



**A MARKET FEASIBILITY STUDY OF
LAUREL STREET VILLAGE
Northwest of the Intersection of Laurel Street and Eastview Street
Honea Path, Anderson County, South Carolina**

Effective Date: February 24, 2014

Report Date: March 3, 2014

Prepared For

**Prepared For
Mr. Josh Thomason
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Prepared By

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March 3, 2014

Mr. Josh Thomason
Peachtree Housing Communities, LLC
80 West Wieuca Road, NE
Suite 204
Atlanta, GA 30342

Re: Market Study for Laurel Street Village, Honea Path, South Carolina

Dear Mr. Thomason:

At your request, Novogradac & Company LLP performed a study of the multifamily rental housing market in the Honea Path, Anderson County, South Carolina area relative to the above-proposed Low-Income Housing Tax Credit (LIHTC) project known as Laurel Street Village, (the Subject).

The purpose of this market study is to assess the viability of Laurel Street Village, a proposed development consisting of 42 units. The property will offer affordable rental units restricted to general households earning 50 and 60 percent or less of the Area Median Gross Income (AMI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy levels for the market area.
- Investigating the health and conditions of the multifamily housing market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

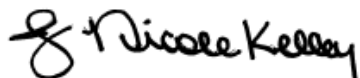
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Laurel Street Village, the Subject, is a proposed 42-unit apartment community restricted to households earning 50 and 60 percent of the AMI, or less.

Targeted Tenancy: General.

Proposed Rents, Unit Mix, and Utility Allowance: The following table details the Subject’s proposed rents, utility allowances, and unit mix.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LHFC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
2BR	6	\$394	\$186	\$580	\$610	\$652
3BR	5	\$479	\$226	\$705	\$705	\$893
<i>60% AMI</i>						
2BR	17	\$394	\$186	\$580	\$732	\$652
3BR	14	\$479	\$226	\$705	\$846	\$893
Total	42					

Notes (1) Source of Utility Allowance provided by the Developer.

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

OVERALL VACANCY (ALL PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Hampton Crest	@50%, @60%	64	4	6.2%
Rocky Creek Village (fka Anderson Place)	@50%, @60%	35	0	0.0%
The Park On Market	@50%, @60%	56	2	3.6%
Wildwood Apartments	@40%/Rural Development	30	1	3.3%
Ashton Park Apartments	Market	216	17	7.9%
Bailey Court	Market	100	4	4.0%
Country Club Apartments	Market	180	13	7.2%
Park Place	Market	165	10	6.1%
Pendleton Place	Market	24	1	4.2%
Tanglewood Apartments	Market	<u>168</u>	<u>7</u>	<u>4.2%</u>
Total		1,038	59	5.7%

OVERALL VACANCY (LIHTC PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Hampton Crest	@50%, @60%	64	4	6.2%
Rocky Creek Village (fka Anderson Place)	@50%, @60%	35	0	0.0%
The Park On Market	@50%, @60%	56	2	3.6%
Wildwood Apartments	@40%/Rural Development	30	1	3.3%
Total		185	7	3.8%

OVERALL VACANCY (MARKET RATE PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Park Apartments	Market	216	17	7.9%
Bailey Court	Market	100	4	4.0%
Country Club Apartments	Market	180	13	7.2%
Park Place	Market	165	10	6.1%
Pendleton Place	Market	24	1	4.2%
Tanglewood Apartments	Market	168	7	4.2%
Total		853	52	6.1%

Overall vacancy in the local market is stable at 5.7 percent. The four properties with LIHTC units reported an average vacancy rate of 3.8 percent, with one LIHTC comparable reporting vacancy of 6.2 percent and the other reporting 3.6 percent vacancy or less. The only LIHTC comparable in Honea Path, Wildwood Apartments, reported a vacancy of 3.3 percent with a wait list. Two of the remaining three LIHTC comparables reported wait lists.

Vacancy among the market rate properties is considered stable at 6.1 percent. Management at Ashton Park Apartments and Country Club Apartments, which reported the highest vacancies at 7.9 and 7.2 percent, respectively, indicated that vacancies were higher than typical due to a slow winter season. Overall, the local rental market appears to be healthy and we believe that the Subject will maintain a stabilized vacancy rate of five percent or less following stabilization. This is consistent with the LIHTC average.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
2BR at 50% AMI	162	0	162	6	8.2%
2BR at 60% AMI	123	0	123	5	9.7%
3BR at 50% AMI	96	0	96	17	17.7%
3BR at 60% AMI	68	0	68	14	20.6%
Overall	164	0	164	42	25.6%

As the analysis illustrates, the Subject’s capture rates vary from 8.2 to 20.6 percent with an overall capture rate of 25.6 percent. The Subject’s overall capture rates are all within SCSHFDA guidelines and we believe that there is demand for the Subject’s units.

Projected Absorption Period:

Due to the age of the comparable properties, no absorption information was available for our analysis. The LIHTC comparables report a low overall vacancy rate of 3.8 percent and three of the four LIHTC comparables have wait lists. Therefore, based upon the demand calculation presented within this report, which indicate reasonable capture rates and an ample number of income-qualified households, we believe that the Subject could absorb approximately seven units per month upon opening. This equals an absorption period of six months.

Market Conclusions:

Overall vacancy in the local market is stable at 5.7 percent. The four properties with LIHTC units reported an average vacancy rate of 3.8 percent, with one LIHTC comparable reporting vacancy of 6.2 percent and the other reporting 3.6 percent vacancy or less. There is only one LIHTC property in the PMA that offers units that operate without project-based rental assistance. Wildwood Apartments is a 30-unit USDA rental community that was renovated with LIHTC in 2010 and offers one and two-bedroom units unit restricted at 40 percent AMI. Half (15) of the units operate with rental assistance. This property is 3.3 percent vacant with a waiting list. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject’s proposed 50 and 60 percent AMI rents appear reasonable and they are significantly below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is sufficient demand for the Subject in the market and we recommend the Subject as proposed. Overall capture rates for the Subject are low to moderate and indicate demand for the Subject. The average vacancy rate among the LIHTC properties is low at 3.8 percent and three of the four LIHTC properties have waiting lists. Furthermore, there is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at 40 percent AMI. Therefore, we believe that the Subject will help to fill a housing void in the local market for moderate income households at 50 and 60 percent AMI.

**Long Term Impact on Existing
LIHTC Properties in PMA**

LIHTC vacancy in the market is low at 3.8 percent and three of the four LIHTC comparables have waiting lists. There is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at 40 percent AMI. Therefore, the availability of nonsubsidized LIHTC housing targeting moderate income households is very limited. We do not believe that the addition of the Subject will have a long term impact on the existing affordable units in the market.

2014 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Laurel Street Village	Total # Units:	42
Location:	NW of Laurel Street/Eastview Street intersection	# LIHTC Units:	42
PMA Boundary:	Generally includes Honea Path and surrounding rural periphery		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	14 miles

RENTAL HOUSING STOCK (found on page _80_)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,038	59	94.3%
Market-Rate Housing	6	853	52	93.9%
Assisted/Subsidized Housing not to include LIHTC	0	N/A	N/A	N/A%
LIHTC (All that are stabilized)*	4	185	7	96.2%
Stabilized Comps**	10	1,038	59	94.3%
Non-stabilized Comps	0	N/A	N/A	N/A%

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

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

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
2	2	2.0	1,000	\$394	\$530	\$0.53	25.66%	\$867	\$0.75
4	2	2.5	1,000	\$394	\$545	\$0.55	27.71%	\$867	\$0.75
1	2	2.0	1,000	\$394	\$530	\$0.53	25.66%	\$867	\$0.75
16	2	2.5	1,000	\$394	\$545	\$0.55	27.71%	\$867	\$0.75
3	3	2.0	1,150	\$479	\$650	\$0.57	26.31%	\$962	\$0.66
2	3	2.5	1,150	\$479	\$665	\$0.58	27.97%	\$962	\$0.66
10	3	2.0	1,150	\$479	\$650	\$0.57	26.31%	\$962	\$0.66
4	3	2.5	1,150	\$479	\$665	\$0.58	27.97%	\$962	\$0.66
				\$	\$	\$	%	\$	\$
Gross Potential Rent Monthly*				\$18,163	\$24,930		27.14%		

*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 _36_)

	2000		2013		2016	
Renter Households	2,504	19.3%	3,264	24.6%	3,272	24.5%
Income-Qualified Renter HHs (LIHTC)	416	16.6%	544	16.6%	545	16.6%
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 _53_)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	1	2				2
Existing Households (Overburd + Substand)	193	255				255
Homeowner conversion (Seniors)	N/A	N/A				N/A
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	195	257				257

CAPTURE RATES (found on page _53_)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	8.9%	18.9%				25.6%

ABSORPTION RATE (found on page _53_)

Absorption Period	6	months
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2014 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
2	2 BR	\$394	\$788	\$530	\$1,060	
4	2 BR	\$394	\$1,576	\$545	\$2,180	
1	2 BR	\$394	\$394	\$530	\$530	
16	2 BR	\$394	\$6,304	\$545	\$8,720	
3	3 BR	\$479	\$1,437	\$650	\$1,950	
2	3 BR	\$479	\$958	\$665	\$1,330	
10	3 BR	\$479	\$4,790	\$650	\$6,500	
4	3 BR	\$479	\$1,916	\$665	\$2,660	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	42		\$18,163		\$24,930	27.14%

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location: The Subject site is located northwest of the intersection of Laurel Street and Eastview Street in Honea Path, Anderson County, South Carolina.

Construction Type The Subject will involve the new construction of one and two-story townhouses with brick veneer and Hardi-plank.

Occupancy Type: General.

Target Income Group: The maximum income at the Subject will be \$35,160 (maximum allowable income for a five person household at 60 percent AMI) and the minimum income will be \$19,886 (based on the Subject’s two-bedroom 50 percent AMI rent).

Special Population Target: None.

Number of Units by Unit Type: See Subject Profile.

Number of Buildings And Stories: The Subject will be constructed in eight one to two-story townhouse buildings and one single-story community building.

Unit Size: See Subject Profile.

Structure Type/Design: The Subject will be two-story townhouse buildings and one single-story community building.

Proposed Rents and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LHFC	HUD Fair
					Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>						
2BR	6	\$394	\$186	\$580	\$610	\$652
3BR	5	\$479	\$226	\$705	\$705	\$893
<i>60% AMI</i>						
2BR	17	\$394	\$186	\$580	\$732	\$652
3BR	14	\$479	\$226	\$705	\$846	\$893
Total	42					

Notes (1) Source of Utility Allowance provided by the Developer.

