

Market Feasibility Analysis

**Barrington Trace Apartments
1012 West Main Street
Dillon, Dillon County, South Carolina 29536**

Prepared For

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13-214 JW/PB



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

Development Name: Barrington Trace Apartments Total # Units: 46
 Location: 1012 West Main Street, Dillon, SC 29536 # LIHTC Units: 46
 PMA Boundary: Dillon County borders
 Development Type: X Family ___ Older Persons Farthest Boundary Distance to Subject: 19.5 miles

RENTAL HOUSING STOCK (found on page H-13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	608	19	96.9%
Market-Rate Housing	3	164	17	89.6%
Assisted/Subsidized Housing not to include LIHTC	8	364	2	99.5%
LIHTC (All that are stabilized)*	2	80	0	100.0%
Stabilized Comps**	2	80	0	100.0%
Non-stabilized Comps	0	-	-	-

*Stabilized occupancy of at least 93%.

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	Two-Br.	2.0	1,012	\$347	\$550	\$0.54	36.91%	\$939	\$0.83
6	Two-Br.	2.0	1,012	\$397	\$550	\$0.54	27.82%	\$939	\$0.83
12	Three-Br.	2.0	1,167	\$468	\$680	\$0.58	31.18%	\$1,131	\$0.88
22	Three-Br.	2.0	1,167	\$540	\$680	\$0.58	20.59%	\$1,131	\$0.88
*Gross Potential Rent Monthly				\$21,960	\$29,720		26.11%		

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

DEMOGRAPHIC DATA (found on page F-3, G-5)

	2000		2012		2015	
Renter Households	3,961	34.5%	4,091	33.9%	4,123	33.7%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,219	10.1%	1,235	10.1%
Income-Qualified Renter HHs (MR)	(if applicable)	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	4	19	-	-	-	16
Existing Households (Overburd + Substand)	479	435	-	-	-	582
Homeowner conversion (Seniors)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-Qualified Renter Households	483	454	-	-	-	598

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	3.7%	6.2%	-	-	-	7.7%

ABSORPTION RATE (found on page G-6)

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

S-2 RENT CALCULATION WORKSHEET

Project Name: Barrington Trace Apartments

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
6	2 BR	\$347	\$2,082	\$550	\$3,300	
6	2 BR	\$397	\$2,382	\$550	\$3,300	
	2 BR		\$0		\$0	
12	3 BR	\$468	\$5,616	\$680	\$8,160	
22	3 BR	\$540	\$11,880	\$680	\$14,960	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	46		\$21,960		\$29,720	26.11%

B. PROJECT DESCRIPTION

The proposed Barrington Trace Apartments project involves the new construction of a 46-unit, Low-Income Housing Tax Credit (LIHTC) community in Dillon, South Carolina. The proposed apartments will include two- and three-bedroom units that target households earning up to 50% and 60% of Area Median Household Income (AMHI). Collected Tax Credit rents will range between \$347 and \$540, depending on bedroom type and targeted level of AMHI. The cost of trash collection will be included in the monthly collected rent. The subject development is expected to open by the end of 2014. Additional details concerning the subject project are as follows:

- a. Property Location:** 1012 West Main Street
Dillon, SC 29536
(Dillon County)
- b. Construction Type:** New Construction
- c. Occupancy Type:** General Occupancy (family)
- d. Target Income Group:** 50% & 60% of AMHI
- e. Special Needs Population:** None
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents		
						Collected	Utility Allowance	Gross
6	Two-Br.	2.0	Garden	1,012	50%	\$347	\$118	\$465
6	Two-Br.	2.0	Garden	1,012	60%	\$397	\$118	\$515
12	Three-Br.	2.0	Garden	1,167	50%	\$468	\$147	\$615
22	Three-Br.	2.0	Garden	1,167	60%	\$540	\$147	\$687
46	Total							

Source: PIRHL, LLC
AMHI – Area Median Household Income (Dillon County, SC; 2013)

- g. Number Of Stories/Buildings:** Three (3) , two-story, walk-up buildings
- k. Project-Based Rental Assistance (Existing or Proposed):** None



l. Community Amenities:

The subject property will include the following community features:

- Clubhouse w/ Kitchen
- On-Site Management Office
- Computer Center
- Fitness Center
- Covered Picnic Area
- Central Laundry Facility
- Playground

m. Unit Amenities:

Each unit will include the following amenities:

- Refrigerator w/ Icemaker
- Electric Range
- Dishwasher
- Microwave Oven/Range Hood
- Patios or Balcony w/ Exterior Storage Closest
- Central Air Conditioning
- Ceiling Fans
- Carpet
- Mini-Blinds
- Washer/Dryer Hookups

Note that all of the appliances, including the ceiling fans, will be energy star.

n. Parking:

The subject site will include 116 spaces of uncovered surface lot parking which equates to 2.1 spaces per unit. This is considered ample for a general occupancy development.

o. Renovations and Current Occupancy:

Not Applicable/ New Construction

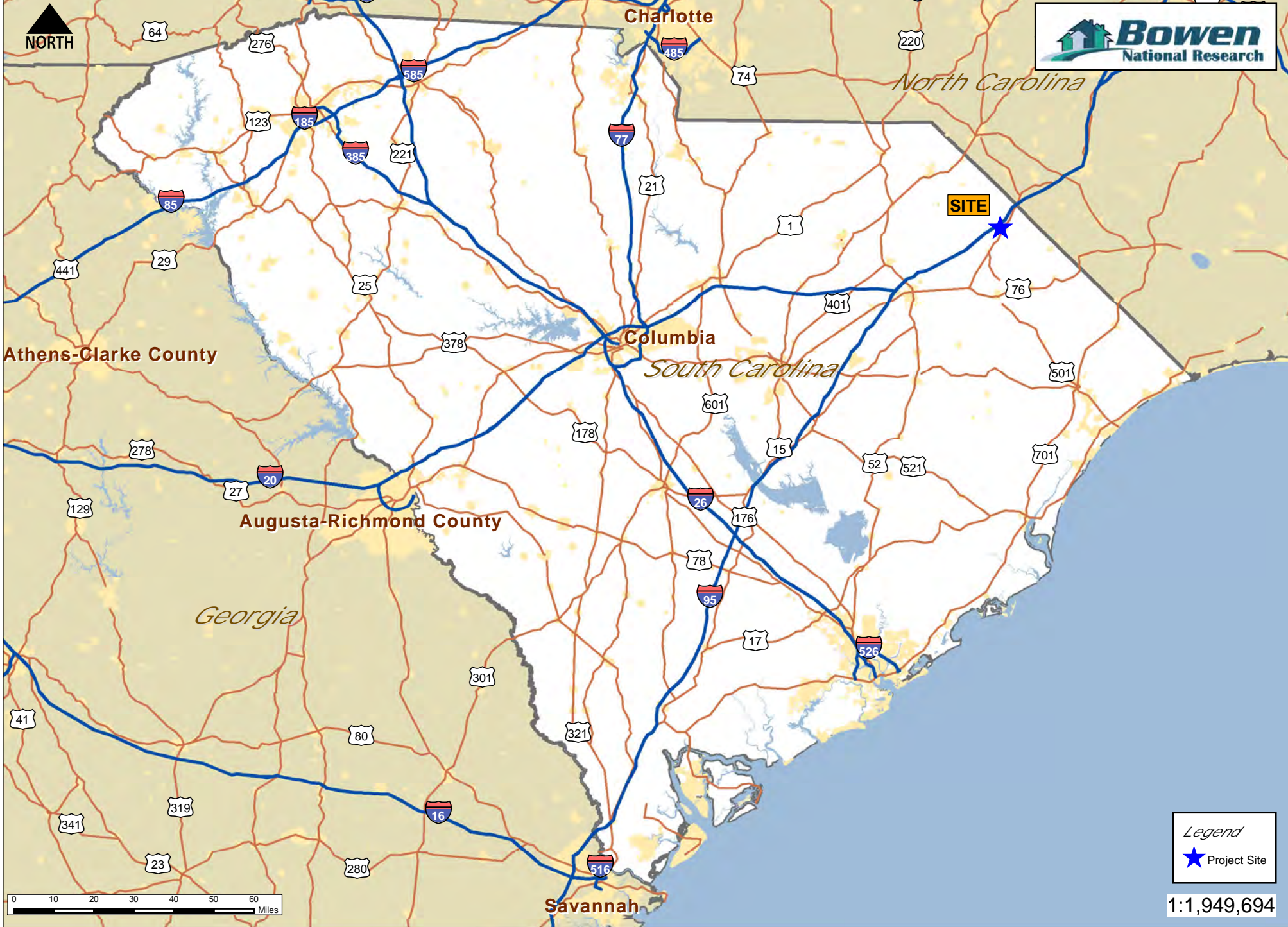
p. Utility Responsibility:

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

- Electric Heating
- Electric Cooking
- Water
- General Electricity
- Electric Hot Water
- Sewer

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

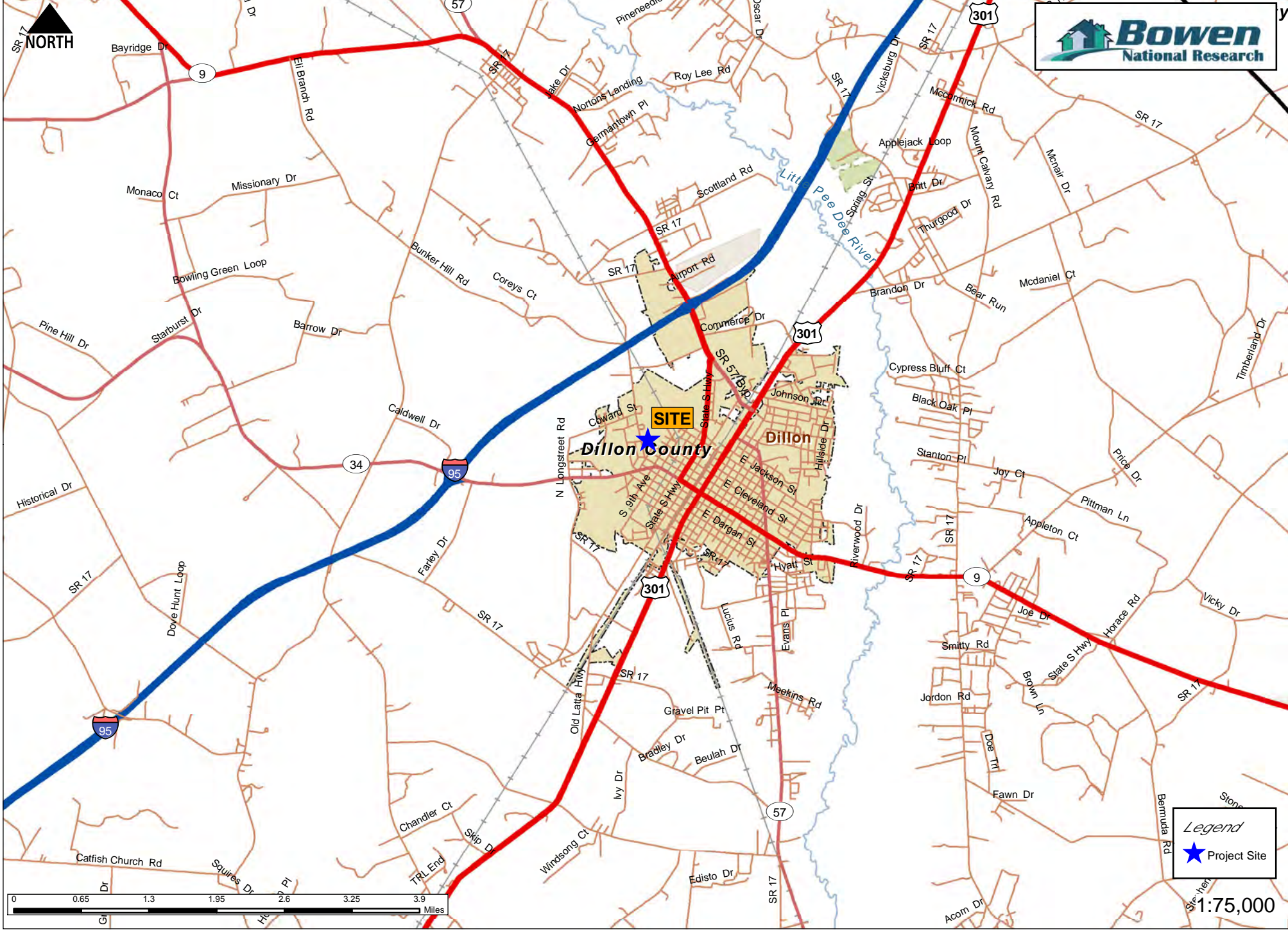
State of South Carolina



Legend
★ Project Site

1:1,949,694

Dillon, SC: Surrounding Area



Legend
★ Project Site
Scale: 1:75,000

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

This is a telephone update of the original market study completed March 2012. Note we did not revisit the site for this analysis. We have assumed the surrounding land uses have not changed since our original site inspection. This is the original site evaluation.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of approximately 8.0 acres of vacant land located on the east side of State Route 17-39 (West Main Street) in the northwest portion of Dillon, South Carolina. The nearest cross street is Chapman Avenue, located directly across West Main Street from the southwest corner of the site. Located within Dillon County, the city of Dillon is approximately 30.0 miles northeast of Florence, South Carolina and approximately 66.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of surrounding land uses:

North -	A somewhat rural but established residential neighborhood is located north of the site. Land uses include single-family homes, multifamily apartments and vacant land. Additional multifamily projects are located beyond, but within 0.2 miles. The scattered single-family homes are considered to be in good condition as well.
East -	Vacant land borders the site to the east. A residential neighborhood consisting of a mix of single-family houses and mobile homes is located east of this vacant land. Houses and mobile homes within this residential area are in fair to satisfactory condition.
South -	A single-family house borders the site to the south. This one-story house features a brick exterior and a fenced-in front yard, and appears to be in good condition. Single-family houses are located farther south of the site along West Main Street. These houses range in condition from fair to good. The Dillon Central Business District (CBD) is approximately 0.7 miles southeast of the site.
West -	State Route 17-39 (West Main Street) borders the site to the west and experiences light to moderate vehicular traffic. The Dillon Memorial Stadium complex is located opposite the site across West Main Street. This complex includes a baseball diamond and football field. Stewart Heights Elementary School is located further west, but is not visible from the site.

The surrounding land uses are predominantly residential and are consistent with the planned subject development. The proximity of athletic fields and an elementary school will likely improve the marketability of the site. Overall, the subject property is expected to fit well with the surrounding land uses, which will increase the marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

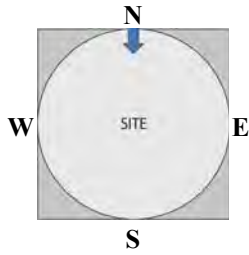
Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S Highway 301/501	0.9 Southeast
	Interstate 95	2.4 Southwest
Light Rail Station	Dillon Amtrak	0.7 Southeast
Major Employers/ Employment Centers	McLeod Medical Center	1.3 East
	Franco Manufacturing	1.8 North
Convenience Store	Kangaroo Express	0.9 Southeast
	Kwik Mart	1.6 Southeast
Grocery	Carls IGA Food Center	0.4 Southeast
	Walmart Supercenter	1.1 Northeast
	Marvin's Grocer	1.6 South
	Food Lion	1.8 Northeast
Discount Department Store	Family Dollar	0.8 South
	Dollar Tree	1.5 Northeast
Shopping Center/Mall	Dillon Plaza	1.9 East
Schools:		
Elementary	Stewart Heights	0.3 East
Middle/Junior High	J.V. Martin Junior High	0.7 Southeast
High	Dillon High	2.8 Northeast
Hospital	McLeod Medical Center	1.3 East
Police	Dillon Police Department	0.6 Southeast
Fire	Dillon Fire Department Substation	0.2 North
Post Office	U.S. Post Office	0.6 Southeast
Bank	First Bank	0.7 East
	First Citizens Bank & Trust	1.0 Southeast
Recreational Facilities	Dillon City Sports Complex	1.2 West
Gas Station	Food Mart	0.4 Southeast
	Dillon Exxon	0.9 Southeast
Pharmacy	Rite Aid	1.3 Southeast
	CVS Pharmacy	1.9 East
Restaurants	Charcoal Grill	0.7 Southeast
	Kyntire House	0.7 Southeast
Day Care	Little Pumpkin Day Care	0.4 Southeast
Community Center	City of Dillon Wellness Center	2.1 Northeast
Library	Dillon County Library	1.1 Southeast

The site is located in proximity to numerous community services within the city of Dillon. The nearest elementary school is 0.3 miles east of the site, while the nearest child care facility is within 0.5 miles. The nearest convenience store, gas station, discount department store and restaurant are all within 1.0 mile. Walmart Supercenter is located 1.1 miles northeast of the site. The Dillon Central Business District is within 1.0 mile of the site, featuring several local business and retailers, and well as access to light rail. Several mid-sized major employers (300+ employees) are located in Dillon County. Many of these major employers are within 7.5 miles of the site.

