Trash Removal	**Yes**	Yes		Yes		Yes	
Water/Sewer	**No**	Yes		Yes		No	
Heat Type	**ELE**	ELE		ELE		ELE	
Utility Adjustments							
Efficiency Units							
One-Bedroom Units							
Two-Bedroom Units			($20)		($20)		
Three-Bedroom Units			($25)		($25)		
Four-Bedroom Units							

Subject Property		*Comp #1*		*Comp #2*		*Comp #3*	
Project Name		Charles Pointe Apartments		Columns at Millstone		Reserve at Mill Creek	
Project City	**Subject**	Florence		Florence		Florence	
Date Surveyed	**Data**	41337		41337		41332	
F. Average Unit Sizes		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Efficiency Units							
One-Bedroom Units		700				874	
Two-Bedroom Units	**1,075**	1,100	($4)	1,100	($4)	1,130	($8)
Three-Bedroom Units	**1,225**	1,230	($1)			1,285	($9)
Four-Bedroom Units							
G. Number of Bathrooms		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
Efficiency Units							
One-Bedroom Units		1.0				1.0	
Two-Bedroom Units	**2.0**	2.0		2.0		2.0	
Three-Bedroom Units	**2.0**	2.0				2.0	
Four-Bedroom Units							
G. Total Adjustments Recap							
Efficiency Units							
One-Bedroom Units							
Two-Bedroom Units			($41)		($3)		($37)
Three-Bedroom Units			($43)				($38)
Four-Bedroom Units							

		Comp #1		*Comp #2*		*Comp #3*	
Project Name		Charles Pointe Apartments		Columns at Millstone		Reserve at Mill Creek	
Project City	**Subject**	Florence		Florence		Florence	
Date Surveyed	**Data**	41337		41337		41332	
H. Rent/Adjustment Summary		**Unadjusted Rent**	**Adjusted Rent**	**Unadjusted Rent**	**Adjusted Rent**	**Unadjusted Rent**	**Adjusted Rent**
Market Rate Units							
Two-Bedroom Units	**$817**	$800	$760	$750	$748	$980	$943
Three-Bedroom Units	**$1,033**	$955	$913			$1,190	$1,153

H. INTERVIEWS

Throughout the course of performing this analysis of the Florence rental market, many individuals were contacted. Based on discussions with local government officials, there was not any comparable multi-family rental activity reported within the Florence PMA. The most recent development was McGowan Commons, a 36-unit LIHTC property constructed in 2012 and opened in October 2012 – the property is already fully leased with a waiting list. In addition, the planning department indicated that there appears to be a demand for affordable housing locally.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Florence rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. It is worth noting that leasing agents throughout the local area expressed mostly positive thoughts about the market, and occupancy levels are mostly satisfactory considering the economy. In addition, just one of the 16 properties surveyed reported some sort of special/concession to increase traffic – which was only one-half off of the application/administration fee as an incentive for a 12-month lease.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject proposal within the Florence PMA. Positive factors include relatively strong demographic trends, generally high rental rates throughout the PMA (averaging 97 percent occupied), five successful LIHTC properties within Florence (averaging a combined 97 percent occupied and all have waiting lists), the rapid absorption of the most recent tax credit development (McGowan Commons was leased in just four months), and strong statistical demand. Also considering the subject property's affordable proposed rental structure, numerous amenities and features, and positive location along Freedom Boulevard, clear support can be demonstrated for the introduction of a newly constructed rental alternative targeting low-income family households. Even considering the recent introduction of McGowan Commons (a 36-unit LIHTC property), the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

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

Steven R. Shaw
SHAW RESEARCH AND CONSULTING

Date: February 28, 2013

K. SOURCES

1990 U.S. Census of Population and Housing – U.S. Census Bureau

2000 U.S. Census of Population and Housing – U.S. Census Bureau

2010 U.S. Census of Population and Housing – U.S. Census Bureau

2007-2011 American Community Survey – 5-Year Estimates

2012/2017 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2013

Labor Force Employment and Unemployment Statistics – SC Works Online Services

2013 Income & Rent Limits – South Carolina State Housing Finance & Development Authority

2012 Community Profile - Florence County – South Carolina Department of Commerce

Greater Florence Chamber of Commerce – www.florencescchamber.com

Florence County Government Information – www.florenceco.org

City of Florence Government Information – www.cityofflorence.com

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

L. RESUME

STEVEN R. SHAW
SHAW RESEARCH & CONSULTING

Mr. Shaw is a principal at Shaw Research and Consulting. With over twenty-two years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.