Utility Structure/Allowance: The following table illustrates the Subject’s utility structure. As illustrated, the landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses as well as water and sewer.

UTILITY ALLOWANCES

Utility	Paid By	Two-bedroom	Three-bedroom
Utilities-Electricity	Tenant	\$53.00	\$64.00
Utilities-Air Conditioning	Tenant	\$15.00	\$19.00
Utilities-Electric Heating	Tenant	\$14.00	\$17.00
Utilities-Electric Cooking	Tenant	\$10.00	\$12.00
Utilities-Electric Heated Hot Water	Tenant	\$25.00	\$32.00
Utilities-Water and Sewer Services	Tenant	\$69.00	\$82.00
Utilities-Trash Collection	Landlord	\$13.00	\$13.00
Total Utility Allowance		\$199.00	\$239.00
Total Tenant Paid Utilities		\$186.00	\$226.00

Source: SCSHFDA Update Region, effective through 12/31/2014

Existing or Proposed

Project Based Rental Assistance: The Subject is planned construction and will not receive project-based rental assistance in addition to low-income housing tax credits.

Community Amenities: See Subject Profile.

Unit Amenities: See Subject Profile.

Current Occupancy/Rent Levels: The Subject will be proposed new construction.

Scope of Renovation: The Subject will be proposed new construction.

Subject Profile

Subject Profile Report

Laurel Street Village

Location Laurel Street
Honea Path, SC 29654
Anderson County

Units 42
Vacant Units N/A
Vacancy Rate N/A
Type Townhouse
(2 stories)
Year Built / Renovated 2015 / n/a



Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
2	2.0	Townhouse	2	1,000	\$394	\$0	@50%	n/a	N/A	N/A	no
2	2.5	Townhouse	4	1,000	\$394	\$0	@50%	n/a	N/A	N/A	no
2	2.0	Townhouse	1	1,000	\$394	\$0	@60%	n/a	N/A	N/A	no
2	2.5	Townhouse	16	1,000	\$394	\$0	@60%	n/a	N/A	N/A	no
3	2.0	Townhouse	3	1,150	\$479	\$0	@50%	n/a	N/A	N/A	yes
3	2.5	Townhouse	2	1,150	\$479	\$0	@50%	n/a	N/A	N/A	yes
3	2.0	Townhouse	10	1,150	\$479	\$0	@60%	n/a	N/A	N/A	no
3	2.5	Townhouse	4	1,150	\$479	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	Premium	none
Services	none	Other	none

Conclusion:

The Subject will be an excellent quality townhouse development, comparable to superior to the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

B. SITE DESCRIPTION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

Date of Site Visit: February 24, 2014 by K. David Adamescu.

Surrounding Land Uses: The following map and pictures illustrate the surrounding land uses.



Physical Features of Site: The Subject site is vacant, wooded land.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, park/recreational facilities, two houses of worship, and retail/commercial developments. Forested land is located immediately north of the Subject site. The area east of the Subject is characterized by single family residential development in generally good condition. The Honea Path Recreation Department Baseball Diamond is adjacent to the east. To the south, across Laurel Street, are single-family homes in generally average condition. Retail such as a grocery store, pharmacy, and restaurants are located approximately 0.2 miles south along State Route 252, the major retail corridor for the city. Retail in the area is in generally good condition and appeared to be 90 percent occupied. Overall, the Subject site is considered a desirable building site for family rental housing.

Pictures of Site and Surrounding Uses



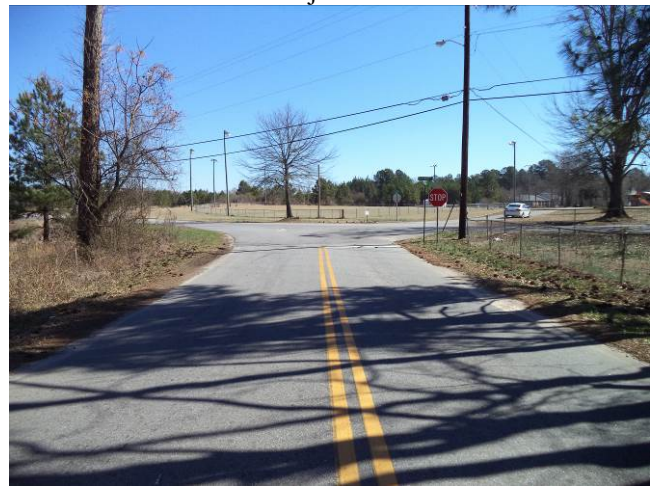
Subject site



Subject site



View west along Laurel Street



View east along Laurel Street



View north along Eastview Street



View south along Eastview Street



View north along Saluda Street



Forested land adjacent to north



Single-family homes adjacent to east



Single-family home across Laurel Street to south



Honea Path Recreation Department Baseball Diamond adjacent to west



Single-family home to northeast



Single-family home to north



Single-family homes to east



Vacant land to east



John Hill Park to east



Single-family home to south



Single-family homes to east



Grocery store to south



Retail to south



Retail to south



Single-family to west



House of worship to west



House of worship to east



Honea Path Recreation Department to west



Single-family to west

Visibility/Views:

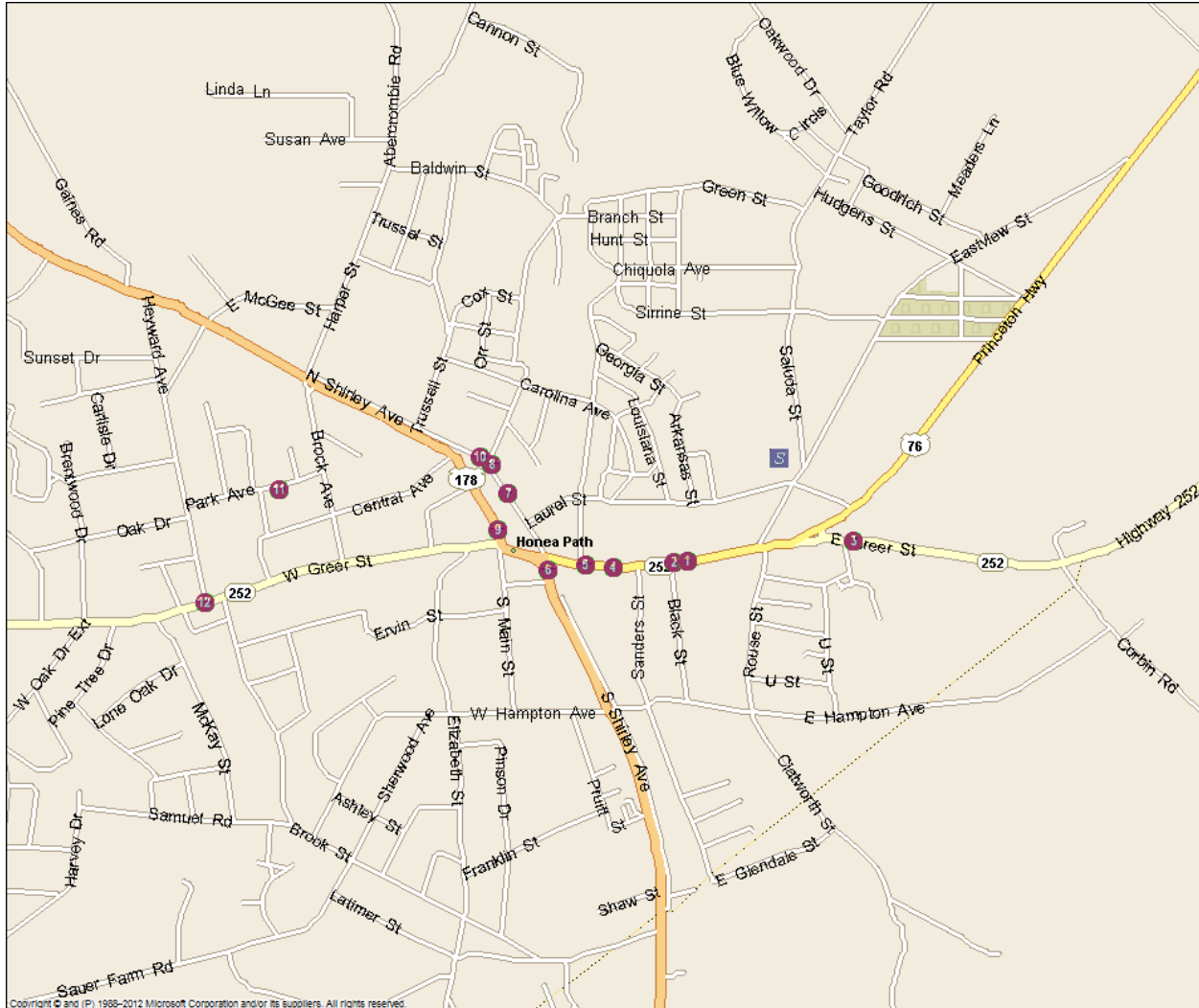
Views from the Subject site include forested land to the north, single-family homes in good condition to the east, the Honea Path Recreation Department Baseball Diamond to the west, and single-family homes in generally average condition to the south. Views from the site are considered good. The Subject will have good visibility from Laurel Street on the south and both Saluda Street and Eastview Street on the east. All three adjacent streets have generally light traffic flow. Overall, visibility from the site is also considered good.