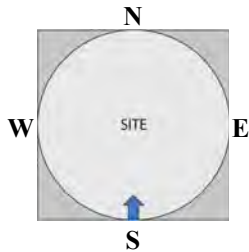
4. SITE PHOTOGRAPHS

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

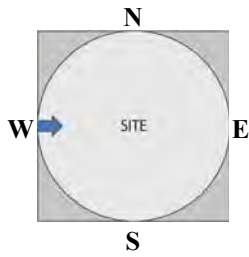
SITE PHOTOGRAPHS



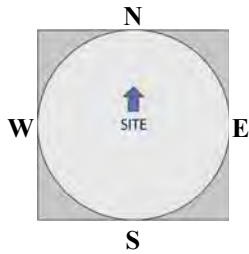
View of site from the north



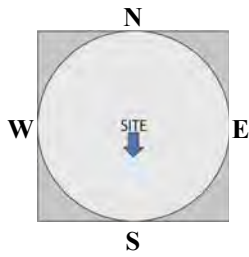
View of site from the south



View of site from the west



North view from site



South view from site



West view from site



Northbound on State Route 17-39

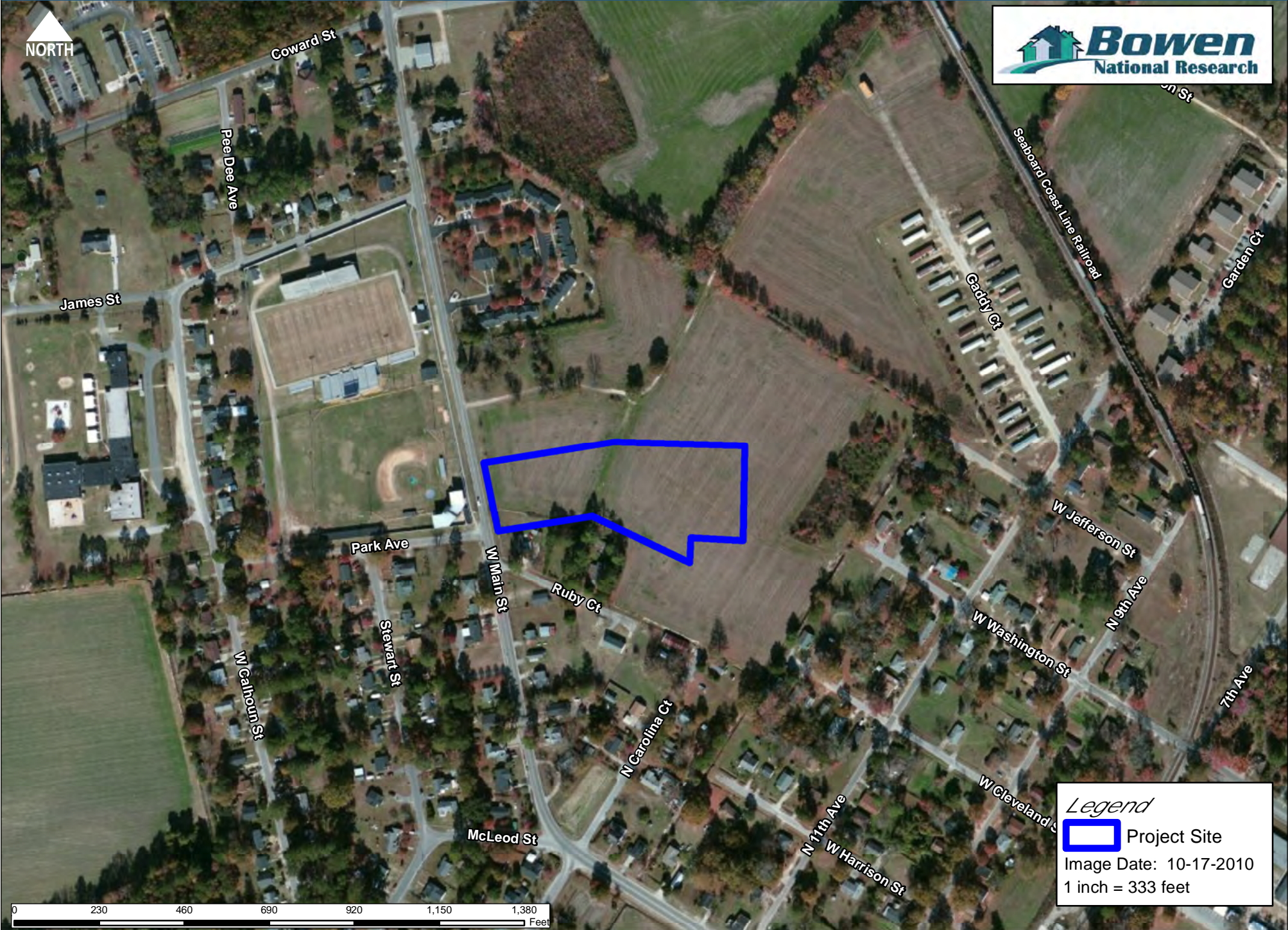


Southbound on State Route 17-39

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

Dillon, SC: Site Neighborhood



NORTH

Coward St

Pee Dee Ave

James St

Park Ave

W Calhoun St

Stewart St

McLeod St

W Main St

Ruby Ct

N Carolina Ct

N 11th Ave

W Harrison St

W Washington St

W Cleveland St

W Jefferson St

N 9th Ave

Gaddy Ct

Garden Ct

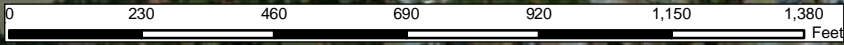
Seaboard Coast Line Railroad

Legend

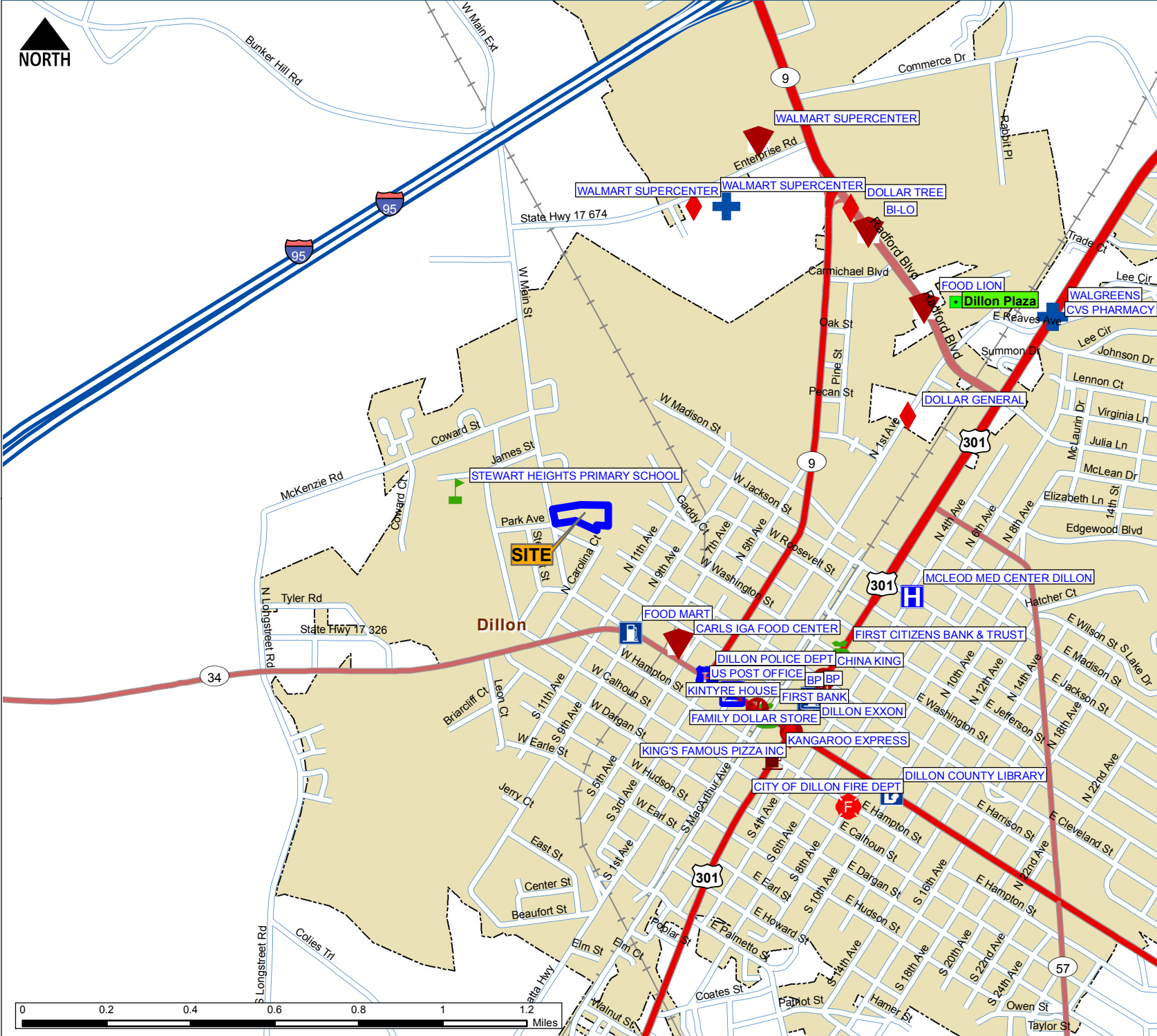
 Project Site

Image Date: 10-17-2010

1 inch = 333 feet



Dillon, SC: Neighborhood Community Services



Legend

- Project Site
- bank
- convenience store
- elementary school
- fire
- gas
- grocery
- hospital services
- library
- pharmacy
- police
- post office
- restaurant
- shopping

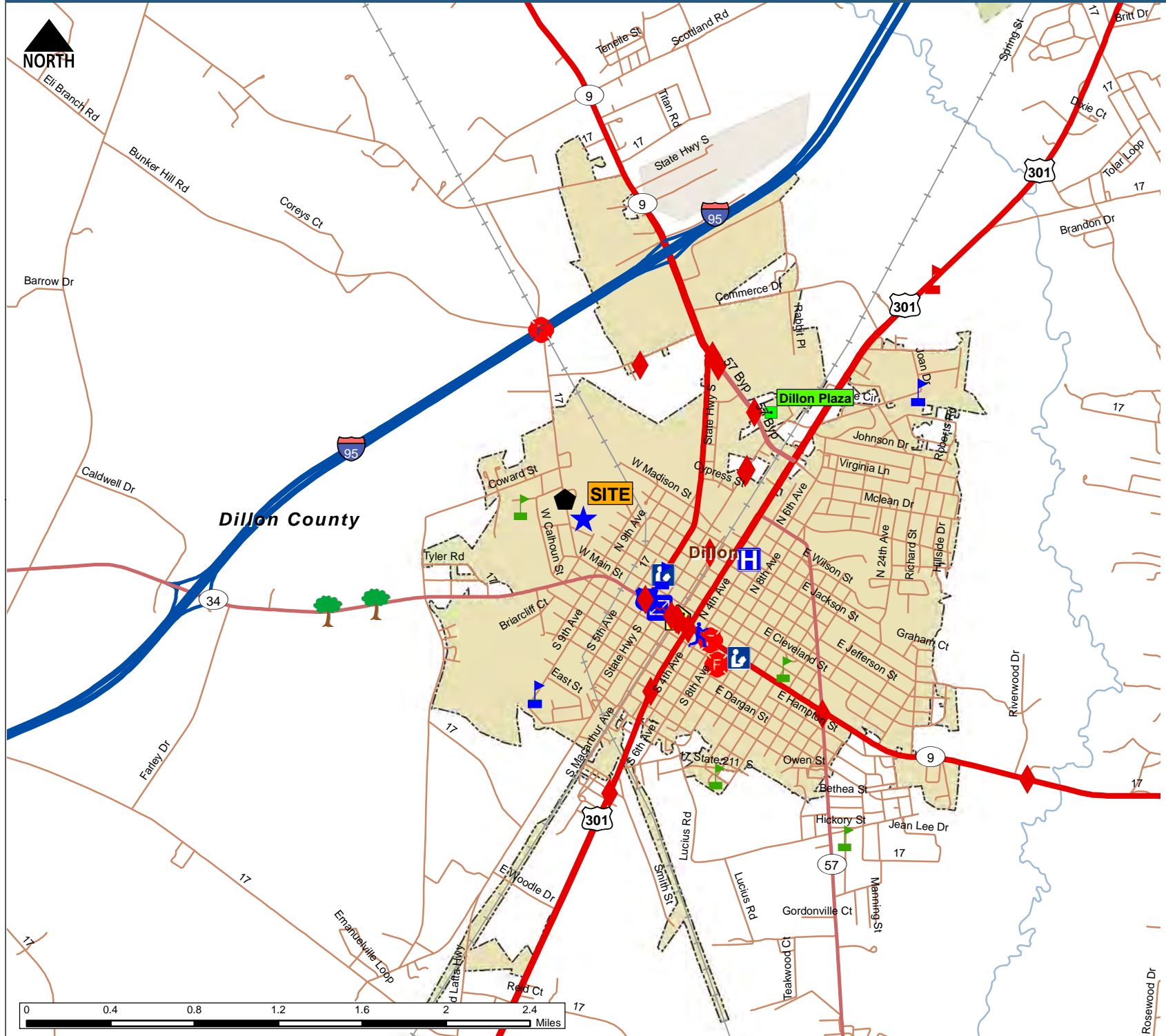
Shopping Center

Gross Leasable Area

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

1:20,000

Dillon, SC: Regional Community Services

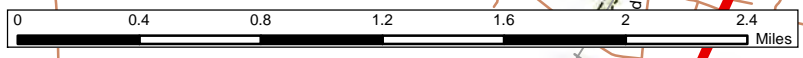


Legend

- Project Site
- cinema
- elementary school
- fire
- fitness center
- high school
- historic sites
- hospital services
- library
- middle school
- park
- police
- restaurant
- shopping

Shopping Center
Gross Leasable Area

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



1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is located on the east side of State Route 17-39 (West Main Street). According to information provided by local planning officials and the South Carolina Department of Transportation, no significant road construction or infrastructure improvements are planned for the immediate neighborhood.

7. CRIME ISSUES

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

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

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

Total crime risk (163) for the Site PMA is above the national average with an overall personal crime index of 236 and a property crime index of 124. Total crime risk (163) for Dillon County is above the national average with indexes for personal and property crime of 236 and 124, respectively.

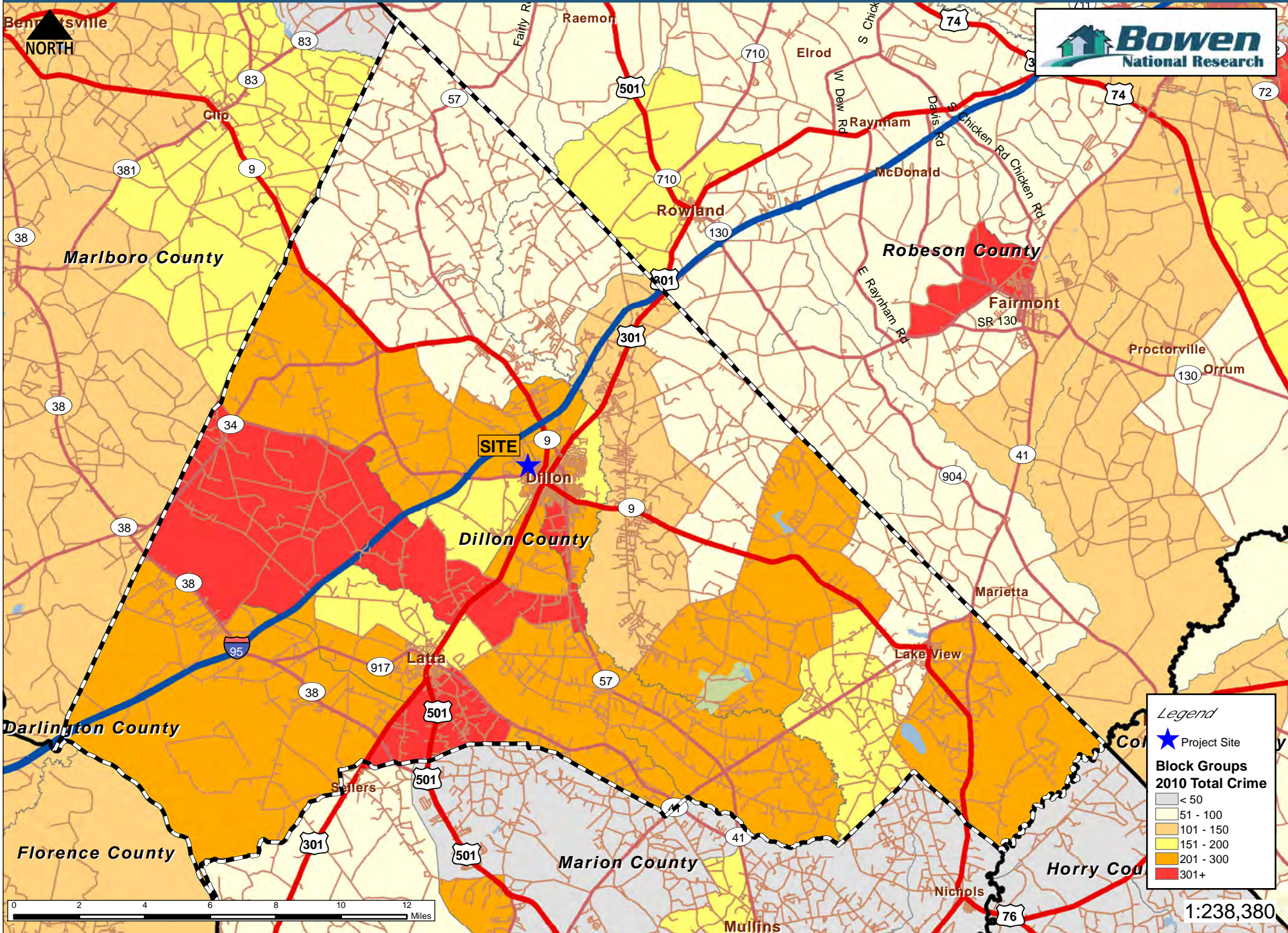
	Crime Risk Index	
	Site PMA	Dillon County
Total Crime	163	163
Personal Crime	236	236
Murder	250	250
Rape	165	165
Robbery	95	95
Assault	316	316
Property Crime	124	124
Burglary	158	158
Larceny	94	94
Motor Vehicle Theft	103	103

Source: Applied Geographic Solutions

Although the total crime risk for the Dillon Site PMA is above the national average, interviews with management at nearby rental communities and the personal observations of our analyst revealed the subject site neighborhood is considered relatively safe. As such, we do not believe that the perception of crime will have a material impact on the marketability of the subject site.

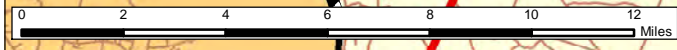
A map illustrating crime risk is on the following page.

Dillon, SC: 2010 Crime Risk



Legend

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



1:238,380

8. ACCESS AND VISIBILITY

The site will derive access from State Route 17-39 (West Main Street) which is a moderately travelled roadway. Note that the Dillon Memorial Stadium complex is located directly across West Main Street from the site. As such, vehicular and pedestrian traffic in the site vicinity increases during sporting events. Entry and egress will be considered easy overall and the proximity to major highways increases accessibility, which is considered good. Visibility of the site is also considered good as the subject buildings and site signage will be unimpeded by nearby structures or buildings.

9. VISIBLE OR ENVIRONMENTAL ISSUES

Adjacent land uses include vacant land, single-family houses, multifamily apartments and a municipal sports complex. No environmental issues or adverse conditions were observed in the site vicinity during the date of our inspection.

10. OVERALL SITE CONCLUSIONS

The subject site is located in the northwest portion of Dillon, South Carolina. Surrounding land uses are predominantly residential and are consistent with the planned subject development. The proximity of athletic fields and an elementary school will likely improve the marketability of the site. Visibility and access are considered good. The site is within 3.0 miles of most shopping, employment, recreation, entertainment and education opportunities. Social services, public transportation and public safety services are all within 2.0 miles, and the site has convenient access to Interstate 95 and U.S. Highway 301/501. Overall, we consider the surrounding land uses and the site's proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

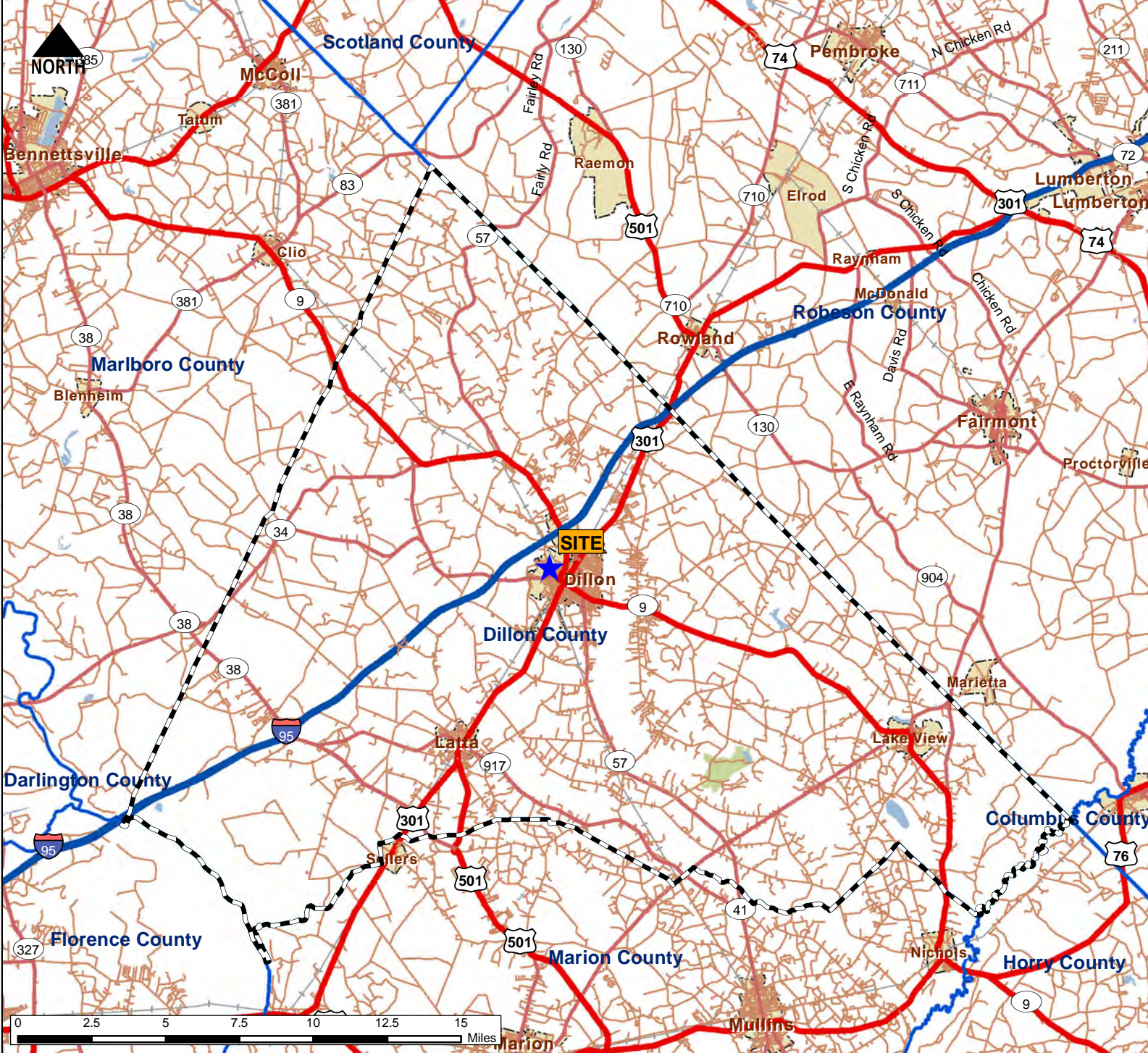
Betty Bethea, Property Manager at Hunters Crossing Apartments, a general-occupancy LIHTC property located 0.8 miles south of the site, stated that the majority of her current residents originated from within Dillon County and she has received support from the smaller towns of Latta and Lakeview. Thus, confirming the Site PMA.

The majority of rental housing opportunities in Dillon County are located in the city of Dillon. The town of Latta and Lakeview are substantially smaller than Dillon and dominated by homeowners. However, the Site PMA was designed to include all three municipalities, as it is likely that any potential tenants in these areas would seek affordable rental housing in Dillon.

The Dillon Site PMA includes all of Dillon County and is defined by the county boundaries. The Site PMA includes the following Census Tracts: 9701, 9702, 9703, 9704, 9705 and 9706.

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

Dillon, SC: Primary Market Area



Primary Market Area Information

Area:	404.36 Sq. Miles
County in PMA:	Dillon
2012 Estimated Population:	32,548
2012 Total Households:	12,069
2012 Median Household Inc.:	\$25,577

Legend

- Project Site
- PMA

1:298,094

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

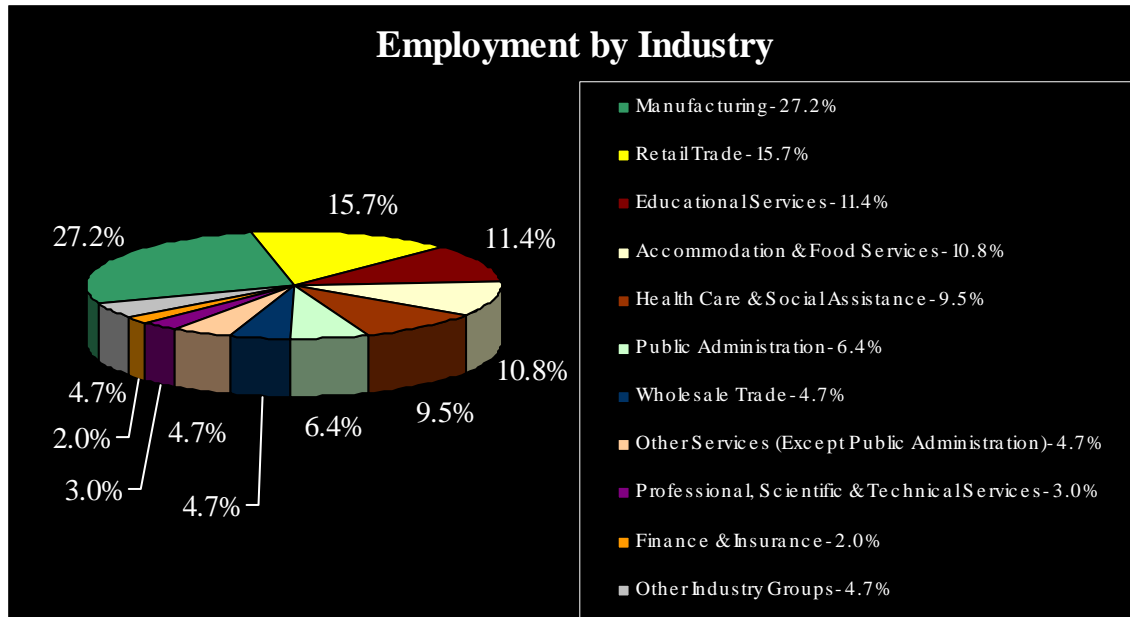
The labor force within the Dillon Site PMA is based primarily in four sectors. Manufacturing (which comprises 27.2%), Retail Trade, Educational Services and Accommodation & Food Services comprise over 65% of the Site PMA labor force. Employment in the Dillon Site PMA, as of 2012, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	15	1.5%	78	0.7%	5.2
Mining	1	0.1%	0	0.0%	0.0
Utilities	3	0.3%	18	0.2%	6.0
Construction	34	3.3%	66	0.6%	1.9
Manufacturing	27	2.6%	2,938	27.2%	108.8
Wholesale Trade	49	4.8%	506	4.7%	10.3
Retail Trade	202	19.6%	1,696	15.7%	8.4
Transportation & Warehousing	24	2.3%	179	1.7%	7.5
Information	16	1.6%	17	0.2%	1.1
Finance & Insurance	60	5.8%	214	2.0%	3.6
Real Estate & Rental & Leasing	41	4.0%	94	0.9%	2.3
Professional, Scientific & Technical Services	32	3.1%	325	3.0%	10.2
Management of Companies & Enterprises	2	0.2%	3	0.0%	1.5
Administrative, Support, Waste Management & Remediation Services	16	1.6%	10	0.1%	0.6
Educational Services	38	3.7%	1,232	11.4%	32.4
Health Care & Social Assistance	69	6.7%	1,022	9.5%	14.8
Arts, Entertainment & Recreation	13	1.3%	41	0.4%	3.2
Accommodation & Food Services	74	7.2%	1,162	10.8%	15.7
Other Services (Except Public Administration)	209	20.3%	503	4.7%	2.4
Public Administration	100	9.7%	687	6.4%	6.9
Nonclassifiable	3	0.3%	0	0.0%	0.0
Total	1,028	100.0%	10,791	100.0%	10.5

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Pee Dee South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$79,330	\$93,520
Business and Financial Occupations	\$55,440	\$58,280
Computer and Mathematical Occupations	\$56,570	\$63,170
Architecture and Engineering Occupations	\$55,350	\$70,990
Community and Social Service Occupations	\$35,220	\$38,470
Art, Design, Entertainment and Sports Medicine Occupations	\$33,700	\$41,560
Healthcare Practitioners and Technical Occupations	\$59,140	\$64,930
Healthcare Support Occupations	\$21,400	\$25,000
Protective Service Occupations	\$31,490	\$32,480
Food Preparation and Serving Related Occupations	\$18,360	\$19,790
Building and Grounds Cleaning and Maintenance Occupations	\$22,750	\$22,300
Personal Care and Service Occupations	\$22,460	\$23,040
Sales and Related Occupations	\$27,620	\$30,830
Office and Administrative Support Occupations	\$28,180	\$31,180
Construction and Extraction Occupations	\$31,850	\$35,720
Installation, Maintenance and Repair Occupations	\$36,890	\$39,920
Production Occupations	\$30,350	\$33,930
Transportation and Moving Occupations	\$27,250	\$29,540

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

Most annual blue-collar salaries range from \$18,360 to \$36,890 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$61,166. It is important to note that most occupational types within the MSA have generally lower typical wages than the State of South Carolina's typical wages. The proposed project will target households with incomes generally between \$16,000 and \$31,000. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The five largest employers within Dillon County comprise a total of approximately 3,200 employees. These employers are summarized as follows:

Business	Business Type	Total Employed
Perdue Farms	Food Processing	1,200
Harbor Freight Tools	Distributing	700
McLeod Health	Health Care	500
Wix Corporation	Manufacturing	400
Dillon County Schools	Education	400
Total		3,200

Source: Dillon County Economic Development Partnership

According to a representative with the Dillon County Economic Development Partnership, the county's economy is steadily improving. Key factors impacting the local economy are summarized as follows:

- Diversified Plastics, Incorporated is a manufacturer of material handling containers and carts. It was announced in April 2012 that they are planning to expand their current manufacturing facility in Dillon County. The \$2.5 million investment is expected to generate 15 new jobs.
- In October of 2012, AGMB Healthcare, Incorporated announced that they will be relocating to Dillon County from Rocklin, California. The \$1.5 million investment is expected to generate 50 new jobs. AGMB Healthcare is a medical healthcare corporation interested in providing medical healthcare to rural communities that might otherwise have to travel out of the area for their healthcare needs and services. AGMB Healthcare's Dialysis Treatment Facility opened in November in 2012 and future plans include an Urgent Care Center that will open in the Spring of 2013, and a Medical Call Center that will open in late Spring of 2013.

- Med First expanded its healthcare services from Jacksonville, Florida to Dillon County, which is expected to add 20 new jobs to the area.
- In December 2012, Harbor Freight Tools announced a major expansion of its Dillon County distribution center, which is already one of the county’s largest employers. The \$600 million project may bring as many as 200 jobs to Dillon and the surrounding area. The project has been given the name “Project Tool Shed” and is a multi-county initiative, involving Dillon, Marlboro and Marion counties.

WARN Notices:

There were no WARN Notices reported to SC Works (www.scworks.org) between 2011 and 2012.