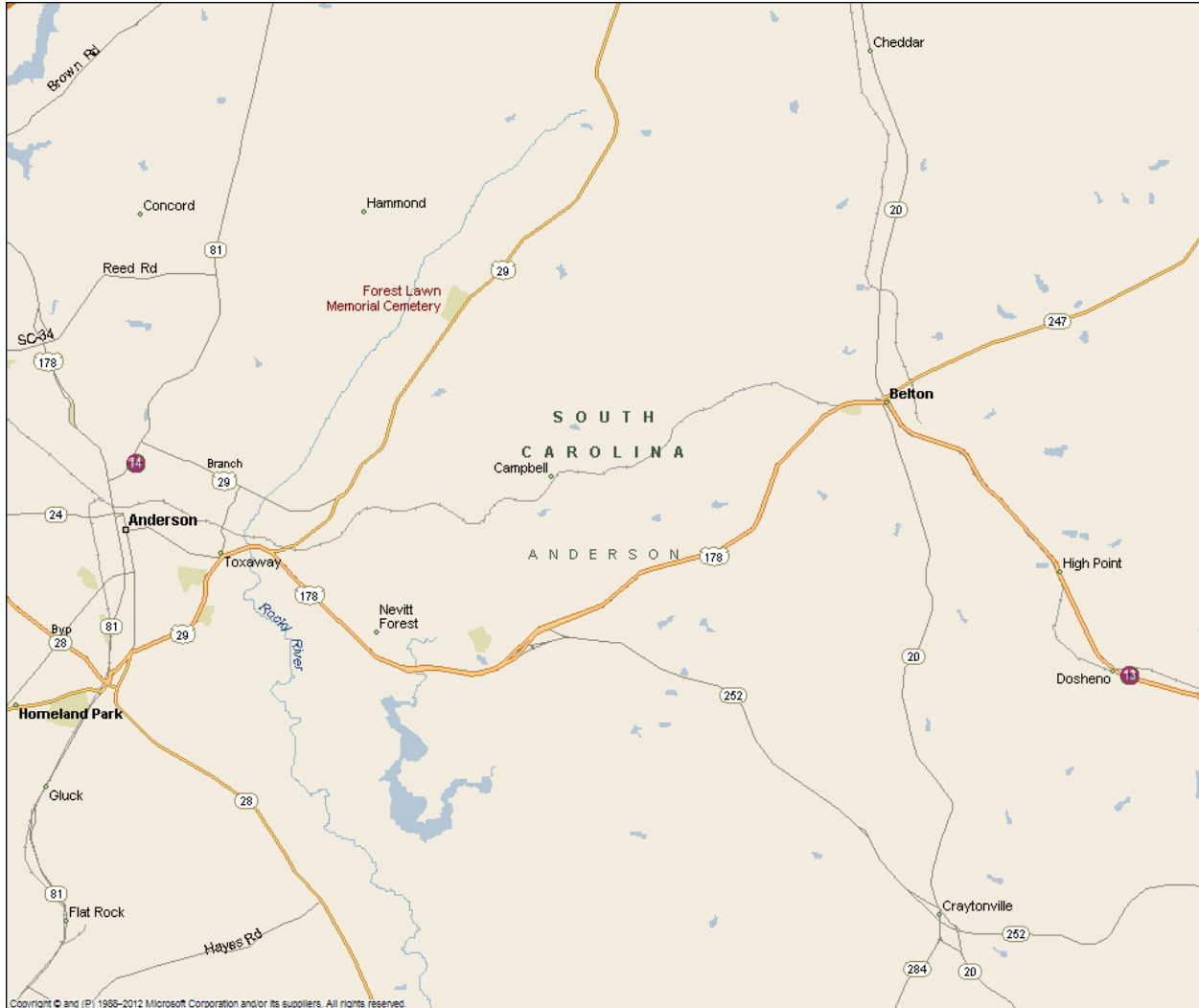
Detrimental Influences:

There are no detrimental influences in the Subject’s immediate neighborhood.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including medical services and retail. The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is below.





LOCATIONAL AMENITIES

Map Number	Service	Name	Distance (miles)
1	Pharmacy	Fred's Pharmacy	0.3
2	Grocery	Bi-Lo	0.4
3	Elementary School	Honea Path Elementary School	0.4
4	Shopping Center	Honea Path Plaza	0.4
5	Gas Station	Spinx Oil Co.	0.5
6	Bank	Commercial Bank	0.6
7	Fire	Honea Path Fire Department	0.6
8	Library	Jennie Erwin Library	0.7
9	Police	Honea Path Police Department	0.7
10	Post Office	U.S. Post Office	0.7
11	Middle School	Honea Path Middle School	1.3
12	Convenience	Stop-A-Mint	1.3
13	High School	Belton-Honea Path High School	5.4
14	Hospital	Medina Memorial Hospital	17.7

Availability of Public Transportation:

There is no public transportation service in the city of Honea Path, SC.

Road/Infrastructure Proposed Improvements:

We witnessed no current road improvements within the Subject’s immediate neighborhood.

Crime Rates:

Based upon site inspection, there appeared to be no crime issues in the Subject’s neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

2013 CRIME RISK INDICES

	PMA	Greenville-Anderson-Mauldin, SC MSA
Total Crime*	112	126
Personal Crime*	139	157
Murder	124	130
Rape	92	126
Robbery	47	87
Assault	220	200
Property Crime*	110	124
Burglary	143	138
Larceny	96	133
Motor Vehicle Theft	75	80

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

*Unweighted aggregations

The total crime risks in the PMA are slightly lower than the MSA. Additionally, total personal crime risks and total property crime risks in the PMA are lower than in the MSA, but slightly greater than the national average. Management at Wildwood Apartments, a comparable located in Honea Path, indicated that crime is not an issue in the community. Wildwood Apartments is 97 percent occupied and offers townhouse design with no security features, similar to that proposed for the Subject. We do not believe crime will be an issue for the proposed Subject.

Access and Traffic Flow:

The Subject site will have access along Laurel Street, just west of the intersection with Eastview Street. Laurel Street is a lightly trafficked roadway containing mostly single family residential development. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and services such as a post office and a hospital. We did not

observe any negative attributes pertaining to the Subject site during our site inspection.

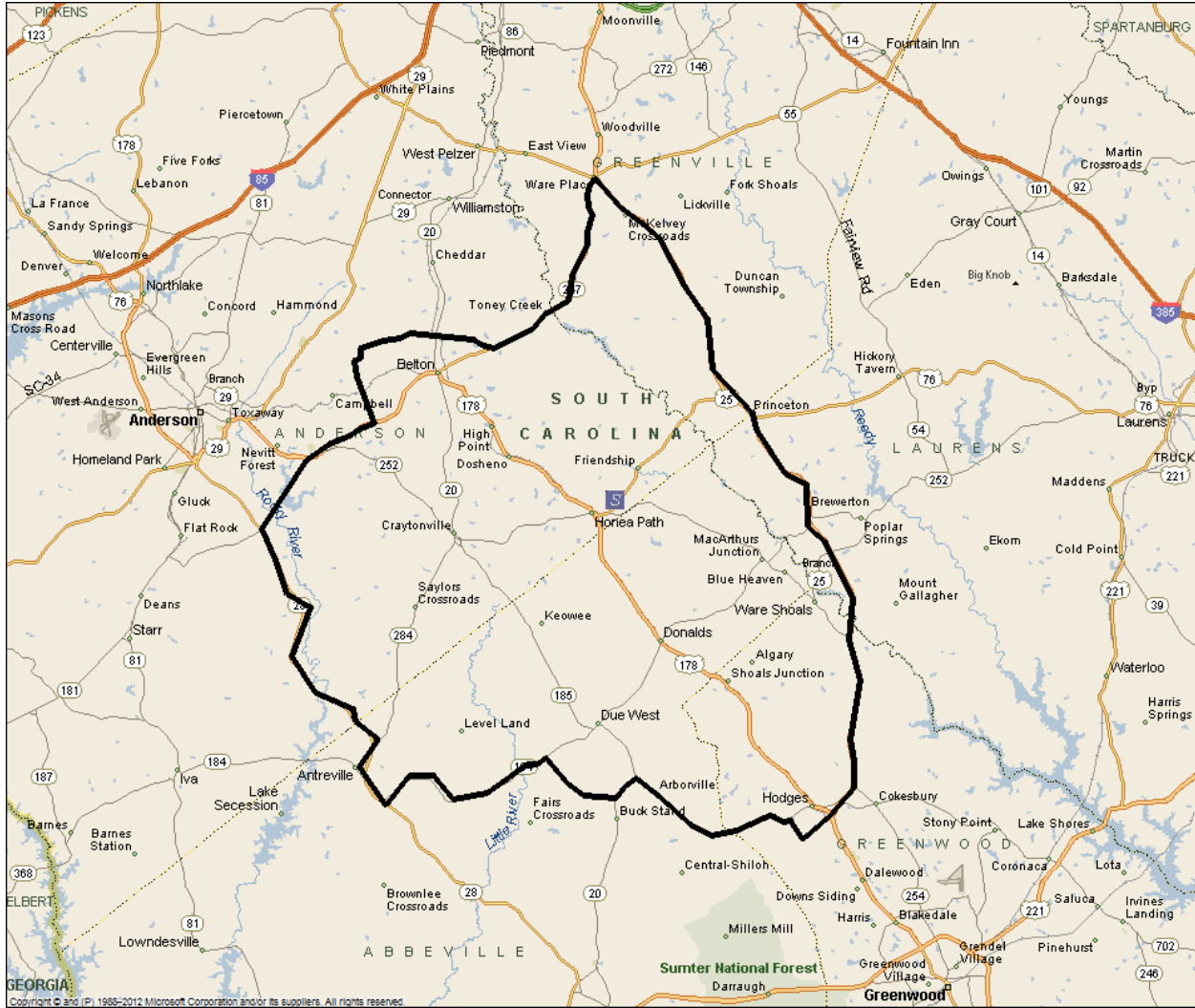
Conclusion:

The Subject will have good access to retail and local services such as a post office, retail, and a hospital. The proximity to retail and services will attract low income tenants to the Subject. Overall, the Subject site is considered desirable for low income rental housing and the Subject will fit well with the surrounding uses.

C. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.



The proposed Subject will be a 42-unit townhome development to be constructed in Honea Path, South Carolina. The PMA is defined as Honea Path and surrounding rural communities.