4. EMPLOYMENT TRENDS

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

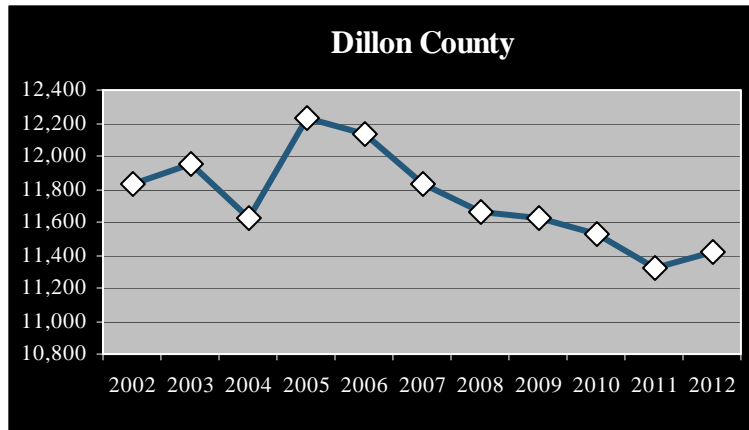
Excluding 2012, the employment base has declined by 4.3% over the past five years in Dillon County, more than the South Carolina state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Dillon County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2002	11,836	-	1,826,240	-	137,936,674	-
2003	11,954	1.0%	1,854,419	1.5%	138,386,944	0.3%
2004	11,626	-2.7%	1,888,050	1.8%	139,988,842	1.2%
2005	12,225	5.2%	1,922,367	1.8%	142,328,023	1.7%
2006	12,139	-0.7%	1,970,912	2.5%	144,990,053	1.9%
2007	11,825	-2.6%	2,010,252	2.0%	146,397,529	1.0%
2008	11,659	-1.4%	2,000,582	-0.5%	146,068,824	-0.2%
2009	11,623	-0.3%	1,903,146	-4.9%	140,721,369	-3.7%
2010	11,523	-0.9%	1,909,414	0.3%	140,483,185	-0.2%
2011	11,316	-1.8%	1,935,885	1.4%	141,748,955	0.9%
2012*	11,418	0.9%	1,953,708	0.9%	141,772,241	0.0%

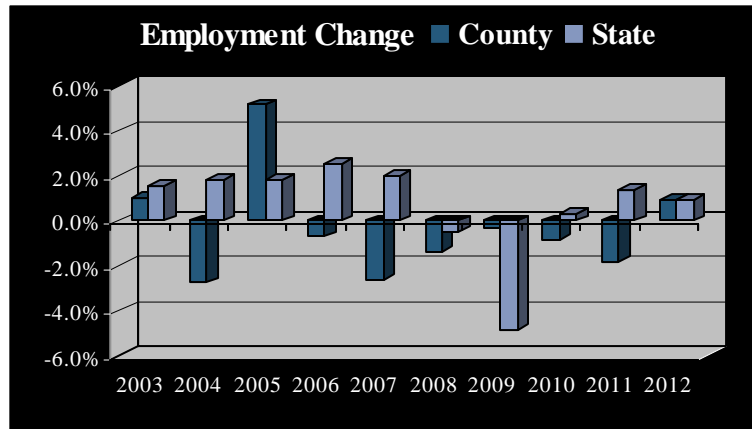
Source: Department of Labor; Bureau of Labor Statistics

*Through December



As the preceding illustrates, the Dillon County employment base experienced a significant decline between 2006 and 2008, decreasing by 480 employees, or 4.0%. The decline in the employment base is consistent with national trends during the recession. The employment base continued to decline after 2008; however, the county experienced an increase in the employment base between 2011 and 2012. This indicates that the local economy is in the beginning stages of recovery.

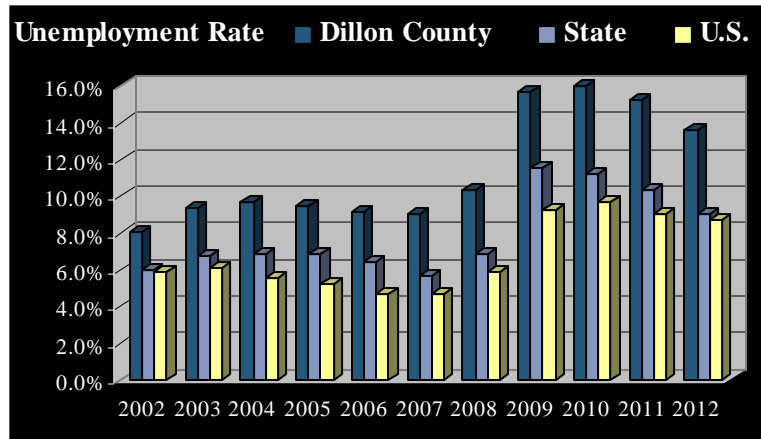
The following table illustrates the percent change in employment for Dillon County and South Carolina.



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

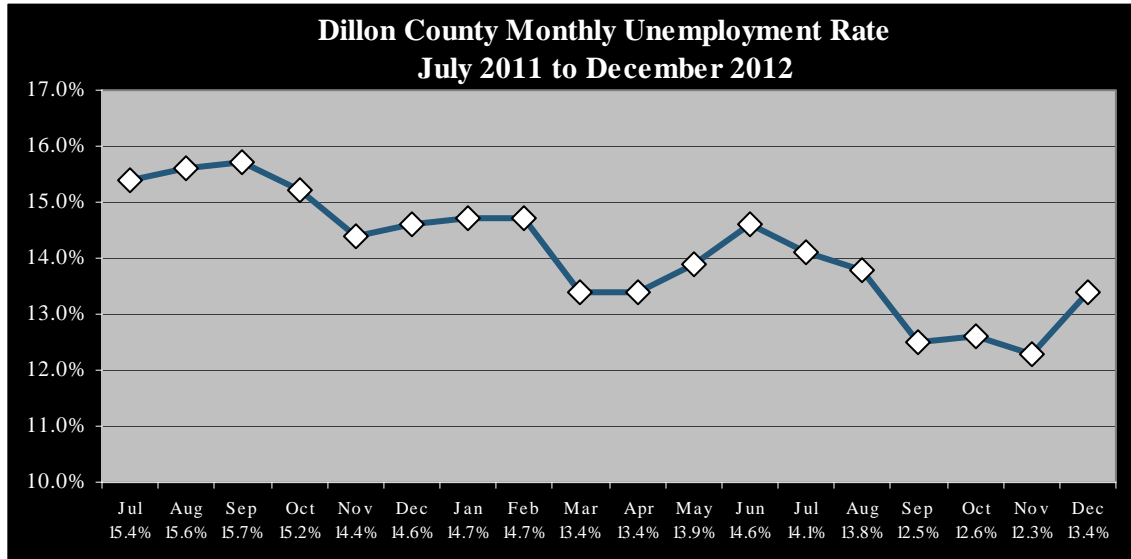
Year	Unemployment Rate		
	Dillon County	South Carolina	United States
2002	8.1%	6.0%	5.8%
2003	9.4%	6.7%	6.0%
2004	9.7%	6.8%	5.6%
2005	9.5%	6.8%	5.2%
2006	9.2%	6.4%	4.7%
2007	9.0%	5.6%	4.7%
2008	10.3%	6.8%	5.8%
2009	15.7%	11.5%	9.3%
2010	16.0%	11.2%	9.7%
2011	15.3%	10.3%	9.0%
2012*	13.6%	9.0%	8.7%

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



The unemployment rate in Dillon County has ranged between 8.1% and 16.0%, well above both state and national averages since 2002. It should be noted that the unemployment rate increased by seven percentage points between 2007 and 2010, which is consistent with trends during the national recession. On a positive note, the unemployment rate has consistently declined over the preceding three-year period; however, the unemployment rate still remains high at 13.6% (through December).

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



While the county has experienced fluctuations in unemployment over the past 18 months, it has generally trended downward. Although the unemployment rate increased between November and December of 2012, the current unemployment rate is more than one percentage point lower than it was in December of 2011.

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

In-Place Employment Dillon County			
Year	Employment	Change	Percent Change
2002	9,249	-	-
2003	9,165	-84	-0.9%
2004	9,094	-71	-0.8%
2005	9,557	463	5.1%
2006	9,470	-87	-0.9%
2007	9,209	-261	-2.8%
2008	9,107	-102	-1.1%
2009	9,146	39	0.4%
2010	8,825	-321	-3.5%
2011	8,487	-338	-3.8%
2012*	8,421	-66	-0.8%

Source: Department of Labor, Bureau of Labor Statistics

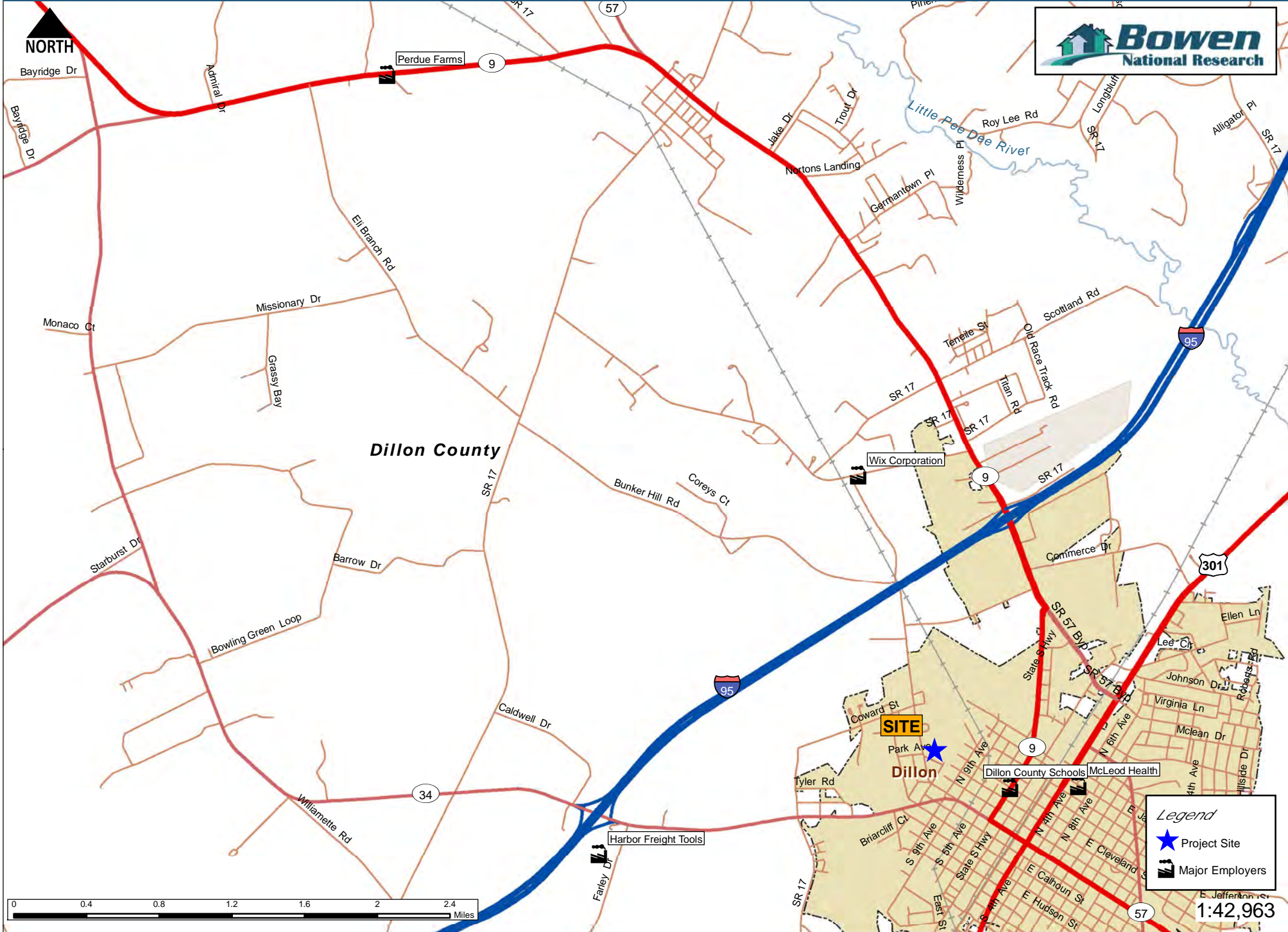
*Through June

Data for 2011, the most recent year that year-end figures are available, indicates in-place employment in Dillon County to be 75.0% of the total Dillon County employment. This means that Dillon County has more employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs.

5. EMPLOYMENT CENTERS MAP

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

Dillon, SC: Major Employers



Legend

- ★ Project Site
- 🏢 Major Employers

1:42,963

6. COMMUTING PATTERNS

Based on the American Community Survey (2006-2010), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	9,256	79.6%
Carpooled	1,661	14.3%
Public Transit	156	1.3%
Walked	294	2.5%
Other Means	51	0.4%
Worked at Home	208	1.8%
Total	11,627	100.0%

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

Nearly 80% of all workers drove alone, 14.3% carpooled and only 1.3% used public transportation.

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

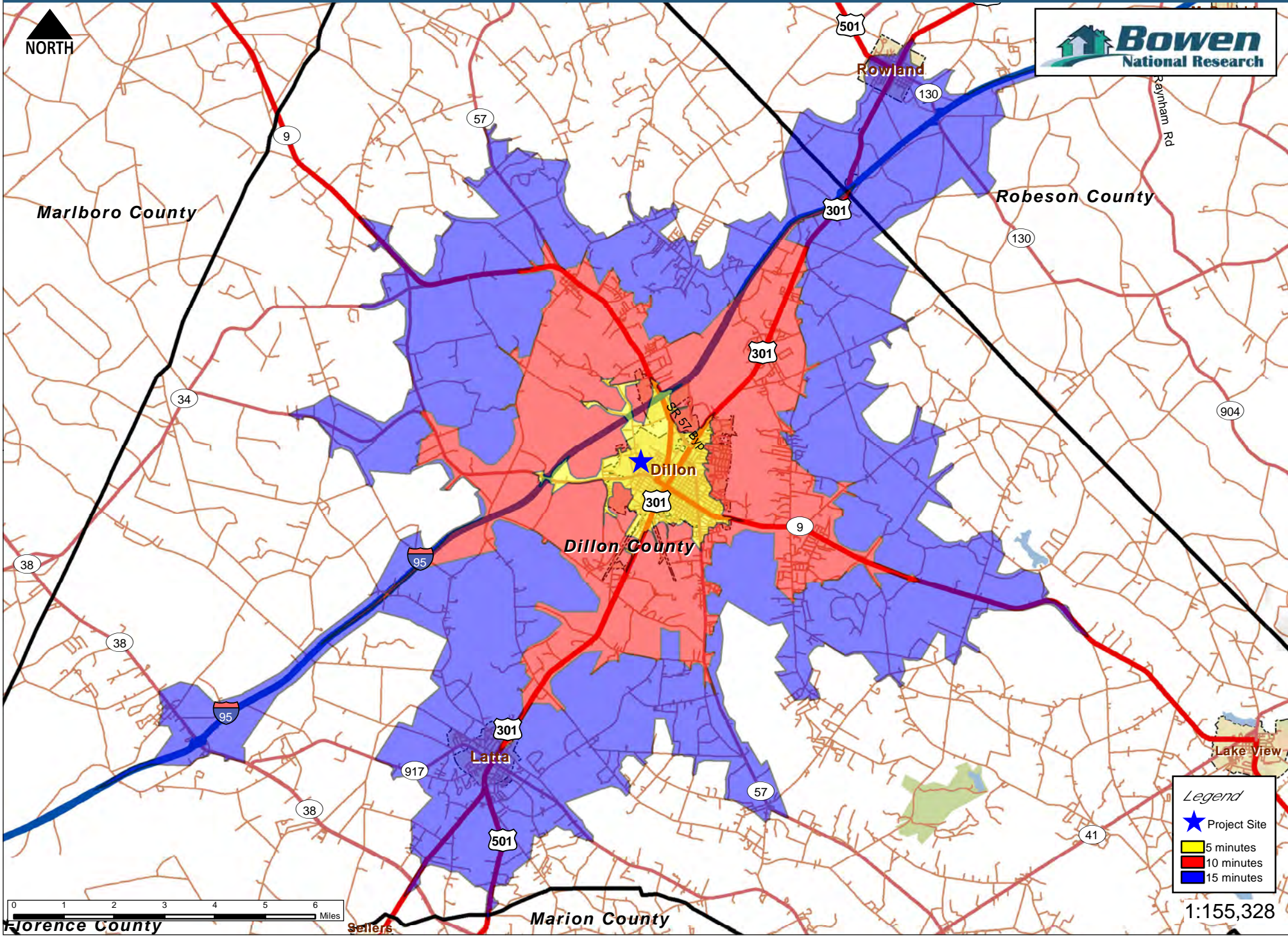
Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	4,788	41.2%
15 to 29 Minutes	3,514	30.2%
30 to 44 Minutes	1,892	16.3%
45 to 59 Minutes	614	5.3%
60 or More Minutes	610	5.2%
Worked at Home	208	1.8%
Total	11,627	100.0%

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

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to the project's marketability.

A drive-time map for the subject site is on the following page.