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

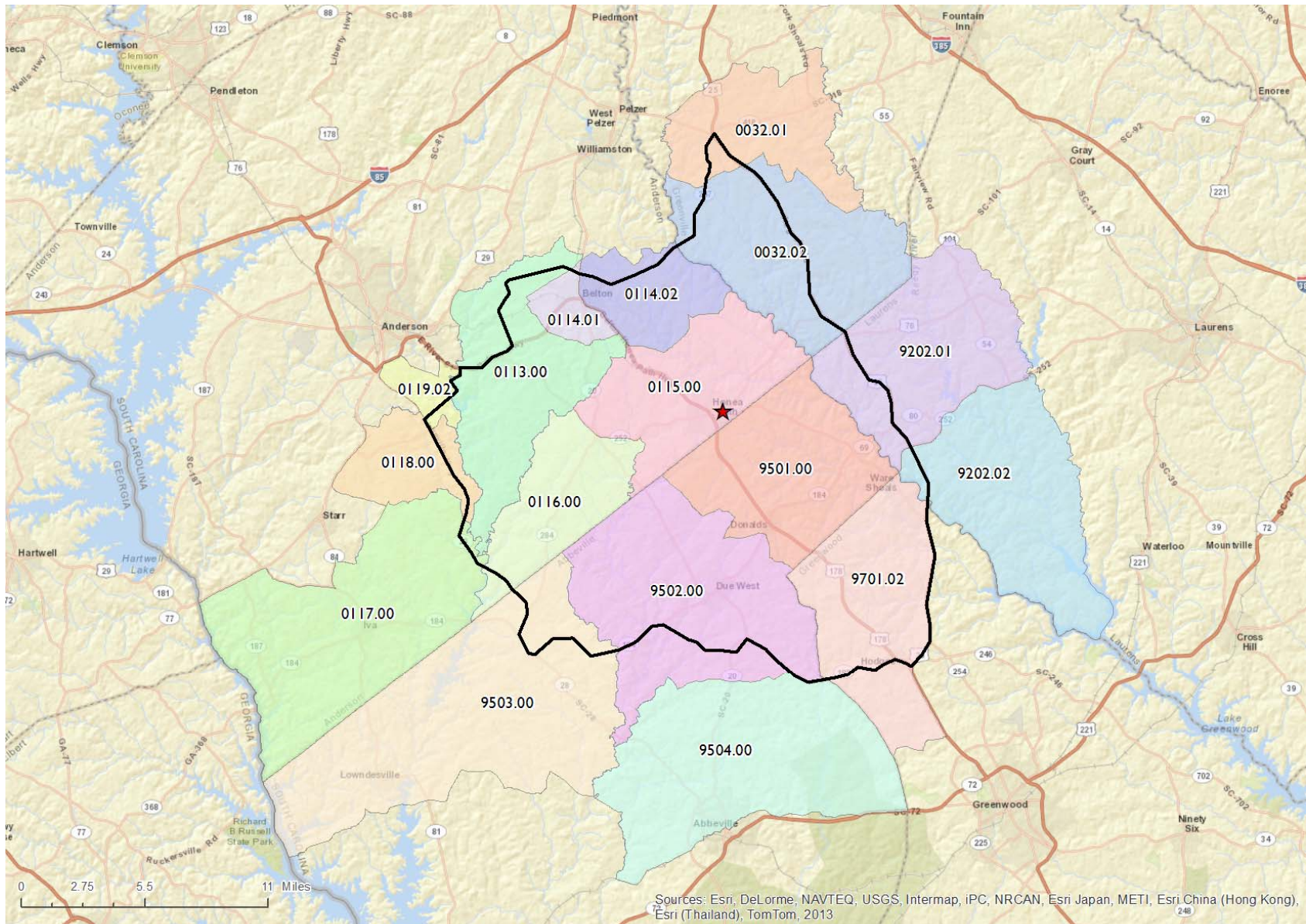
Census Tract	
0032.02	9202.01
9202.02	0114.02
0115.00	9501.00
9701.02	0113.00
0116.00	9502.00
0119.02	0118.00
0117.00	9503.00

The primary market area has been identified based upon conversations with management at market rate and tax credit properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the Honea Path area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Honea Path area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

Based on interviews with local property managers, including Wildwood Apartments, most of the tenants would originate from Honea Path and surrounding rural areas. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA.

The following map outlines the PMA and identifies the census tracts included within these boundaries.

Per SCSHFDA Guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.



Honea Path, SC



D. MARKET AREA ECONOMY

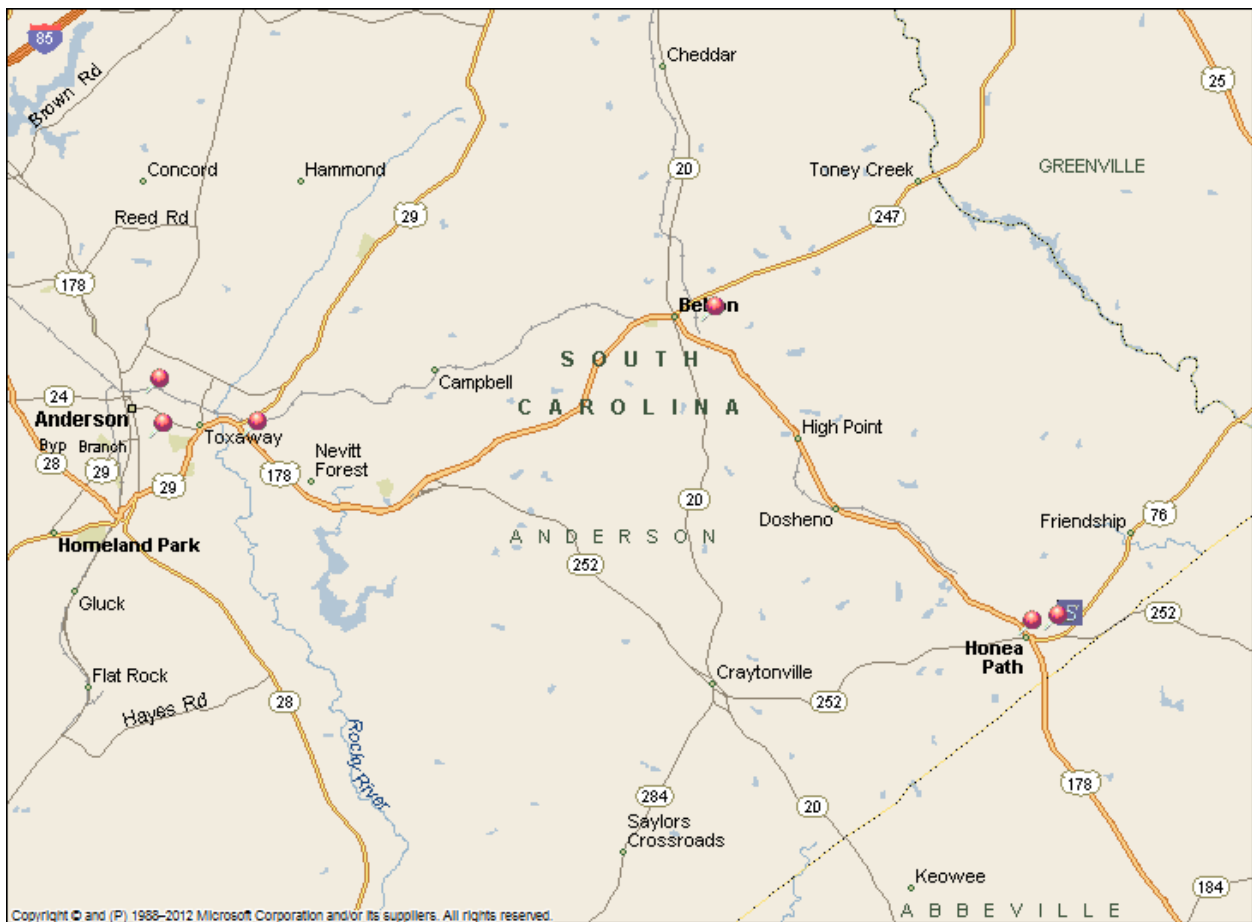
MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

The Subject is located in Honea Path, Anderson County, SC, in the Greenville-Anderson-Mauldin, SC MSA. The Greenville-Anderson-Mauldin, SC MSA consists of Greenville, Pickens, Anderson, and Laurens Counties. As of the 2010 US Census, the city of Honea Path’s population was 3,597 persons, and has a total area of 3.6 square miles, all of which are land.

Map of Employment Centers

The following map illustrates the Subject’s location compared to major employment center of Florence, SC.



Employment by Industry

The following table exhibits unemployment by industry for the PMA.

2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	3,414	26.60%	15,162,651	10.60%
Health Care/Social Assistance	1,765	13.70%	20,080,547	14.00%
Retail Trade	1,493	11.60%	16,592,605	11.60%
Educational Services	1,220	9.50%	12,979,314	9.10%
Construction	986	7.70%	8,291,595	5.80%
Other Services (excl Publ Adm)	638	5.00%	7,850,739	5.50%
Public Administration	585	4.50%	6,713,073	4.70%
Transportation/Warehousing	531	4.10%	5,898,791	4.10%
Accommodation/Food Services	356	2.80%	10,849,114	7.60%
Admin/Support/Waste Mgmt Svcs	342	2.70%	6,316,579	4.40%
Wholesale Trade	338	2.60%	3,628,118	2.50%
Finance/Insurance	332	2.60%	6,884,133	4.80%
Information	206	1.60%	2,577,845	1.80%
Prof/Scientific/Tech Services	206	1.60%	9,808,289	6.80%
Arts/Entertainment/Recreation	129	1.00%	3,151,821	2.20%
Utilities	117	0.90%	1,107,105	0.80%
Real Estate/Rental/Leasing	100	0.80%	2,627,562	1.80%
Agric/Forestry/Fishing/Hunting	87	0.70%	1,800,354	1.30%
Mining	13	0.10%	868,282	0.60%
Mgmt of Companies/Enterprises	0	0.00%	97,762	0.10%
Total Employment	12,858	100.00%	143,286,279	100.00%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2014

The largest industry, as of 2013, in the PMA is the manufacturing industry, followed by the health care/social assistance and retail trade sectors. The manufacturing and construction industries are overrepresented in the PMA when compared with the nation. Conversely, the professional services, finance/insurance, and accommodation/food services industries are underrepresented in the PMA when compared with the nation. Notably, the manufacturing and retail trade sectors, two of the top three employment sectors in the PMA, are volatile industries and are susceptible to employment loss and closures during times of economic downturn.

The following table illustrates the changes in employment by industry from 2000 to 2010, in the Subject’s PMA.

2000-2013 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2013		2000-2013	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Manufacturing	5,117	34.00%	3,414	26.60%	-131	-2.60%
Wholesale Trade	458	3.00%	338	2.60%	-9	-2.00%
Other Services (excl Publ Adm)	778	5.20%	638	5.00%	-11	-1.40%
Utilities	143	1.00%	117	0.90%	-2	-1.40%
Accommodation/Food Services	420	2.80%	356	2.80%	-5	-1.20%
Transportation/Warehousing	624	4.20%	531	4.10%	-7	-1.10%
Retail Trade	1,654	11.00%	1,493	11.60%	-12	-0.70%
Agric/Forestry/Fishing/Hunting	94	0.60%	87	0.70%	-1	-0.60%
Educational Services	1,298	8.60%	1,220	9.50%	-6	-0.50%
Information	219	1.50%	206	1.60%	-1	-0.50%
Mining	14	0.10%	13	0.10%	0	-0.50%
Construction	1,023	6.80%	986	7.70%	-3	-0.30%
Finance/Insurance	340	2.30%	332	2.60%	-1	-0.20%
Real Estate/Rental/Leasing	103	0.70%	100	0.80%	0	-0.20%
Mgmt of Companies/Enterprises	0	0.00%	0	0.00%	0	0.00%
Public Administration	568	3.80%	585	4.50%	1	0.20%
Arts/Entertainment/Recreation	124	0.80%	129	1.00%	0	0.30%
Health Care/Social Assistance	1,577	10.50%	1,765	13.70%	14	0.90%
Prof/Scientific/Tech Services	185	1.20%	206	1.60%	2	0.90%
Admin/Support/Waste Mgmt Svcs	297	2.00%	342	2.70%	3	1.20%
Total Employment	15,036	100.00%	12,858	100.00%	-168	-1.10%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2014 * Change in percentage is calculated as a rate of change by industry.

*Industry data current as of 2010. Other projections current as of 2013.

As illustrated, a majority of industries experienced a decrease in employment from 2000 to 2013. The largest decreases are among the manufacturing, wholesale trade, other services, and utilities sectors. The largest decrease based on percentages was in the manufacturing industry, as the sector saw a loss of 1,703 jobs over the 13 year period of analysis. Five industries experienced employment increases over the past 13 years: public administration, arts/entertainment/recreation, health care/social assistance, prof/scientific/tech services, and admin/support/waste management services.

Major Employers

The table below shows the largest employers in the area.

MAJOR EMPLOYERS
Anderson and Abbeville Counties, SC

Employer	Industry	Number Employed
Anderson Co. Public Schools	Educational Services	5,085
AnMed Health	Health Care	4,000
State of South Carolina	Government	1,418
Robert Bosch Corp	Manufacturing	1,380
Electrolux	Manufacturing	1,000
Anderson Co. Government	Government	925
Michelin North America	Manufacturing	800
Walmart Supercenters	Retail Trade	725
Glen Raven	Manufacturing	600
Flexible Technologies	Manufacturing	500
Abbeville School District	Educational Services	461
City of Anderson	Government	450
Nutricia Manufacturing USA	Manufacturing	430
Orian Rugs	Manufacturing	400
Timken	Manufacturing	400
SAGE Automotive Interiors	Manufacturing	324
Prysmian Power Cables and Systems	Manufacturing	320
Abbeville Area Medical Center	Health Care	303
Total		19,521

Source: Anderson County Economic Development Directory, 2/2014; DiscoverAbbeville.com, 2/2014

The largest employers in Florence County include industries such as healthcare, manufacturing, education, and government. While the educational services and government industries are historically stable, the heavy reliance on the manufacturing and retail trade sectors indicates that the local economy is susceptible to employment loss and closures in times of economic downturn.

Expansions/Contractions

The following table illustrates the contractions to the Anderson and Abbeville County economies provided by Workforce South Carolina between 2012 and 2014.

ANDERSON AND ABBEVILLE COUNTIES, SC 2012-2014 WARN NOTICES			
Employer	County	Jobs Affected	Date
2013			
General Nutrition Companies, Inc.	Anderson	50	10/11/2013
2012			
Timken	Anderson	22	9/28/2012
Mohawk Industries	Abbeville	193	9/25/2012
Abbeville County School District	Abbeville	10	6/1/2012
Panalpina	Anderson	4	3/31/2012
Food Lion	Anderson	35	2/15/2012
Ryan's	Anderson	40	1/19/2012
TOTAL		354	

Source: Scworks.com, 2/2014

As the table depicts, there were seven layoffs/closures in Anderson and Abbeville Counties that took effect between January 2012 and February 2014. A total of 354 jobs were affected during this period, according to Workforce South Carolina. The majority of these layoffs were in the manufacturing industry. The following table illustrates business expansions in Abbeville and Anderson County in 2013 and 2014.

Anderson and Abbeville County Expansions 2013-2014

Rank	Employer Name	County	Industry	Job Openings
1	Orian Rugs	Anderson	Manufacturing	125
2	Michelin	Anderson	Manufacturing	100
3	PackIQ	Anderson	Packaging	50
4	Fraenkische Industrial Pipes	Anderson	Manufacturing	50
5	Baldor Electric Company	Anderson	Manufacturing	45
6	Chomarat	Anderson	Manufacturing	20
7	Electrolux	Anderson	Manufacturing	14
8	Prysmian Power Cables	Abbeville	Manufacturing	10

The majority of the above listed job openings are in the manufacturing industry, which is the largest industry in the PMA. A total of 414 job openings were announced in Anderson and Abbeville Counties. These expansions will help to counteract the effects of the 354 layoffs/closures that occurred in the county.

Employment and Unemployment Trends

The Subject is located in the Greenville-Anderson-Mauldin, SC MSA. As such, the following table details employment and unemployment trends for the Greenville-Anderson-Mauldin, SC MSA from 2002 to 2013 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Greenville-Anderson-Mauldin, SC MSA					USA				
	Total Employment	% Change	Total Unemployed	Unemployment Rate	Change	Total Employment	% Change	Total Unemployed	Unemployment Rate	Change
2002	271,318	-	15,516	5.4%	-	136,485,000	-	8,375,000	5.8%	-
2003	271,689	0.1%	17,224	6.0%	0.6%	137,736,000	0.9%	8,770,000	6.0%	0.2%
2004	277,022	2.0%	18,253	6.2%	0.2%	139,252,000	1.1%	8,140,000	5.5%	-0.5%
2005	281,773	1.7%	17,569	5.9%	-0.3%	141,730,000	1.8%	7,579,000	5.1%	-0.4%
2006	289,118	2.6%	17,281	5.6%	-0.3%	144,427,000	1.9%	6,991,000	4.6%	-0.5%
2007	297,308	2.8%	15,530	5.0%	-0.6%	146,047,000	1.1%	7,073,000	4.6%	0.0%
2008	296,926	-0.1%	18,261	5.8%	0.8%	145,362,000	-0.5%	8,948,000	5.8%	1.2%
2009	280,385	-5.6%	32,187	10.3%	4.5%	139,877,000	-3.8%	14,295,000	9.3%	3.5%
2010	282,645	0.8%	30,221	9.7%	-0.6%	139,064,000	-0.6%	14,810,000	9.6%	0.3%
2011	289,699	2.5%	27,215	8.6%	-1.1%	139,869,000	0.6%	13,736,000	8.9%	-0.7%
2012	292,195	0.9%	23,725	7.5%	-1.1%	142,469,000	1.9%	12,496,000	8.1%	-0.8%
2013 YTD Average*	294,512	0.8%	20,180	9.7%	2.2%	143,929,333	1.0%	11,449,000	7.4%	-0.7%
Dec-2012	292,873	-	22,191	7.0%	-	143,060,000	-	12,273,000	7.6%	-
Dec-2013	297,902	1.7%	15,810	5.0%	-2.0%	144,423,000	1.0%	10,351,000	6.5%	-1.1%

Source: U.S. Bureau of Labor Statistics April 2014

*2013 data is through Dec

Total employment in the MSA increased from 2002 to 2007. In 2008, the employment levels remained relatively stable, and then decreased at a rate significantly higher than the nation in 2009. Between 2008 and 2009, total employment fell 5.6 percent, which can be attributed to the national recession. Since 2009, employment in the MSA has experienced growth in every year, and total employment numbers in December 2013 were greater than pre-recession totals. This indicates that the economy has recovered from the national recession and is continuing to experience growth.

Unemployment in the MSA increased 4.5 percentage points in 2009, a greater increase than the nation. Since 2009, the unemployment rate in the MSA has decreased steadily, and the unemployment rate in December 2013 was 5.0 percent, which reflected a 2.0 percentage point decline year-over-year. The December 2013 unemployment rate in the MSA was 1.5 percentage points less than the national unemployment rate. Overall, the local economy appears to be recovering well from the recession.

Housing and Economy

There are two family LIHTC properties in the Subject’s PMA, and both operate with additional subsidies. Therefore, the availability of housing for low to very low income employees is considered somewhat limited. The current state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession has impacted Honea Path’s single-family housing market. According to RealtyTrac’s January 2014 estimates, the city experienced a high foreclosure rate of one in every 937 housing units. Anderson County experienced a similar foreclosure rate of one in every 875 housing units. Both of these areas of analysis experienced higher foreclosure rates than the nation, which experienced a foreclosure rate of one in every 1,058 housing units in January 2014. The state of South Carolina had a foreclosure rate of one in every 850 housing units, a rate higher than the Honea Path, Anderson County, and the nation.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 26.4 minutes. Approximately 54 percent of households have commute times of less than 24 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	461	3.18%
Travel Time 5-9 min	1,585	10.93%
Travel Time 10-14 min	1,764	12.17%
Travel Time 15-19 min	1,910	13.18%
Travel Time 20-24 min	2,044	14.10%
Travel Time 25-29 min	918	6.33%
Travel Time 30-34 min	2,487	17.16%
Travel Time 35-39 min	675	4.66%
Travel Time 40-44 min	610	4.21%
Travel Time 45-59 min	1,217	8.39%
Travel Time 60-89 min	483	3.33%
Travel Time 90+ min	343	2.37%
Average Travel Time	26.4	-

Source: US Census 2000, Novogradac & Company, LLP, February 2014

Conclusions

Overall, it appears the area was impacted by the national recession but is currently experiencing a recovery. As of December 2013, the employment in the MSA was above pre-recession level. Between December 2012 and December 2013, total employment in the MSA increased 1.7 percent, which is larger than the 1.0 percent increase in the nation during the same period. Furthermore, the unemployment rate in the MSA decreased 2.0 percentage points between December 2012 and December 2013. The MSA’s 5.0 percent unemployment rate as of December 2013 was 1.5 percentage points below the nation’s unemployment rate. However, with its reliance on the manufacturing and retail trade industries, the local economy will remain susceptible to employment loss and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Greenville-Anderson-Mauldin, SC MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

Population Trends

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

TOTAL POPULATION

Year	Greenville-Anderson-Mauldin, SC					
	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	29,914	-	617,343	-	248,709,873	-
2000	32,612	0.9%	725,678	1.8%	281,421,906	1.3%
2013	33,606	0.2%	850,046	1.3%	315,444,544	0.9%
Projected Mkt Entry January 2016	33,880	0.3%	871,844	1.0%	321,150,684	0.7%
2018	34,153	0.3%	893,642	1.0%	326,856,823	0.7%