Dillon, SC: Drive Time from Site



Legend

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

1:155,328

7. ELDERLY EMPLOYMENT OPPORTUNITIES

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

8. ECONOMIC FORECAST AND HOUSING IMPACT

The economic climate within Dillon County has historically been worse than state and national averages. Since 2002, the unemployment rate has been substantially higher in Dillon County versus the State of South Carolina and the United States. The average annual unemployment rate for 2012 was 13.6% in Dillon County versus 9.0% and 8.7% at the state and the national levels, respectively. Further, the monthly unemployment rate has fluctuated during the previous 18-month period (July 2011 to December 2012); however, it has generally trended downward and is over one percentage point lower than it was in December 2011.

Although a poor local economy generally drives down the demand for market-rate housing, it stresses the demand for affordable developments. As illustrated in the Section H, the affordable housing projects are 99.5% occupied while the market rate rentals are only 89.6% occupied. There have been recent job announcements within the past year, which will have a positive impact on the local economy. Nonetheless, the demand for affordable housing will likely remain significantly higher than conventional market-rate developments.

F. COMMUNITY DEMOGRAPHIC DATA

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

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2012 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2012 (Estimated)	2015 (Projected)
Population	30,719	32,068	32,548	32,803
Population Change	-	1,349	480	255
Percent Change	-	4.4%	1.5%	0.8%

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

The Dillon Site PMA population base increased by 1,349 between 2000 and 2010. This represents a 4.4% increase over the 2000 population, or an annual rate of 0.4%. Between 2010 and 2012, the population increased by 480, or 1.5%. It is projected that the population will increase by 255, or 0.8%, between 2012 and 2015.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.4% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	451	1.4%
Population not in Group Quarters	31,617	98.6%
Total Population	32,068	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2012 (Estimated)		2015 (Projected)		Change 2012-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,498	29.6%	9,449	29.0%	9,391	28.6%	-58	-0.6%
20 to 24	1,988	6.2%	2,052	6.3%	2,020	6.2%	-32	-1.5%
25 to 34	3,908	12.2%	4,025	12.4%	4,065	12.4%	40	1.0%
35 to 44	3,912	12.2%	3,860	11.9%	3,825	11.7%	-35	-0.9%
45 to 54	4,574	14.3%	4,500	13.8%	4,319	13.2%	-181	-4.0%
55 to 64	4,029	12.6%	4,267	13.1%	4,407	13.4%	140	3.3%
65 to 74	2,400	7.5%	2,598	8.0%	2,922	8.9%	324	12.5%
75 & Over	1,759	5.5%	1,797	5.5%	1,854	5.7%	57	3.2%
Total	32,068	100.0%	32,548	100.0%	32,803	100.0%	255	0.8%

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

As the preceding table illustrates, over 51% of the population is expected to be between 25 and 64 years old in 2012. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2012 (Estimated)	2015 (Projected)
Households	11,198	11,925	12,069	12,218
Household Change	-	727	144	149
Percent Change	-	6.5%	1.2%	1.2%
Household Size	2.71	2.69	2.66	2.65

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

Within the Dillon Site PMA, households increased by 727 (6.5%) between 2000 and 2010. Between 2010 and 2012, households increased by 144 or 1.2%. By 2015, there will be 12,218 households, an increase of 149 households, or 1.2% over 2012 levels. This is an increase of approximately 50 households annually over the next three years. This demonstrates a likely increase in the potential base of demographic support for the proposed family (general-occupancy) housing units.

b. Household by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2012 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,910	66.3%	7,978	66.1%	8,095	66.3%
Renter-Occupied	4,015	33.7%	4,091	33.9%	4,123	33.7%
Total	11,925	100.0%	12,069	100.0%	12,218	100.0%

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

In 2012, homeowners occupied 66.1% of all occupied housing units, while the remaining 33.9% were occupied by renters. The 4,091 renter households in 2012 represent a good base of potential support in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2012 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,608	13.5%	1,705	14.1%	1,669	13.7%
\$10,000 to \$19,999	2,882	24.2%	2,844	23.6%	2,763	22.6%
\$20,000 to \$29,999	2,073	17.4%	2,091	17.3%	2,104	17.2%
\$30,000 to \$39,999	1,035	8.7%	1,071	8.9%	1,153	9.4%
\$40,000 to \$49,999	1,257	10.5%	1,426	11.8%	1,318	10.8%
\$50,000 to \$59,999	594	5.0%	647	5.4%	773	6.3%
\$60,000 to \$74,999	916	7.7%	843	7.0%	844	6.9%
\$75,000 to \$99,999	907	7.6%	825	6.8%	865	7.1%
\$100,000 to \$124,999	307	2.6%	329	2.7%	387	3.2%
\$125,000 to \$149,999	119	1.0%	90	0.7%	126	1.0%
\$150,000 to \$199,999	154	1.3%	126	1.0%	129	1.1%
\$200,000 & Over	73	0.6%	71	0.6%	88	0.7%
Total	11,925	100.0%	12,069	100.0%	12,218	100.0%
Median Income	\$27,102		\$27,101		\$27,969	

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

In 2010, the median household income was \$27,102. This declined by 0.0% to \$27,101 in 2012. By 2015, it is projected that the median household income will be \$27,969, an increase of 3.2% over 2012.



d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2012 and 2015 for the Dillon Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	443	86	163	61	139	892
\$10,000 to \$19,999	450	311	221	67	119	1,167
\$20,000 to \$29,999	248	192	27	153	150	770
\$30,000 to \$39,999	41	50	53	81	36	260
\$40,000 to \$49,999	19	165	88	30	128	431
\$50,000 to \$59,999	11	12	74	2	6	106
\$60,000 to \$74,999	15	39	20	100	16	191
\$75,000 to \$99,999	8	57	22	3	4	94
\$100,000 to \$124,999	3	8	0	1	1	13
\$125,000 to \$149,999	6	3	1	0	2	12
\$150,000 to \$199,999	4	3	1	44	4	56
\$200,000 & Over	8	1	4	6	3	22
Total	1,256	927	676	549	608	4,015

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2012 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	457	124	192	68	143	985
\$10,000 to \$19,999	454	304	222	61	111	1,152
\$20,000 to \$29,999	252	180	27	129	143	731
\$30,000 to \$39,999	40	60	43	80	45	267
\$40,000 to \$49,999	24	182	89	28	128	451
\$50,000 to \$59,999	11	10	68	3	7	101
\$60,000 to \$74,999	9	32	15	133	25	214
\$75,000 to \$99,999	12	33	31	2	5	84
\$100,000 to \$124,999	7	5	0	1	2	16
\$125,000 to \$149,999	4	4	0	1	1	10
\$150,000 to \$199,999	4	2	3	47	3	59
\$200,000 & Over	8	0	2	8	2	21
Total	1,285	938	692	561	615	4,091

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	449	121	180	70	147	966
\$10,000 to \$19,999	452	290	220	58	110	1,130
\$20,000 to \$29,999	270	196	25	124	139	753
\$30,000 to \$39,999	46	70	51	84	49	299
\$40,000 to \$49,999	23	158	86	24	120	411
\$50,000 to \$59,999	14	13	82	3	9	120
\$60,000 to \$74,999	15	39	15	139	26	233
\$75,000 to \$99,999	13	42	30	3	5	94
\$100,000 to \$124,999	8	9	0	0	2	20
\$125,000 to \$149,999	5	3	1	4	3	16
\$150,000 to \$199,999	2	2	4	46	4	60
\$200,000 & Over	6	1	3	10	3	22
Total	1,303	944	697	564	615	4,123

Source: Ribbon Demographics; ESRI; Urban Decision Group

Overall, population and households have experienced positive growth since 2000. These trends are projected to remain positive, although minimal, through 2015, increasing by 255 (0.8%) and 149 (1.2%), respectively, from 2012. It should also be noted that over one-third of the market is occupied by renter households, and the 4,091 renter households represent a good base of potential support in the market for the subject development. In addition, as discussed in Section H of this report, all affordable housing communities are maintaining high occupancy rates, a majority of which have waiting lists. This indicates that there is strong demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within Dillon County, which has a four-person median household income of \$36,900 for 2013. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$16,650	\$19,980
Two-Person	\$19,000	\$22,800
Three-Person	\$21,400	\$25,680
Four-Person	\$23,750	\$28,500
Five-Person	\$25,650	\$30,780

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$30,780.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$465 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,580. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$15,943.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$15,943	\$25,650
Tax Credit (Limited To 60% Of AMHI)	\$17,657	\$30,780
Overall Project	\$15,943	\$30,780

3. DEMAND COMPONENTS

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

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

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

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

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

Based on the 2011 ACS 5-Year Estimates Table B25074 Gross Rent as a Percentage of Household Income, 43.6% of renter households earning between \$15,943 and \$25,650 within Dillon County are rent overburdened; 31.8% of renter households earning between \$17,657 and \$30,780 are rent overburdened; and 36.9% of renter households earning between \$15,943 and \$30,780 are overburdened. These percentages have been included in our demand analysis.

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

Based on the 2011 ACS 5-Year Estimates Table B25016, 10.8% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*
- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

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

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

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2012 to current). We did not identify any projects that were placed in service prior to 2012 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$15,943-\$25,650)	60% AMHI (\$17,657-\$30,780)	Overall (\$15,943-\$30,780)
Demand From New Renter Households (Income-Appropriate)	884 - 880 = 4	1,041 - 1,022 = 19	1,235 - 1,219 = 16
+			
Demand From Existing Households (Rent Overburdened)	880 X 43.6% = 384	1,022 X 31.8% = 325	1,219 X 36.9% = 450
+			
Demand From Existing Households (Renters In Substandard Housing)	880 X 10.8% = 95	1,022 X 10.8% = 110	1,219 X 10.8% = 132
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	483	454	598
-			
Supply (Directly Comparable Units Built And/ Or Funded Since 2012)	0	0	0
=			
Net Demand	483	454	598
Proposed Units	18	28	46
Proposed Units/ Net Demand	18 / 483	28 / 454	46 / 598
Capture Rate	= 3.7%	= 6.2%	= 7.7%

The capture rates for units targeting households at 50% and 60% of AMHI range from 3.7% to 6.2% and are considered low and achievable. The overall capture rate for the subject project is also considered low and achievable at 7.7%. The capture rates demonstrate that there is a significant base of income-qualified renter households that will be able to support the subject project.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	25%
Two-Bedroom	50%
Three-Bedroom+	25%
Total	100.0%

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

Units Targeting 50% Of AMHI (483 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	120	0	120	-	-
Two-Bedroom (50%)	242	0	242	6	2.5%
Three-Bedroom (25%)	121	0	121	12	9.9%

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

Units Targeting 60% Of AMHI (454 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	113	0	113	-	-
Two-Bedroom (50%)	227	0	227	6	2.6%
Three-Bedroom (25%)	114	0	114	22	19.3%

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 2.5% to 19.3%. These capture rates are considered achievable, especially when considering the existing non-subsidized Tax Credit units in Dillon Site PMA are 100.0% occupied.

6. ABSORPTION PROJECTIONS

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

It is our opinion that the proposed 46 LIHTC units at the subject site will experience an average initial absorption rate of six to seven units per month and reach a stabilized occupancy of 93.0% within approximately six to seven months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified nine Low-Income Housing Tax Credit (LIHTC) properties within the Dillon Site PMA; however, only two projects offer non-subsidized units. These two properties target households with incomes of up to 50% and/or 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties.

Due to the limited amount of non-subsidized Tax Credit product within the Dillon Site PMA, we identified and surveyed two additional Tax Credit properties outside of the Site PMA, but within the nearby region. Both of these comparable Tax Credit properties are located in Marion, South Carolina, approximately 19.0 miles south of Dillon. Due to the distance between Marion and Dillon, there will be no competitive overlap between the subject project and these LIHTC properties. These properties do, however, provide a base of comparison for which to evaluate the subject project.

These four LIHTC properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Barrington Trace Apartments	2014	46	-	-	-	Families; 50% & 60% AMHI
6	Dover Village	1997	40	100.0%	1.5 Miles	10 H.H.	Families; 50% AMHI
7	Hunters Crossing	2005	40	100.0%	0.8 Miles	10 H.H.	Families; 50% & 60% AMHI
904	Cedar Creek Apts.	2000	40	100.0%	20.8 Miles	4 H.H.	Families; 50% & 60% AMHI
905	Southern Forest Apts.	1997	40	100.0%	18.4 Miles	6 H.H.	Families; 60% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside of Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, indicating a very strong demand for affordable housing within the market and the region. All four projects maintain waiting lists. The high occupancies among Tax Credit product indicate pent-up demand exists for additional affordable rental housing.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)		Rent Special
		Two-Br.	Three-Br.	
Site	Barrington Trace Apartments	\$465/50% (6)	\$615/50% (12)	-
		\$515/60% (6)	\$687/60% (22)	
6	Dover Village	\$515/50% (24)	\$648/50% (16)	None
7	Hunters Crossing	\$516/50% (10)	\$584/50% (10)	None
		\$541/60% (10)	\$624/60% (10)	
904	Cedar Creek Apts.	\$490/50% (22)	\$591/50% (14)	None
		\$510/60% (2)	\$618/60% (2)	
905	Southern Forest Apts.	\$500/60% (24)	\$638/60% (16)	None

900 series Map IDs are located outside of Site PMA

The proposed subject gross rents for the two-bedroom units, as well as the three-bedroom units at 50% of AMHI, ranging from \$465 to \$615, will be competitively priced when compared with the other LIHTC rental alternatives at similar income levels. It should be noted that the proposed gross rents for the three-bedroom units at 60% of AMHI will be the highest priced LIHTC units in both the market and region. Given that all of the comparable LIHTC projects in the market and region are 100.0% occupied and maintain wait lists, it is likely these comparable LIHTC projects can achieve higher rents and still maintain a stabilized occupancy. As such, it is our opinion that the proposed gross rents are appropriately positioned within the market and region.

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

Map I.D.	Project Name	Number of Vouchers
6	Dover Village	12
7	Hunters Crossing	9
904	Cedar Creek Apts.	25
905	Southern Forest Apts.	8

900 series Map IDs are located outside of Site PMA

As the preceding table illustrates, there are a total of 54 Voucher holders residing at the comparable properties within the region. This comprises 33.8% of the 160 total non-subsidized LIHTC units. Further, when evaluating the comparable properties within the market, this ratio is reduced to 26.3%. As such, it can be concluded that the gross rents at these properties are achievable as evidenced by the overall 100.0% occupancy.

According to a representative with the Housing and Community Redevelopment Authority of Marlboro County, which serves Dillon County, there are approximately 200 Housing Choice Voucher holders within the housing authority's jurisdiction and approximately 50 households currently on the waiting list for additional Vouchers. The waiting list is currently closed and there are no plans for it to reopen in the near future. Annual turnover of persons in the Voucher program is estimated at five to six households. This reflects the continuing need for Housing Choice Voucher assistance.

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

6 Dover Village 1.5 miles to site



Address	414 S. Longstreet Rd. Dillon, SC 29536		
Phone	(843) 774-4488	Contact	Louise
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1997	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	10 households		
Ratings:	Quality B	Neighborhood C	Access/Visibility
Remarks	50% AMHI; HCV (12 units)		

FEATURES AND UTILITIES

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	775	\$0.50	\$385	50%
3	1.5	G	16	0	990	\$0.49	\$490	50%



7

Hunters Crossing

0.8 miles to site



Address 701 S. 9th Ave.
Dillon, SC 29536

Phone (843) 774-1625 **Contact** Bethea

Total Units 40 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2005 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 10 households

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

Remarks 50% & 60% AMHI; HCV (8-9 units)

FEATURES AND UTILITIES

Utilities Landlord pays Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button, Patio Storage

Project Amenities On-site Management, Laundry Facility, Club House, Playground, Sports Court, Computer Lab, Picnic Area

Parking Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	10	0	964	\$0.45	\$430	60%
2	2	G	10	0	964	\$0.42	\$405	50%
3	2	G	10	0	1236	\$0.39	\$485	60%
3	2	G	10	0	1236	\$0.36	\$445	50%

904 Cedar Creek Apts.

20.8 miles to site



Address	1510 Mill St. Marion, SC 29571		
Phone	(843) 423-1111	Contact	Christy
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2000	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	4 households		
Ratings:	Quality B	Neighborhood C	Access/Visibility B
Remarks	50% & 60% AMHI; HCV (25 units); HOME Funds (all units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Patio/Deck/Balcony, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	2	0	959	\$0.42	\$399	60%
2	1	G	22	0	959	\$0.40	\$379	50%
3	2	G	2	0	1183	\$0.40	\$479	60%
3	2	G	14	0	1183	\$0.38	\$452	50%

905 Southern Forest Apts.

18.4 miles to site



Address	132 Luther Rogers Rd. Marion, SC 29571		
Phone	(843) 423-4441	Contact	Linda
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1997	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	6 households		
Ratings:	Quality B-	Neighborhood C	Access/Visibility C
Remarks	60% AMHI; HCV (8 units); HOME Funds (8 units)		

FEATURES AND UTILITIES

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Picnic Area
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	770	\$0.48	\$370	60%
3	1.5	G	16	0	995	\$0.48	\$480	60%

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

Map I.D.	Project Name	Square Footage	
		Two-Br.	Three-Br.
Site	Barrington Trace Apartments	1,012	1,167
6	Dover Village	775	990
7	Hunters Crossing	964	1,236
904	Cedar Creek Apts.	959	1,183
905	Southern Forest Apts.	770	995

Map I.D.	Project Name	Number of Baths	
		Two-Br.	Three-Br.
Site	Barrington Trace Apartments	2.0	2.0
6	Dover Village	1.0	1.5
7	Hunters Crossing	2.0	2.0
904	Cedar Creek Apts.	1.0	2.0
905	Southern Forest Apts.	1.0	1.5

900 series Map IDs are located outside of Site PMA

The proposed development’s two-bedroom units will be the largest unit sizes, in terms of square footage and number of bathrooms offered, relative to the comparable LIHTC communities in both the region and the market. This will provide the project with a competitive advantage. The proposed development’s three-bedroom units will be competitive with the existing comparable LIHTC properties. As such, the proposed three-bedroom units are appropriately positioned within the market in terms of size.

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



COMPARABLE PROPERTIES AMENITIES - DILLON, SOUTH CAROLINA

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

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

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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



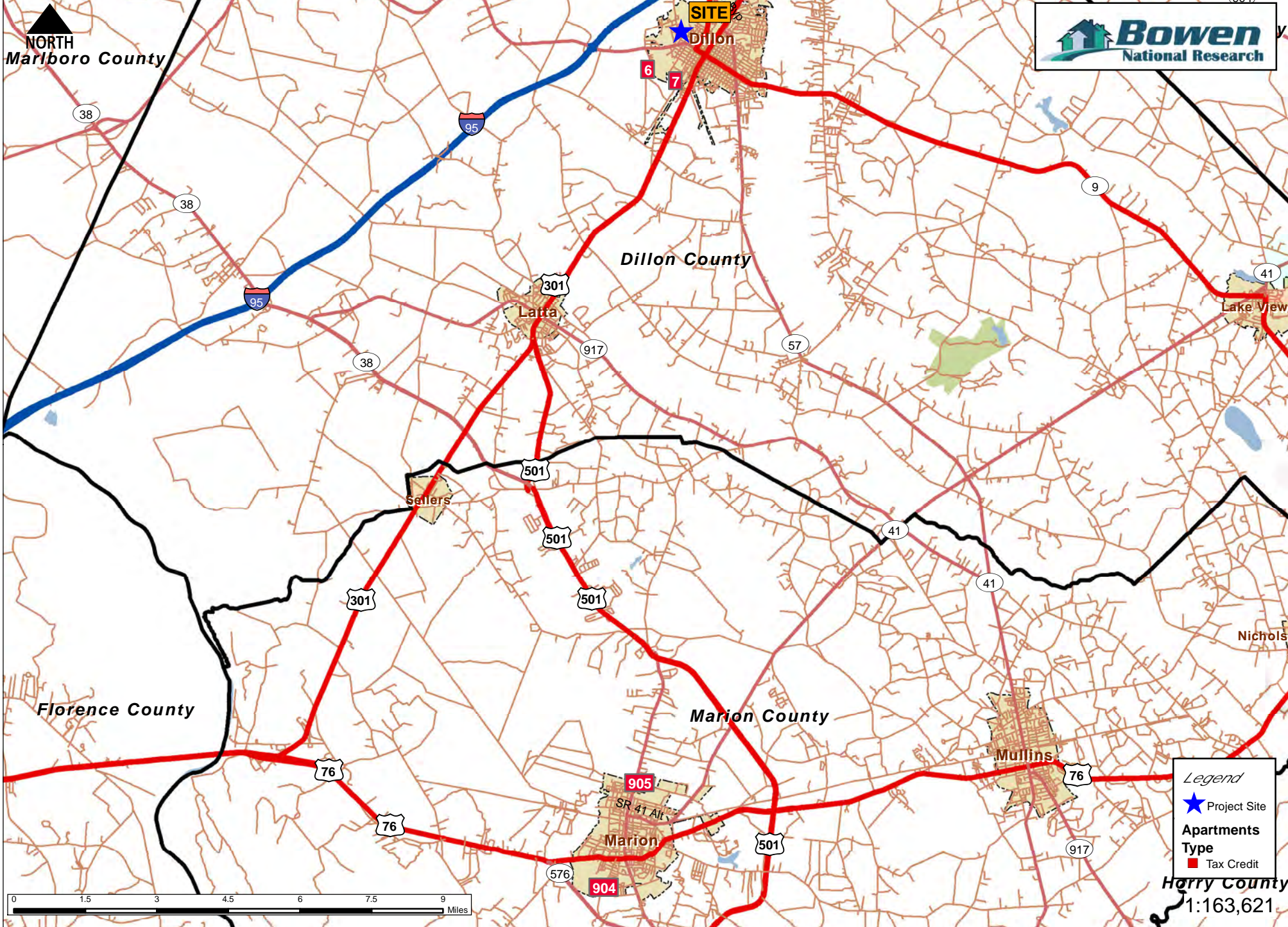
As the preceding table illustrates, the proposed unit amenities at the site are comprehensive and will be generally similar to those of the comparable Tax Credit rental alternatives within the region. It should be noted, however, that the proposed development will be one of two projects to offer microwave ovens which will provide the subject development with a slight competitive advantage. The subject project will also offer a comprehensive property amenities package that will be competitive with the comparable LIHTC developments. The fact that the proposed development will be the only project to offer a fitness center and one of two projects to offer a computer center, which will also provide the subject with a competitive advantage

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

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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

Dillon, SC: Comparable LIHTC Property Locations



3. RENTAL HOUSING OVERVIEW

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

Housing Status	2010 (Census)		2012 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,925	86.8%	12,069	83.6%
Owner-Occupied	7,910	66.3%	7,978	66.1%
Renter-Occupied	4,015	33.7%	4,091	33.9%
Vacant	1,820	13.2%	2,365	16.4%
Total	13,745	100.0%	14,434	100.0%

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

Based on a 2012 update of the 2010 Census, of the 14,434 total housing units in the market, 16.4% were vacant. This is a significant increase over the 2010 vacancy rate of 13.2% and could indicate a softening rental housing market. However, the vacancy status of the 2,365 units is estimated in the following table and illustrates that most vacant units are not long-term rentals.

Vacancy Status	Percent of Vacant Units
For Rent	17.6%
Rented, Not Occupied	0.0%
For Sale Only	12.6%
Sold, Not Occupied	3.5%
For Seasonal, recreational, or occasional use	37.6%
For migrant workers	0.0%
Other Vacant	28.7%

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)

As reported in the 2007-2011 ACS, 17.6% of the vacant housing units are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as “For Seasonal, recreational, or occasional use”. The second largest share of vacant units is classified as “Other Vacant,” which encompasses foreclosed, dilapidated and abandoned housing. Regardless, in order to determine if the overall vacancy rate increase is the reflection of a decline in long-term rental housing, we conducted a field survey of area apartments.

We identified and personally surveyed 13 conventional housing projects containing a total of 608 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.9%, a good rate for rental housing. Among these projects, five are non-subsidized (market-rate and Tax Credit) projects containing 244 units. These non-subsidized units are 93.0% occupied. The remaining eight projects contain 364 government-subsidized units, which are 99.5% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	164	17	89.6%
Tax Credit	2	80	0	100.0%
Tax Credit/Government-Subsidized	5	166	2	98.8%
Government-Subsidized	3	198	0	100.0%
Total	13	608	19	96.9%

Overall, the rental housing market is performing well, with a 96.9% overall occupancy rate. It should be noted that the market-rate segment is currently operating with a less than stable occupancy rate; however, the affordable housing segments are performing extremely well, with a 99.5% overall occupancy rate.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	22	13.4%	2	9.1%	\$423
Two-Bedroom	1.0	90	54.9%	8	8.9%	\$472
Three-Bedroom	1.0	36	22.0%	6	16.7%	\$597
Four-Bedroom	1.5	16	9.8%	1	6.3%	\$690
Total Market-rate		164	100.0%	17	10.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	24	30.0%	0	0.0%	\$515
Two-Bedroom	2.0	20	25.0%	0	0.0%	\$516
Three-Bedroom	1.5	16	20.0%	0	0.0%	\$648
Three-Bedroom	2.0	20	25.0%	0	0.0%	\$584
Total Tax Credit		80	100.0%	0	0.0%	-

The market-rate units are 89.6% occupied and the Tax Credit units are 100.0% occupied. It should be noted that nearly all of the vacancies are located in two of the market-rate projects, Sunflower Place (Map I.D. 1) and Interstate Apartments (Map I.D. 8), with 17 out of the 19 total vacancies among the surveyed properties. Based on our review of these projects, we believe vacancies are attributed to the projects' undesirable quality and neighborhood location.

The distribution of two- and three-bedroom units comprises all of the non-subsidized Tax Credit units in the market. Given that all non-subsidized LIHTC units are occupied, this provides evidence that these units have been well received within the market and denotes pent-up demand for such units.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	2	120	14.2%
1980 to 1989	1	44	0.0%
1990 to 1999	1	40	0.0%
2000 to 2005	1	40	0.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	0	0	0.0%
2010	0	0	0.0%
2011	0	0	0.0%
2012	0	0	0.0%
2013*	0	0	0.0%
Total	5	244	7.0%

*As of February

Over 67% of all apartments surveyed were built prior to 1990. These older apartments have a vacancy rate of 10.4%, higher than the overall market. Approximately 40 units have been added to the market since 2000. These newer units have a 0.0% vacancy rate, illustrating that newer product has been well received within the market. The bulk of the existing rental housing stock is considered to be old and it can be concluded that age has had an impact on vacancies.

The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
Two-Bedroom	\$465-50%	\$510	\$455 - \$541	102 (76.1%)
	\$515-60%			20 (14.9%)
Three-Bedroom	\$615-50%	\$597	\$513 - \$648	26 (36.1%)
	\$687-60%			0 (0.0%)

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

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	44	0.0%
B-	1	28	25.0%
C+	1	92	10.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	40	0.0%
B	1	40	0.0%

Vacancies are the highest among properties with ratings of a “B-” or lower. Therefore, there appears to be a correlation between vacancy rates and quality levels among the non-subsidized communities. The newly developed subject project is anticipated to have a high quality finish, which will likely increase its attractiveness within the Dillon Site PMA.

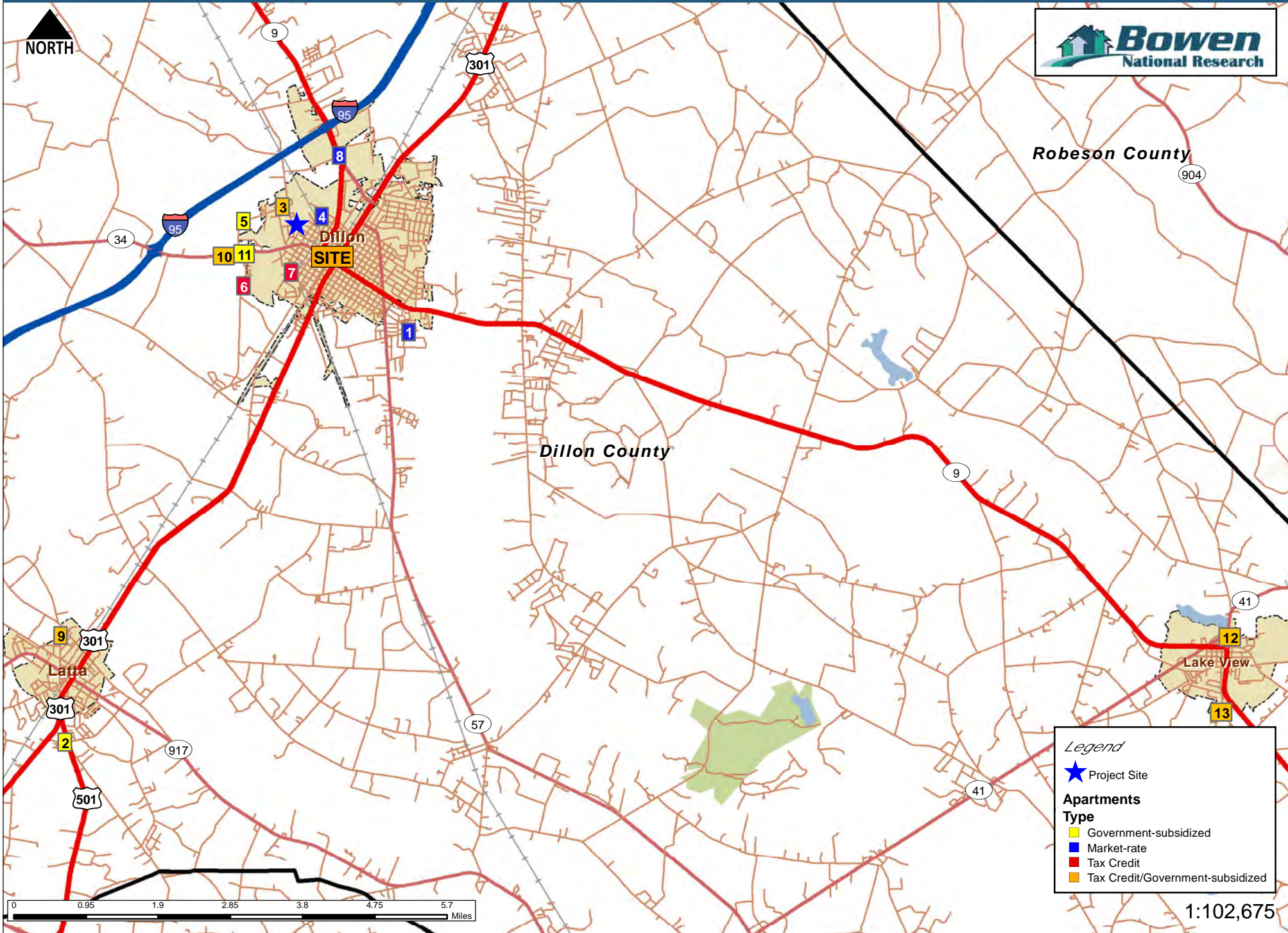
A complete list of all properties surveyed is included in Addendum A, Field Survey of Conventional Rentals.

4. RENTAL HOUSING INVENTORY MAP

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



Dillon, SC: Apartment Locations



Legend

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

1:102,675

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that no official plans for additional multifamily units for the area exist.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

As discussed earlier in this analysis, we identified a total of two comparable LIHTC projects within the Site PMA that have received Tax Credit funding. In addition, we identified a total of three projects offering market-rate units of which one is considered both economically and conceptually comparable. The three stabilized comparable Tax Credit and market-rate projects identified in the Site PMA are detailed on the following page.

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/ Renovated	Project Type	Total Units	Occupancy Rate
Site	Barrington Trace Apts.	2014	TC	46	-
4	Rosewood Manor	1980/2012	MR	44	100.0%
6	Dover Village	1997	TC	40	100.0%
7	Hunters Crossing	2005	TC	40	100.0%
Total				124	100.0%

TC – Tax Credit
MR – Market-Rate

The overall occupancy rate of the three stabilized comparable Tax Credit and market-rate projects identified in the Site PMA is 100.0%

8. MARKET RENT ADVANTAGE

We identified two market-rate properties within the Dillon Site PMA that we consider comparable to the proposed subject development based on the bedroom types offered. It should be noted that there is a limited supply of conventional market-rate rentals available within the market area. As such, older and less desirable apartment communities within the market area have been selected. However, these less desirable apartments have been adjusted appropriately to determine the appropriate market rent. In addition, it was necessary to survey three additional developments located within the nearby city of Florence that we consider comparable to the subject development based on their modern design and age. Note, an adjustment for the difference between the Dillon and Florence markets has been made. Combined, these five selected properties are used to derive market rents for a project with characteristics similar to the subject development. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units with maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Barrington Trace Apartments	2014	46	-	-	28 (-)	12 (-)	-
1	Sunflower Place	1973 / 2012	92	89.1%	16 (87.5%)	30 (96.7%)	30 (80.0%)	16 (93.8%)
4	Rosewood Manor	1980 / 2012	44	100.0%	6 (100.0%)	32 (100.0%)	6 (100.0%)	-
901	Bentree	1982	132	97.7%	36 (100.0%)	72 (95.8%)	24 (100.0%)	-
902	Charles Pointe Apts.	2001	168	98.2%	42 (100.0%)	114 (97.4%)	12 (100.0%)	-
903	Haven at Mill Creek	2008	268	95.9%	122 (96.7%)	122 (95.1%)	24 (95.8%)	-

Occ. – Occupancy

900 series Map IDs are located outside of Site PMA

As previously discussed, the Sunflower Place (Map I.D. 1) is considered dated and undesirable within the Site PMA. However, due to the lack of comparable market-rate properties, it was necessary to select Sunflower Place in order to have representation of the Dillon Site PMA within the Achievable Market Rent analysis. Note that the various features considered undesirable at Sunflower Place have been accounted for in the following HUD Rent Comparability Grids. The remaining projects all have occupancy rates between 95.9% and 100.0%. These high occupancy rates indicate that these projects are well received within their respective markets and will serve as accurate benchmarks with which to compare to the proposed subject development.