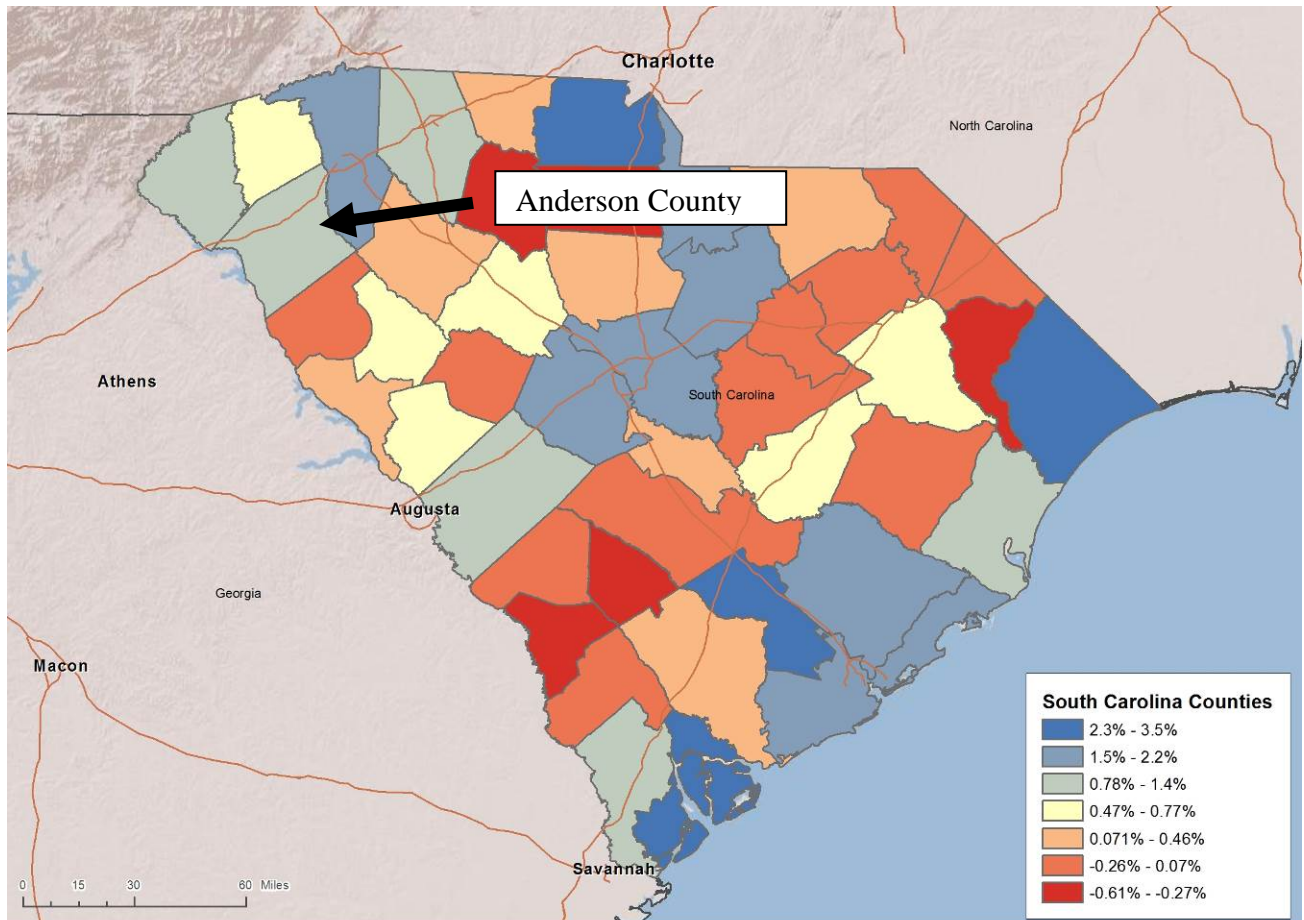
Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

POPULATION BY AGE GROUP

Age Cohort	PMA				
	1990	2000	2013	Projected Mkt Entry January 2016	2018
0-4	1,837	2,178	1,978	1,997	2,016
5-9	1,920	2,188	2,040	2,014	1,987
10-14	2,081	2,182	2,115	2,089	2,062
15-19	2,385	2,187	2,264	2,232	2,200
20-24	2,134	2,014	2,148	2,096	2,043
25-29	2,078	2,059	1,784	1,868	1,951
30-34	2,206	2,096	1,877	1,892	1,907
35-39	2,228	2,357	1,954	1,972	1,990
40-44	2,072	2,455	2,143	2,059	1,974
45-49	1,776	2,381	2,216	2,211	2,206
50-54	1,565	2,225	2,469	2,360	2,250
55-59	1,514	1,831	2,490	2,465	2,440
60-64	1,525	1,579	2,369	2,424	2,479
65-69	1,571	1,393	1,895	2,074	2,253
70-74	1,149	1,267	1,414	1,586	1,757
75-79	950	1,076	1,041	1,115	1,189
80-84	591	612	731	734	736
85+	331	532	679	697	714
Total	29,913	32,612	33,607	33,881	34,154

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

The population in the PMA increased at an annual rate of 0.2 percent from 2000 to 2013, a slower rate than the MSA and nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2018 at 0.3 percent per annum, a rate that will remain lower than the MSA and nation. The population in the PMA in 2013 was concentrated most heavily in the 50-64 age groups, with these ages representing 21.8 of the total population in the PMA. Through market entry and 2018, the 50-64 age groups will still have the highest representation in the PMA. The following map illustrates population growth rates in the state of South Carolina.



2000 - 2010 Population Growth Rate



Household Trends

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

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Greenville-Anderson-Mauldin, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	11,459	-	232,440	-	91,947,410	-
2000	12,999	1.3%	284,133	2.2%	105,991,193	1.5%
2013	13,262	0.2%	331,383	1.3%	119,423,008	1.0%
Projected Mkt Entry January 2016	13,375	0.3%	340,004	1.0%	121,674,876	0.8%
2018	13,487	0.3%	348,624	1.0%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

AVERAGE HOUSEHOLD SIZE

Year	PMA		Greenville-Anderson-Mauldin, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.45	-	2.47	-	2.58	-
2013	2.47	0.1%	2.49	0.1%	2.57	0.0%
Projected Mkt Entry January 2016	2.47	0.0%	2.49	0.0%	2.57	0.0%
2018	2.47	0.0%	2.49	0.0%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

POPULATION IN GROUP QUARTERS

Year	PMA	Annual Change	Greenville-Anderson-Mauldin, SC MSA	Annual Change
2000	754		23538	
2013	840	0.9%	24073	0.2%
2018	840	0.0%	24073	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

Similar to population trends, the total number of households in the PMA increased at 0.2 percent per annum, a slower rate than the MSA and nation between 2000 and 2013. Through market entry date and 2018, the total number of households in the PMA is expected to increase by 0.3 percent, still remaining below the growth rate of the MSA and nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of group quarters in the PMA and MSA grew between 2000 and 2013; however, no growth is expected in these categories from 2013 through 2018.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2018.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	10,495	80.7%	2,504	19.3%
2013	9,998	75.4%	3,264	24.6%
Projected Mkt Entry				
January 2016	10,103	75.5%	3,272	24.5%
2018	10,207	75.7%	3,280	24.3%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

The PMA is dominated by owner-occupied housing units. In 2013, there were approximately 3,264 renter-occupied households in the PMA, equaling 24.6 percent of households in the PMA. Through market entry and 2018, the number of renter households is expected to increase slightly; however, the percentage of renter-occupied households in the PMA is expected to decline by 30 basis points.

Household Income

The following table depicts household income in the PMA from 2013 to 2018.

Income Cohort	2000		2013		Projected Mkt Entry January 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,625	12.3%	1,773	13.4%	1,884	14.1%	1,994	14.8%
\$10,000-19,999	2,023	15.3%	2,735	20.6%	2,835	21.2%	2,935	21.8%
\$20,000-29,999	1,947	14.7%	2,054	15.5%	2,078	15.5%	2,102	15.6%
\$30,000-39,999	1,878	14.2%	1,197	9.0%	1,211	9.1%	1,224	9.1%
\$40,000-49,999	1,489	11.2%	1,249	9.4%	1,283	9.6%	1,318	9.8%
\$50,000-59,999	1,093	8.2%	1,117	8.4%	1,103	8.2%	1,089	8.1%
\$60,000-74,999	1,449	10.9%	1,207	9.1%	1,165	8.7%	1,123	8.3%
\$75,000-99,999	864	6.5%	1,154	8.7%	1,102	8.2%	1,050	7.8%
\$100,000-124,999	303	2.3%	436	3.3%	401	3.0%	367	2.7%
\$125,000-149,999	150	1.1%	130	1.0%	122	0.9%	114	0.8%
\$150,000-199,999	72	0.5%	156	1.2%	142	1.1%	127	0.9%
\$200,000+	64	0.5%	54	0.4%	49	0.4%	44	0.3%
Total	12,957	97.7%	13,262	100.0%	13,375	100.0%	13,487	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, April 2014

The Subject will target households earning between \$19,886 and \$35,160. As the table above depicts, approximately 24.5 percent of households in the PMA are earning between \$20,000 and \$39,999 in 2013. Households within these income cohorts are expected to create demand for the Subject’s proposed units.