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

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Barrington Trace Apartments		Sunflower Place		Rosewood Manor		Bentree		Charles Pointe Apts.		Haven at Mill Creek	
1012 West Main St.		1602 McNeil St.		701 Garden Ct.		200 Bentree Ln.		201 Millstone Rd.		2320 Freedom Blvd.	
Dillon, SC		Dillon, SC		Dillon, SC		Florence, SC		Florence, SC		Florence, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$387		\$370		\$660		\$800		\$980	
2	Date Surveyed	Feb-13		Feb-13		Feb-13		Feb-13		Feb-13	
3	Rent Concessions	None		None		None		None		Yes	(\$41)
4	Occupancy for Unit Type	97%		100%		96%		97%		95%	
5	Effective Rent & Rent/ sq. ft	\$387	0.46	\$370	0.44	\$660	0.78	\$800	0.80	\$939	0.83
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		WU/2		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2014		1980/2012	\$18	1982	\$32	2001	\$13	2008	\$6
8	Condition /Street Appeal	E	\$30	G	\$15	G	\$15	E		E	
9	Neighborhood	G	\$10	F	\$10	G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		No	(\$99)	No	(\$120)	No	(\$141)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	\$30	1	\$30	1.5	\$15	2		2	
13	Unit Interior Sq. Ft.	1012	\$28	839	\$30	850	\$28	1000	\$2	1130	(\$20)
14	Balcony/ Patio	Y	\$5	N	\$5	Y		Y		Y	
15	AC: Central/ Wall	C		W	\$5	C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	HU/L	\$10	L	\$10	L	\$10	HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		N	\$5	B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y	\$5	N	\$5	Y		Y		Y	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Storage	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Clubhouse/ Meeting Rooms	Y/N	\$5	N/N	\$5	Y/N		N/N	\$5	Y/N	
28	Pool/ Recreation Areas	F	\$5	N	\$5	P/T	(\$8)	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y		N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/G		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N	(\$26)	Y/Y	(\$26)	N/N		N/Y	(\$18)	N/N	
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$19
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	13		17		9	3	5	4	1	5
41	Sum Adjustments B to D	\$172		\$174		\$116	(\$112)	\$28	(\$145)	\$6	(\$186)
42	Sum Utility Adjustments		(\$26)		(\$26)				(\$18)	\$19	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$146	\$198	\$148	\$200	\$4	\$228	(\$135)	\$191	(\$161)	\$211
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$533		\$518		\$664		\$665		\$778	
45	Adj Rent/Last rent		138%		140%		101%		83%		83%
46	Estimated Market Rent	\$550	\$0.54	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Barrington Trace Apartments		Sunflower Place		Rosewood Manor		Bentree		Charles Pointe Apts.		Haven at Mill Creek	
1012 West Main St.		1602 McNeil St.		701 Garden Ct.		200 Bentree Ln.		201 Millstone Rd.		2320 Freedom Blvd.	
Dillon, SC		Dillon, SC		Dillon, SC		Florence, SC		Florence, SC		Florence, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$489		\$405		\$765		\$955		\$1,180	
2	Date Surveyed	Feb-13		Feb-13		Feb-13		Feb-13		Feb-13	
3	Rent Concessions	None		None		None		None		Yes	(\$49)
4	Occupancy for Unit Type	80%		100%		100%		100%		96%	
5	Effective Rent & Rent/ sq. ft	\$489	0.49	\$405	0.41	\$765	0.70	\$955	0.78	\$1,131	0.88
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		TH/2		WU/2		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2014		1973/2012	\$21	1980/2012	\$18	1982	\$32	2001	\$13
8	Condition /Street Appeal	E		F	\$30	G	\$15	G	\$15	E	
9	Neighborhood	G		F	\$10	F	\$10	G		E	(\$10)
10	Same Market?			Yes		Yes		No	(\$115)	No	(\$143)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		1	\$30	1	\$30	2		2	
13	Unit Interior Sq. Ft.	1167		1000	\$28	983	\$31	1100	\$11	1230	(\$11)
14	Balcony/ Patio	Y		N	\$5	N	\$5	Y		Y	
15	AC: Central/ Wall	C		C		W	\$5	C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y		N/N	\$15	N/N	\$15	N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L		L	\$10	L	\$10	HU/L		HU	\$5
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		N	\$5	B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		N		Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		N	\$5	N	\$5	Y		Y	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Storage	Y		N	\$5	N	\$5	N	\$5	Y	
27	Clubhouse/ Meeting Rooms	Y/N		N/N	\$5	N/N	\$5	Y/N		N/N	\$5
28	Pool/ Recreation Areas	F		N	\$5	N	\$5	P/T	(\$8)	P/F	(\$10)
29	Computer Center	Y		Y		N	\$3	N	\$3	N	\$3
30	Picnic Area	Y		N	\$3	N	\$3	N	\$3	Y	
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/G		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/G		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		Y/Y	(\$31)	Y/Y	(\$31)	N/N		N/Y	(\$21)
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	\$19
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	13		17		7	3	4	5	1	5
41	Sum Adjustments B to D	\$172		\$175		\$74	(\$128)	\$26	(\$179)	\$6	(\$215)
42	Sum Utility Adjustments		(\$31)		(\$31)				(\$21)	\$19	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$141	\$203	\$144	\$206	(\$54)	\$202	(\$174)	\$226	(\$190)	\$240
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$630		\$549		\$711		\$781		\$941	
45	Adj Rent/Last rent		129%		136%		93%		82%		83%
46	Estimated Market Rent	\$680	\$0.58	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$550 for a two-bedroom unit and \$680 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for the selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$347 (50%)	\$550	36.91%
	\$397 (60%)		27.82%
Three-Bedroom	\$468 (50%)	\$680	31.18%
	\$540 (60%)		20.59%
Weighted Average			26.11%

The proposed collected rents represent a market rent advantage of 20.59% to 36.91% when compared with achievable market rents and appear to be appropriate for the subject market. As all of the proposed LIHTC rents represent a market rent advantage of at least 20%, the proposed development will be viewed as a substantial value within the market.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

3. One of the selected properties, The Haven at Mill Creek, is offering a rent concession of half off 1st month's rent. An adjustment has been made to the monthly collected rent to reflect the concession being offered.



7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1973 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties. Two properties were built in 1973 and 1980; however, both properties were renovated in 2012. As such, these two properties were given an effective age of 1993 and 1996.
8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. Four of the five selected properties are located in neighborhoods with different quality ratings compared to the subject site. As such, we have adjusted the rents at these properties to account for the neighborhood difference.
10. As previously stated, the Dillon Site PMA offers relatively few market-rate housing alternatives. As such, it was necessary to survey market-rate housing located outside of the Site PMA but within the nearby region. All three of the comparable properties selected from outside the Site PMA are located within the city of Florence, which is approximately 30.0 miles southwest of Dillon. The Florence market is significantly larger than Dillon in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Dillon market. Therefore, we have adjusted each collected rent at these three comparable projects by approximately 15% to account for this market difference.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site compared to the number of bathrooms offered at the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally superior to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.

24.-32. The proposed project will generally offer a superior project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2014
6	Dover Village	100.0%	95.0%+
7	Hunters Crossing	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are both 100% occupied. It should be noted that both these projects maintain wait lists. Overall, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on existing Tax Credit projects within the market should the subject project receive Tax Credit allocations and be developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS

a. Buy vs. Rent Analysis

According to ESRI, the median home value within the Site PMA was \$68,972. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$68,972 home is \$491, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$68,972
Mortgaged Value = 95% of Median Home Price	\$65,524
Interest Rate - Bankrate.com	6.0%
Term	30
Monthly Principal & Interest	\$393
Estimated Taxes and Insurance*	\$98
Estimated Monthly Mortgage Payment	\$491

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$347 to \$540 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is comparable to the cost of renting, depending on unit size. While it is possible that some of the tenants targeted by the project would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Further, the estimated monthly mortgage payment does not include the cost and burden of home maintenance. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

b. Shadow Rental Market

Despite numerous attempts to identify single-family/mobile-home rentals in the Dillon Site PMA, we were unable to obtain specific information on such rentals at the time this report was issued. However, according to a representative with Dillon Realty, single-family home rentals typically range from \$500 to \$800 per month, depending on unit size and amenities. Although potential tenants may respond to single-family/mobile-home rentals within the area, these non-conventional rentals typically do not include an extensive amenities package compared to the subject site. Therefore, we do not anticipate any competitive impact on or from the shadow rental market.

11. HOUSING VOIDS

Based on our survey of area apartments, the two non-subsidized Tax Credit developments within the Site PMA are 100.0% occupied and maintain waiting lists. The project-specific demand analysis indicates that there is a substantial base of demographic support within the market area to support the proposed development as the capture rate is 7.7%. The proposed development will be positioned well within the market as its amenities, unit design (size and number of bathrooms), and quality are considered superior versus the existing supply. Further, the proposed collected rents represent market rent advantages between 20.59% and 36.91%. As such, the proposed project will target an underserved segment of the population that is currently forced to reside in less desirable housing options due to the undersupply of modern affordable housing.

I. INTERVIEWS

The following are summaries of interviews conducted with various stakeholders knowledgeable about the Dillon area:

- Tasha Clark, Housing Choice Voucher Specialist with the Housing and Community Redevelopment Authority of Marlboro County, which also has jurisdiction over Dillon County, stated that there is always a need for more affordable housing for both families and seniors within Dillon. She also noted that there are approximately 200 Housing Choice Voucher holders within the housing authority's jurisdiction and there are approximately 50 households currently on the waiting list, which is currently closed. Annual turnover of persons in the Voucher program is estimated at five to six households. This further reflects the continuing need for Housing Choice Voucher assistance.
- According to Betty Bethea, Property Manager of Hunters Crossing Apartments, a general-occupancy LIHTC project in Dillon, the Dillon area is saturated with low-income apartments. She stated that she turns away many prospective residents because they are over-qualified and believes that there is more demand for non rent-restricted multifamily communities. It should be noted, however, that her property is currently 100.0% occupied with a 10-household wait list. Further, the overall occupancy of affordable projects within the market is 99.5% (a result of only two vacancies) as opposed to the overall market-rate occupancy of 89.6% among the three projects surveyed. As such, it can be concluded that there is demand for additional affordable housing within the Dillon Site PMA.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 46 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of design (square footage and number of bathrooms), amenities, and overall quality. Given the 20.59% to 36.91% market rent advantage, the proposed project will be considered a substantial value.

Given the high occupancy rate of all affordable developments (99.5%) and the 100.0% occupancy rate at the only two non-subsidized LIHTC projects in the market, the proposed project will provide a housing type that is in high demand.

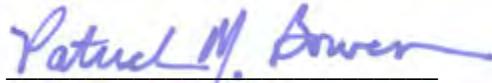
Based on the 7.7% capture rate illustrated in Section G of this report, there are a substantial number of income-qualified renter households present within the Site PMA. However, many of these households have no modern affordable housing alternative at the moment given the high occupancy rates of the existing affordable rental supply. Therefore, the proposed project will fill a void in the Dillon rental housing market.

No recommendations are proposed at this time.

K. SIGNED STATEMENT REQUIREMENT

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

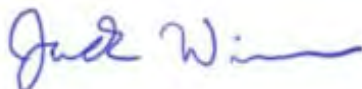
Certified:



Patrick Bowen
President/Market Analyst
Bowen National Research
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Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: March 4, 2013



Heather Moore
Market Analyst
heatherm@bowennational.com
Date: March 4, 2013



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: March 4, 2013

L. Qualifications

The Company

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

The Staff

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

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

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

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

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

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

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

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

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

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

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

Jeff Gibson, Market Analyst, has been a licensed home inspector (commercial and residential) since 1996. He has worked with city inspectors ensuring proper completion of work to obtain permits and pass inspections as required. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details.

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

DILLON, SOUTH CAROLINA

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

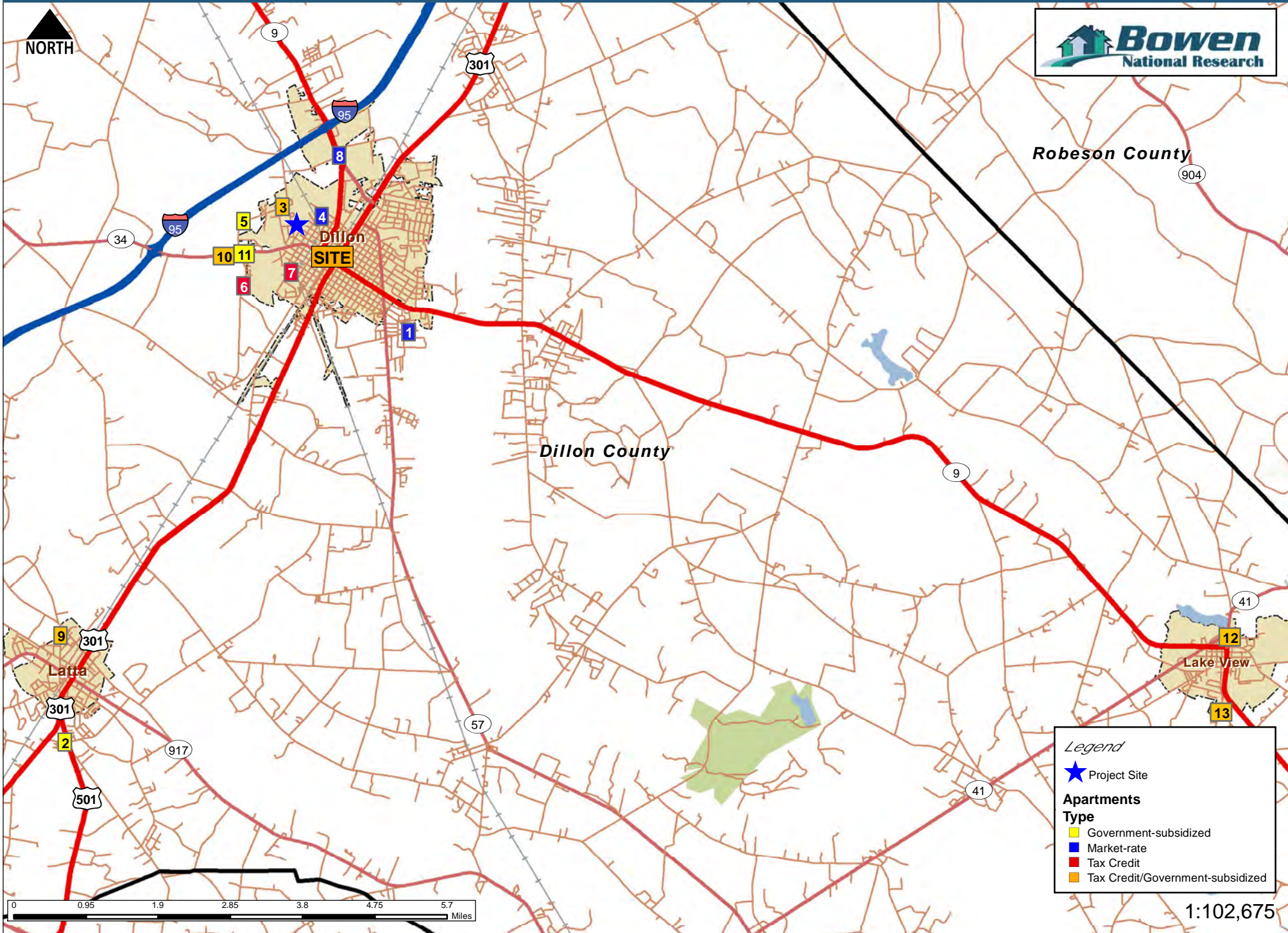
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

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

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

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

Dillon, SC: Apartment Locations



Legend

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

1:102,675

MAP IDENTIFICATION LIST - DILLON, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Sunflower Place	MRR	C+	1973	92	10	89.1%	2.3
2	Latta Arms	GSS	B-	1982	60	0	100.0%	8.3
3	Cedar Terrace	TGS	B	1990	40	1	97.5%	0.4
4	Rosewood Manor	MRR	B	1980	44	0	100.0%	0.8
5	Dillon Manor	GSS	C+	1980	92	0	100.0%	0.9
6	Dover Village	TAX	B	1997	40	0	100.0%	1.5
7	Hunters Crossing	TAX	B+	2005	40	0	100.0%	0.8
8	Interstate Apts.	MRR	B-	1978	28	7	75.0%	1.8
9	Fairmeadow Apts.	TGS	B	1993	24	0	100.0%	7.5
10	Maplewood Green I	TGS	B	1985	48	0	100.0%	0.9
11	Maplewood Green II	GSS	B	1985	46	0	100.0%	0.9
12	Lake View Apts.	TGS	B	1991	30	1	96.7%	14.3
13	Lake View Green Apts.	TGS	B	1992	24	0	100.0%	14.7

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	3	164	17	89.6%	0
TAX	2	80	0	100.0%	0
TGS	5	166	2	98.8%	0
GSS	3	198	0	100.0%	0

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

* - Drive Distance (Miles)

Survey Date: February 2013

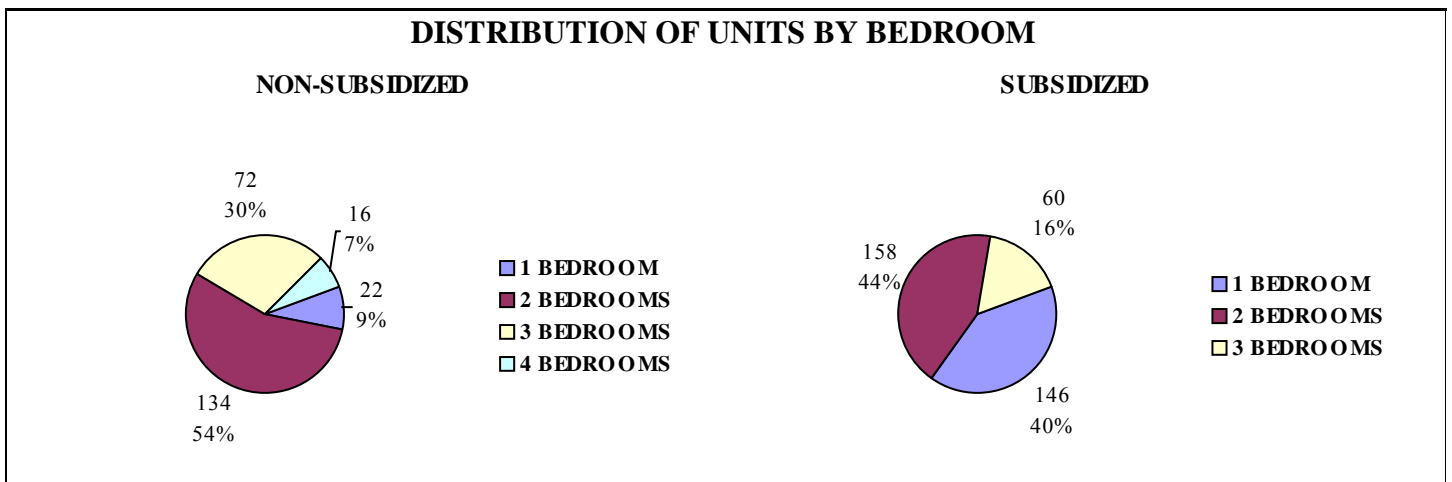
DISTRIBUTION OF UNITS - DILLON, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	22	13.4%	2	9.1%	\$423
2	1	90	54.9%	8	8.9%	\$472
3	1	36	22.0%	6	16.7%	\$597
4	1.5	16	9.8%	1	6.3%	\$690
TOTAL		164	100.0%	17	10.4%	


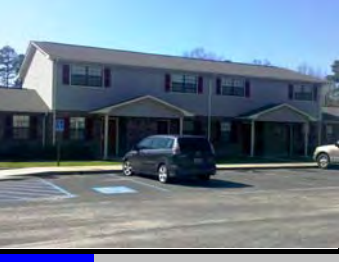

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	24	30.0%	0	0.0%	\$515
2	2	20	25.0%	0	0.0%	\$516
3	1.5	16	20.0%	0	0.0%	\$648
3	2	20	25.0%	0	0.0%	\$584
TOTAL		80	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	78	47.0%	2	2.6%	N.A.
2	1	54	32.5%	0	0.0%	N.A.
2	1.5	28	16.9%	0	0.0%	N.A.
3	1	6	3.6%	0	0.0%	N.A.
TOTAL		166	100.0%	2	1.2%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	68	34.3%	0	0.0%	N.A.
2	1	76	38.4%	0	0.0%	N.A.
3	1	14	7.1%	0	0.0%	N.A.
3	1.5	40	20.2%	0	0.0%	N.A.
TOTAL		198	100.0%	0	0.0%	
GRAND TOTAL		608	-	19	3.1%	



SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA






1 Sunflower Place			
	Address 1602 McNeil St. Dillon, SC 29536	Phone (843) 774-9771 (Contact in person)	Total Units 92
	Year Built 1973 Renovated 2012 Contact Brook	Comments HCV (20 units); Square footage estimated	
	Rent Special \$200 security deposit		Occupied 89.1%
			Floors 2
			Quality Rating C+
			Waiting List
			None
2 Latta Arms			
	Address 229 Sardis Rd. Latta, SC 29536	Phone (843) 752-5957 (Contact in person)	Total Units 60
	Year Built 1982 Contact Linda	Comments HUD Section 8; Year built & square footage estimated	Vacancies 0
			Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List
			1 year
3 Cedar Terrace			
	Address 200 McKenzie Rd. Dillon, SC 29536	Phone (843) 774-8355 (Contact in person)	Total Units 40
	Year Built 1990 Contact Vonda	Comments 60% AMHI; RD 515, has RA (20 units); HCV (4 units)	Vacancies 1
			Occupied 97.5%
			Floors 1,2
			Quality Rating B
			Waiting List
			1 household
4 Rosewood Manor			
	Address 701 Garden Ct. Dillon, SC 29536	Phone (843) 841-9934 (Contact in person)	Total Units 44
	Year Built 1980 Renovated 2012 Contact Rita	Comments Accepts HCV (0 currently)	Vacancies 0
			Occupied 100.0%
			Floors 2
			Quality Rating B
			Waiting List
			7 households
5 Dillon Manor			
	Address 1046 McKenzie Rd. Dillon, SC 29536	Phone (843) 774-5601 (Contact in person)	Total Units 92
	Year Built 1980 Contact Cammie	Comments HUD Section 8; 2 & 3-br. units have washer/dryer hookups	Vacancies 0
			Occupied 100.0%
			Floors 2
			Quality Rating C+
			Waiting List
			140 households

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA




6 Dover Village			
	Address 414 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-4488 (Contact in person)	Total Units 40
	Year Built 1997 Comments 50% AMHI; HCV (12 units)	Contact Louise	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List 10 households
7 Hunters Crossing			
	Address 701 S. 9th Ave. Dillon, SC 29536	Phone (843) 774-1625 (Contact in person)	Total Units 40
	Year Built 2005 Comments 50% & 60% AMHI; HCV (8-9 units)	Contact Bethea	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 10 households
8 Interstate Apts.			
	Address Enterprise Rd. Dillon, SC 29536	Phone (843) 479-7151 (Contact in person)	Total Units 28
	Year Built 1978 Renovated 2008 Comments HCV (1 unit); Vacancies typical for season	Contact Jenna	Vacancies 7 Occupied 75.0% Floors 2 Quality Rating B-
			Waiting List None
9 Fairmeadow Apts.			
	Address 605 N. Marion St. Latta, SC 29565	Phone (843) 752-7780 (Contact in person)	Total Units 24
	Year Built 1993 Comments 60% AMHI; RD 515, has RA (23 units); Accepts HCV; Square footage estimated	Contact Vonda	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
			Senior Restricted (62+) Waiting List 6 households
10 Maplewood Green I			
	Address 220 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-8104 (Contact in person)	Total Units 48
	Year Built 1985 Renovated 2003 Comments 60% AMHI; RD 515, has RA (39 units); HCV (3 units)	Contact Shannon	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
			Waiting List RA: 36 households

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA

11 Maplewood Green II			
	Address 220 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-8104 (Contact in person)	Total Units 46 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
	Year Built 1985 Comments RD 515, has RA (39 units); HCV (5 units); Former Tax Credit property	Contact Shannon	
12 Lake View Apts.			
	Address 109 E. 1st Ave. Lake View, SC 29563	Phone (843) 759-2560 (Contact in person)	Total Units 30 Vacancies 1 Occupied 96.7% Floors 1 Quality Rating B Senior Restricted (55+) Waiting List
	Year Built 1991 Comments 60% AMHI; RD 515, has RA (30 units)	Contact Frankie	
13 Lake View Green Apts.			
	Address 1609 Scott St. Lake View, SC 29563	Phone (843) 759-2322 (Contact in person)	Total Units 24 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
	Year Built 1992 Comments 60% AMHI; RD 515, has RA (18 units); Accepts HCV (0 currently)	Contact Helen	

Project Type

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

Survey Date: February 2013

COLLECTED RENTS - DILLON, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$354					\$387	\$489	\$556
4		\$305	\$370	\$405					
6			\$385	\$490					
7			\$405 to \$430	\$445 to \$485					
8			\$425						

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - DILLON, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	600	\$423	\$0.71
4	Rosewood Manor	1	689	\$374	\$0.54
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	850	\$472	\$0.56
4	Rosewood Manor	1	839	\$455	\$0.54
8	Interstate Apts.	1	900	\$510	\$0.57
6	Dover Village	1	775	\$515	\$0.66
7	Hunters Crossing	2	964	\$516 to \$541	\$0.54 to \$0.56
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	1000	\$597	\$0.60
4	Rosewood Manor	1	983	\$513	\$0.52
6	Dover Village	1.5	990	\$648	\$0.65
7	Hunters Crossing	2	1236	\$584 to \$624	\$0.47 to \$0.50
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1.5	1250	\$690	\$0.55

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

Survey Date: February 2013

AVERAGE GROSS RENT PER SQUARE FOOT - DILLON, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.66	\$0.55	\$0.52
TOWNHOUSE	\$0.00	\$0.56	\$0.60

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.61	\$0.56
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.66	\$0.58	\$0.56
TOWNHOUSE	\$0.00	\$0.56	\$0.60

TAX CREDIT UNITS - DILLON, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Cedar Terrace	12	658	1	60%	\$405 - \$539
10	Maplewood Green I	10	650	1	60%	\$432 - \$532
◆ 9	Fairmeadow Apts.	24	600	1	60%	\$470 - \$633
◆ 12	Lake View Apts.	28	600	1	60%	\$485 - \$678
13	Lake View Green Apts.	4	646	1	60%	\$505 - \$686
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Dover Village	24	775	1	50%	\$385
7	Hunters Crossing	10	964	2	50%	\$405
7	Hunters Crossing	10	964	2	60%	\$430
3	Cedar Terrace	28	925	1.5	60%	\$435 - \$639
10	Maplewood Green I	32	800	1	60%	\$456 - \$554
◆ 12	Lake View Apts.	2	750	1	60%	\$517 - \$738
13	Lake View Green Apts.	20	800	1	60%	\$547 - \$728
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
7	Hunters Crossing	10	1236	2	50%	\$445
10	Maplewood Green I	6	950	1	60%	\$474 - \$567
7	Hunters Crossing	10	1236	2	60%	\$485
6	Dover Village	16	990	1.5	50%	\$490

◆ - Senior Restricted

QUALITY RATING - DILLON, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

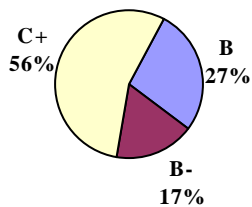
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	44	0.0%		\$374	\$455	\$513	
B-	1	28	25.0%			\$510		
C+	1	92	10.9%		\$423	\$472	\$597	\$690

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

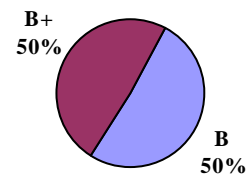
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	40	0.0%			\$516	\$584	
B	1	40	0.0%			\$515	\$648	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - DILLON, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	2	120	17	14.2%	120	49.2%
1980 to 1989	1	44	0	0.0%	164	18.0%
1990 to 1999	1	40	0	0.0%	204	16.4%
2000 to 2005	1	40	0	0.0%	244	16.4%
2006	0	0	0	0.0%	244	0.0%
2007	0	0	0	0.0%	244	0.0%
2008	0	0	0	0.0%	244	0.0%
2009	0	0	0	0.0%	244	0.0%
2010	0	0	0	0.0%	244	0.0%
2011	0	0	0	0.0%	244	0.0%
2012	0	0	0	0.0%	244	0.0%
2013**	0	0	0	0.0%	244	0.0%
TOTAL	5	244	17	7.0%	244	100.0 %

YEAR RENOVATED - DILLON, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	1	28	7	25.0%	28	17.1%
2009	0	0	0	0.0%	28	0.0%
2010	0	0	0	0.0%	28	0.0%
2011	0	0	0	0.0%	28	0.0%
2012	2	136	10	7.4%	164	82.9%
2013**	0	0	0	0.0%	164	0.0%
TOTAL	3	164	17	10.4%	164	100.0 %

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

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

** As of February 2013

APPLIANCES AND UNIT AMENITIES - DILLON, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	5	100.0%	244
REFRIGERATOR	5	100.0%	244
ICEMAKER	0	0.0%	
DISHWASHER	2	40.0%	80
DISPOSAL	2	40.0%	80
MICROWAVE	1	20.0%	40
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	3	60.0%	172
AC - WINDOW	2	40.0%	72
FLOOR COVERING	5	100.0%	244
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	3	60.0%	108
PATIO/DECK/BALCONY	3	60.0%	108
CEILING FAN	2	40.0%	84
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	80.0%	200
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	20.0%	40

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

PROJECT AMENITIES - DILLON, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	60.0%	172
LAUNDRY	4	80.0%	216
CLUB HOUSE	1	20.0%	40
MEETING ROOM	1	20.0%	40
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	4	80.0%	216
COMPUTER LAB	2	40.0%	132
SPORTS COURT	1	20.0%	40
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	1	20.0%	40
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - DILLON, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	13	608	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	13	608	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	12	548	90.1%
GAS	1	60	9.9%
			100.0%
ELECTRIC			
TENANT			
			100.0%
WATER			
LANDLORD	7	386	63.5%
TENANT	6	222	36.5%
			100.0%
SEWER			
LANDLORD	8	416	68.4%
TENANT	5	192	31.6%
TRASH PICK-UP			
LANDLORD	10	504	82.9%
TENANT	3	104	17.1%
			100.0%

UTILITY ALLOWANCE - DILLON, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$21	\$16		\$28	\$14	\$21	\$2	\$5	\$27	\$6	\$16	\$19	\$20
1	GARDEN	\$21	\$16		\$28	\$14	\$21	\$2	\$5	\$27	\$6	\$16	\$19	\$20
1	TOWNHOUSE	\$21	\$16		\$28	\$14	\$21	\$2	\$5	\$27	\$6	\$16	\$19	\$20
2	GARDEN	\$23	\$20		\$33	\$17	\$27	\$3	\$7	\$31	\$8	\$18	\$19	\$20
2	TOWNHOUSE	\$23	\$20		\$33	\$17	\$27	\$3	\$7	\$31	\$8	\$18	\$19	\$20
3	GARDEN	\$25	\$25		\$38	\$23	\$39	\$3	\$8	\$36	\$10	\$21	\$19	\$20
3	TOWNHOUSE	\$25	\$25		\$38	\$23	\$39	\$3	\$8	\$36	\$10	\$21	\$19	\$20
4	GARDEN	\$28	\$30		\$45	\$31	\$54	\$4	\$11	\$39	\$11	\$23	\$19	\$20
4	TOWNHOUSE	\$28	\$30		\$45	\$31	\$54	\$4	\$11	\$39	\$11	\$23	\$19	\$20

SC-Dillon (4/2012) Fees

Survey Date: February 2013

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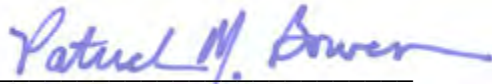


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

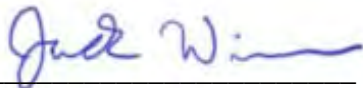
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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Date: March 4, 2013

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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