Renter Households by Number of Persons in the Household

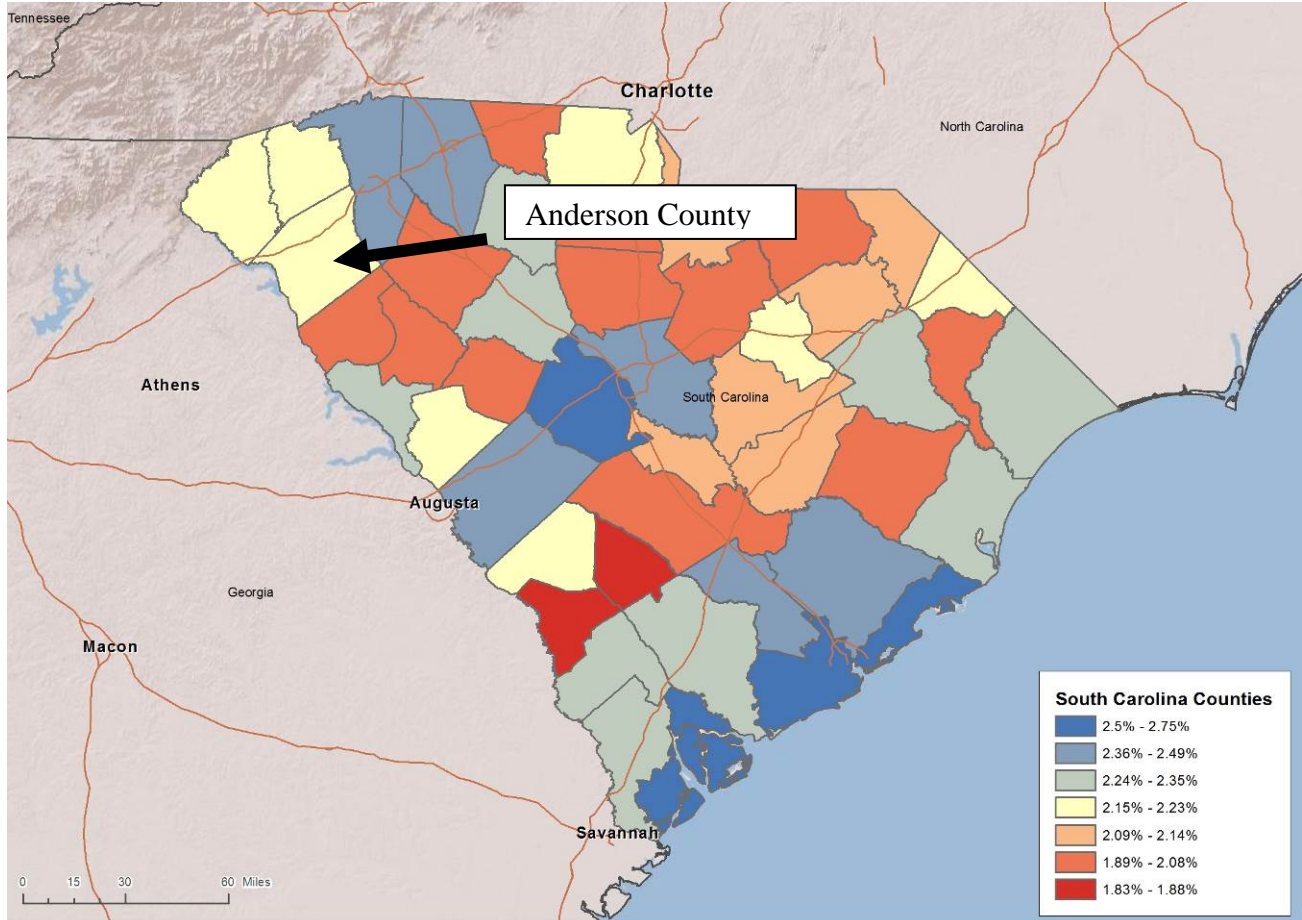
The following table illustrates household size for all households in the PMA. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households. As stated, the majority of households within the PMA are owner-occupied.

	2000		2013		Projected Mkt Entry January 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	29,928	36.8%	38,346	35.6%	39,357	35.7%	40,369	35.9%
With 2 Persons	23,484	28.9%	28,624	26.6%	29,189	26.5%	29,755	26.4%
With 3 Persons	13,276	16.3%	17,908	16.6%	18,319	16.6%	18,731	16.6%
With 4 Persons	8,740	10.7%	12,757	11.8%	12,950	11.8%	13,144	11.7%
With 5+ Persons	5,940	7.3%	10,089	9.4%	10,309	9.4%	10,529	9.4%
Total Renter Households	81,367	100.0%	107,723	100.0%	110,125	100.0%	112,526	100.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

Approximately 64.4 percent of renter households resided in a two to five or more-person household in the PMA in 2013. Over the next five years, this percentage is projected to remain relatively stable. The Subject will offer 23 two-bedroom units and 19 three-bedroom units, which bodes well with the local demographics.

The following map illustrates changes in median income by county in the state of South Carolina.



2000 - 2010 MHI Growth Rate



Conclusion

The population in the PMA increased at an annual rate of 0.2 percent from 2000 to 2013, a slower rate than the MSA and nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2018 at 0.3 percent per annum, a rate that will remain lower than the MSA and nation. Similarly, through the market entry date and 2018, the total number of households in the PMA is expected to increase by 0.3 percent, a rate below the growth rates of the MSA and nation. In 2013, the population in the PMA was concentrated most heavily in the 50-64 age groups, with these ages representing 21.8 of the total population in the PMA. Additionally, in 2013, there were approximately 3,264 renter-occupied households in the PMA, equaling 24.6 percent of households in the PMA. Through market entry and 2018, the number of renter households is expected to increase slightly. Approximately 43.9 percent of renter households resided in a two- or three-person household in the PMA in 2013. The Subject will offer 23 two-bedroom units and 19 three-bedroom units, which bodes well with the local demographics.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For senior properties we have assumed a maximum of one person per bedroom with a maximum household size of two persons.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Business Information Solutions to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website.

2. Affordability

As discussed above, the maximum income is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis.

3. Minimum and Maximum Income Levels

The following table illustrates the minimum and maximum income levels for the Subject’s units.

Income Cohorts		
Unit Type	Minimum Income	Maximum Income
2BR 50%	\$19,886	\$24,400
3BR 50%	\$24,171	\$29,300
2BR 60%	\$19,886	\$29,280
3BR 60%	\$24,171	\$35,160
Overall	\$19,886	\$35,160

4. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2013 as the base year for the analysis. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. As the Subject will target general tenancy and offer townhouse design, we have not considered this component.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, or funded in 2013 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to SCSHFDA, there are no existing LIHTC only properties in the PMA and no properties are currently proposed or under construction. Therefore, we have not removed any units from our demand analysis.

4 and 5. Method - Capture Rates

The above calculations and derived capture rates are illustrated in the following table.

Laurel Street Village								
PMA								
	2013		Projected Mkt Entry January 2016		2018		Percent Growth	
	#	%	#	%	#	%		
\$0-9,999	671	20.6%	700	21.4%	728	22.2%	7.8%	
\$10,000-19,999	969	29.7%	987	30.2%	1,005	30.7%	3.6%	
\$20,000-29,999	579	17.7%	573	17.5%	567	17.3%	-2.2%	
\$30,000-39,999	265	8.1%	256	7.8%	247	7.5%	-7.5%	
\$40,000-49,999	137	4.2%	140	4.3%	143	4.4%	4.7%	
\$50,000-59,999	258	7.9%	249	7.6%	241	7.4%	-6.8%	
\$60,000-74,999	157	4.8%	149	4.5%	140	4.3%	-11.9%	
\$75,000-99,999	91	2.8%	88	2.7%	84	2.6%	-8.6%	
\$100,000-124,999	80	2.4%	74	2.3%	69	2.1%	-15.1%	
\$125,000-149,999	18	0.6%	20	0.6%	22	0.7%	19.2%	
\$150,000-199,999	24	0.7%	24	0.7%	24	0.7%	0.2%	
\$200,000+	15	0.5%	12	0.4%	9	0.3%	-74.6%	
Total	3,264	100.0%	3,272	100.0%	3,280	100.0%	0	

Households by Tenure Projected Mkt Entry January 2016		
	Number	Percentage
Renter	3,272	24.5%
Owner	10,103	75.5%
Total	13,375	100.0%

Renter Household Size for Projected Mkt Entry January 2016		
Size	Number	Percentage
1	1,117	34.15%
2	855	26.12%
3	546	16.68%
4	420	12.85%
5+	334	10.20%
Total	3,272	100%

50% AMI Demand

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$29,300 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	1.71			
\$10,000-19,999	2.41	30.2%	113	1.1%	0
\$20,000-29,999	1.40	17.5%	9,300	93.0%	1
\$30,000-39,999	0.63	7.8%		0.0%	0
\$40,000-49,999	0.34	4.3%		0.0%	0
\$50,000-59,999	0.61	7.6%		0.0%	0
\$60,000-74,999	0.36	4.5%		0.0%	0
\$75,000-99,999	0.21	2.7%		0.0%	0
\$100,000-124,999	0.18	2.3%		0.0%	0
\$125,000-149,999	0.05	0.6%		0.0%	0
\$150,000-199,999	0.06	0.7%		0.0%	0
\$200,000+	0.03	0.4%		0.0%	0
	8	100.0%			1
Percent of renter households within limits versus total number of renter households					16.62%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$29,300 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	700			
\$10,000-19,999	987	30.2%	\$113	1%	11
\$20,000-29,999	573	17.5%	\$9,300	93%	533
\$30,000-39,999	256	7.8%	\$0	0%	0
\$40,000-49,999	140	4.3%	\$0	0%	0
\$50,000-59,999	249	7.6%	\$0	0%	0
\$60,000-74,999	149	4.5%	\$0	0%	0
\$75,000-99,999	88	2.7%	\$0	0%	0
\$100,000-124,999	74	2.3%	\$0	0%	0
\$125,000-149,999	20	0.6%	\$0	0%	0
\$150,000-199,999	24	0.7%	\$0	0%	0
\$200,000+	12	0.4%	\$0	0%	0
	3,272	100.0%			544
Percent of renter households within limits versus total number of renter households					16.62%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2013 Median Income

Change from 2013 to Prj Mrkt Entry January 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
	35%	
	\$34,833	
	\$38,474	
	\$3,641	
	9.5%	
	0.7%	
	0.7%	Two year adjustment 1,0000
	\$29,300	
	\$29,300	
	5 Persons	
	50%	
	\$580	
	\$580.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	85%	15%	0%	0%	0%	100%
2	0%	15%	85%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	80%	20%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry January 2016

Income Target Population	50%
New Renter Households PMA	8
Percent Income Qualified	16.6%
New Renter Income Qualified Households	1

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	3,272
Income Qualified	16.6%
Income Qualified Renter Households	544
Percent Rent Overburdened Prj Mrkt Entry January 2016	35.0%
Rent Overburdened Households	190

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	544
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	3

Total Demand

Total Demand from Existing Households	194
Adjusted Demand from Existing Households	194
Total New Demand	1
Total Demand (New Plus Existing Households)	195

By Bedroom Demand

One Person	34.2%	67
Two Persons	26.1%	51
Three Persons	16.7%	33
Four Persons	12.8%	25
Five Persons	10.2%	20
Total	100.0%	195

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	57
Of two-person households in 1BR units	15%	8
Of one-person households in 2BR units	15%	10
Of two-person households in 2BR units	85%	43
Of three-person households in 2BR units	60%	20
Of three-person households in 3BR units	40%	13
Of four-person households in 3BR units	90%	23
Of five-person households in 3BR units	80%	16
Of four-person households in 4BR units	10%	3
Of five-person households in 4BR units	20%	4

Total Demand 195

Check OK

Total Demand by Bedroom 50%

2 BR 73

3 BR 51

Total Demand 124

Additions To Supply 2013 to Prj Mrkt Entry January 2016 50%

2 BR 0

3 BR 0

Total 0

Net Demand 50%

2 BR 73

3 BR 51

Total 124

Developer's Unit Mix 50%

2 BR 6

3 BR 5

Total 11

Capture Rate Analysis 50%

2 BR 8.2%

3 BR 9.7%

Total 8.9%

60% AMI Demand

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$35,160 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	1.71			
\$10,000-19,999	2.41	30.2%	113	1.1%	0
\$20,000-29,999	1.40	17.5%	9,999	100.0%	1
\$30,000-39,999	0.63	7.8%	5,160	51.6%	0
\$40,000-49,999	0.34	4.3%		0.0%	0
\$50,000-59,999	0.61	7.6%		0.0%	0
\$60,000-74,999	0.36	4.5%		0.0%	0
\$75,000-99,999	0.21	2.7%		0.0%	0
\$100,000-124,999	0.18	2.3%		0.0%	0
\$125,000-149,999	0.05	0.6%		0.0%	0
\$150,000-199,999	0.06	0.7%		0.0%	0
\$200,000+	0.03	0.4%		0.0%	0
	8	100.0%			2
Percent of renter households within limits versus total number of renter households					21.88%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$35,160 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	700			
\$10,000-19,999	987	30.2%	\$113	1%	11
\$20,000-29,999	573	17.5%	\$9,999	100%	573
\$30,000-39,999	256	7.8%	\$5,160	52%	132
\$40,000-49,999	140	4.3%	\$0	0%	0
\$50,000-59,999	249	7.6%	\$0	0%	0
\$60,000-74,999	149	4.5%	\$0	0%	0
\$75,000-99,999	88	2.7%	\$0	0%	0
\$100,000-124,999	74	2.3%	\$0	0%	0
\$125,000-149,999	20	0.6%	\$0	0%	0
\$150,000-199,999	24	0.7%	\$0	0%	0
\$200,000+	12	0.4%	\$0	0%	0
	3,272	100.0%			716
Percent of renter households within limits versus total number of renter households					21.88%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2013 Median Income

Change from 2013 to Prj Mrkt Entry January 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$34,833		
\$38,474		
\$3,641		
9.5%		
0.7%		
0.7%	Two year adjustment	1.0000
\$35,160		
\$35,160		
5 Persons		
60%		
\$580		
\$580.00		

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	85%	15%	0%	0%	0%	100%
2	0%	15%	85%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	80%	20%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry January 2016

Income Target Population	60%
New Renter Households PMA	8
Percent Income Qualified	21.9%
New Renter Income Qualified Households	2

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	3,272
Income Qualified	21.9%
Income Qualified Renter Households	716
Percent Rent Overburdened Prj Mrkt Entry January 2016	35.0%
Rent Overburdened Households	251

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	716
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	4

Total Demand

Total Demand from Existing Households	255
Adjusted Demand from Existing Households	255
Total New Demand	2
Total Demand (New Plus Existing Households)	257

By Bedroom Demand

One Person	34.2%	88
Two Persons	26.1%	67
Three Persons	16.7%	43
Four Persons	12.8%	33
Five Persons	10.2%	26
Total	100.0%	257

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	75
Of two-person households in 1BR units	15%	10
Of one-person households in 2BR units	15%	13
Of two-person households in 2BR units	85%	57
Of three-person households in 2BR units	60%	26
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	90%	30
Of five-person households in 3BR units	80%	21
Of four-person households in 4BR units	10%	3
Of five-person households in 4BR units	20%	5

Total Demand 257

Check OK

Total Demand by Bedroom 60%

2 BR 96

3 BR 68

Total Demand 164

Additions To Supply 2013 to Prj Mrkt Entry January 2016 60%

2 BR 0

3 BR 0

Total 0

Net Demand 60%

2 BR 96

3 BR 68

Total 164

Developer's Unit Mix 60%

2 BR 17

3 BR 14

Total 31

Capture Rate Analysis 60%

2 BR 17.7%

3 BR 20.6%

Total 18.9%

Overall Demand

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$35,160 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	%			
\$0-9,999	1.71	21.4%		0.0%	0
\$10,000-19,999	2.41	30.2%	113	1.1%	0
\$20,000-29,999	1.40	17.5%	9,999	100.0%	1
\$30,000-39,999	0.63	7.8%	5,160	51.6%	0
\$40,000-49,999	0.34	4.3%		0.0%	0
\$50,000-59,999	0.61	7.6%		0.0%	0
\$60,000-74,999	0.36	4.5%		0.0%	0
\$75,000-99,999	0.21	2.7%		0.0%	0
\$100,000-124,999	0.18	2.3%		0.0%	0
\$125,000-149,999	0.05	0.6%		0.0%	0
\$150,000-199,999	0.06	0.7%		0.0%	0
\$200,000+	0.03	0.4%		0.0%	0
	8	100.0%			2
Percent of renter households within limits versus total number of renter households					21.88%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,886		
Maximum Income Limit			\$35,160 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry January 2016		Income Brackets	Percent within Cohort	Households within Bracket
	Count	%			
\$0-9,999	700	21.4%	\$0	0%	0
\$10,000-19,999	987	30.2%	\$113	1%	11
\$20,000-29,999	573	17.5%	\$9,999	100%	573
\$30,000-39,999	256	7.8%	\$5,160	52%	132
\$40,000-49,999	140	4.3%	\$0	0%	0
\$50,000-59,999	249	7.6%	\$0	0%	0
\$60,000-74,999	149	4.5%	\$0	0%	0
\$75,000-99,999	88	2.7%	\$0	0%	0
\$100,000-124,999	74	2.3%	\$0	0%	0
\$125,000-149,999	20	0.6%	\$0	0%	0
\$150,000-199,999	24	0.7%	\$0	0%	0
\$200,000+	12	0.4%	\$0	0%	0
	3,272	100.0%			716
Percent of renter households within limits versus total number of renter households					21.88%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2013 Median Income

Change from 2013 to Prj Mrkt Entry January 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
	35%	
	\$34,833	
	\$38,474	
	\$3,641	
	9.5%	
	0.7%	
	0.7%	Two year adjustment 1.0000
	\$35,160	
	\$35,160	
	5 Persons	
	Overall	
	\$580	
	\$580.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	85%	15%	0%	0%	0%	100%
2	0%	15%	85%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	80%	20%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry January 2016

Income Target Population	Overall
New Renter Households PMA	8
Percent Income Qualified	21.9%
New Renter Income Qualified Households	2

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,272
Income Qualified	21.9%
Income Qualified Renter Households	716
Percent Rent Overburdened Prj Mrkt Entry January 2016	35.0%
Rent Overburdened Households	251

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	716
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	4

Total Demand

Total Demand from Existing Households	255
Adjusted Demand from Existing Households	255
Total New Demand	2
Total Demand (New Plus Existing Households)	257

By Bedroom Demand

One Person	34.2%	88
Two Persons	26.1%	67
Three Persons	16.7%	43
Four Persons	12.8%	33
Five Persons	10.2%	26
Total	100.0%	257

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	85%	75
Of two-person households in 1BR units	15%	10
Of one-person households in 2BR units	15%	13
Of two-person households in 2BR units	85%	57
Of three-person households in 2BR units	60%	26
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	90%	30
Of five-person households in 3BR units	80%	21
Of four-person households in 4BR units	10%	3
Of five-person households in 4BR units	20%	5
Total Demand		257
Check		OK

Total Demand by Bedroom	Overall
2 BR	96
3 BR	68
Total Demand	164

Additions To Supply 2013 to Prj Mrkt Entry January 2016	Overall
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
2 BR	96
3 BR	68
Total	164

Developer's Unit Mix	Overall
2 BR	23
3 BR	19
Total	42

Capture Rate Analysis	Overall
2 BR	24.0%
3 BR	28.0%
Total	25.6%

Conclusions

Several factors affect the indicated capture rates and are discussed following.

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option, particularly in the larger unit types. We believe this to be significant and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following tables summarize the demand and net demand and capture rates for the Subject.

Demand and Net Demand

	HH at 50% AMI (\$19,886 to \$29,300 income)	HH at 60% AMI (\$19,886 to \$35,160 income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	1	2	2
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	4	4
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	190	251	251
PLUS	+	+	+
Sub Total	195	257	257
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	195	257	257
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
Equals Net Demand	195	257	257

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
2BR at 50% AMI	73	0	73	6	8.2%
2BR at 60% AMI	51	0	51	5	9.7%
3BR at 50% AMI	96	0	96	17	17.7%
3BR at 60% AMI	68	0	68	14	20.6%
Overall	164	0	164	42	25.6%

As the analysis illustrates, the Subject’s capture rates vary from 8.2 to 20.6 percent with an overall capture rate of 25.6 percent. The Subject’s overall capture rates are all within SCSHFDA guidelines and we believe that there is demand for the Subject’s units.

Absorption Rate

Due to the age of the comparable properties, no absorption information was available for our analysis. The LIHTC comparables report a low overall vacancy rate of 3.8 percent and three of the four LIHTC comparables have wait lists. Therefore, based upon the demand calculation presented

within this report, which indicate reasonable capture rates and an ample number of income-qualified households, we believe that the Subject could absorb approximately seven units per month upon opening. This equals an absorption period of six months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We surveyed many properties that we chose not to use in the survey because they were not as comparable to the Subject as others that were selected.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Subsidized properties were excluded due to differing rent structures from the Subject without a subsidy.

The following table illustrates the excluded properties.

Property Name	City	Type	Tenancy	Reason for Exclusion
Shamrock Apartments	Honea Path	Section 8	Family	All units subsidized
Honea Path Townhomes	Honea Path	USDA	Family	All units subsidized
Belton Gardens Apts	Belton	USDA	Family	All units subsidized
Town Square	Belton	USDA	Family	All units subsidized
Cedar Ridge Manor	Ware Shoals	USDA	Senior	All units subsidized
Shoals Pointe Apts	Ware Shoals	USDA	Family	All units subsidized

LIHTC Competition

No LIHTC properties were allocated in the Subject’s PMA since 2010. There is only one LIHTC property in the PMA that offers units that operate without project-based rental assistance. Wildwood Apartments is a 30-unit USDA rental community located in Honea Path approximately 0.5 miles to the south of the Subject site. Wildwood Apartments was renovated with LIHTC in 2010 and offers one and two-bedroom units unit restricted at 40 percent AMI. Half (15) of the units operate with rental assistance. This property is 96.7 percent occupied with a wait list. We have included Wildwood Apartments as comparable given the limited availability of LIHTC data in the PMA.

Pipeline Construction

There are currently no planned or under construction multifamily rental units in the PMA.

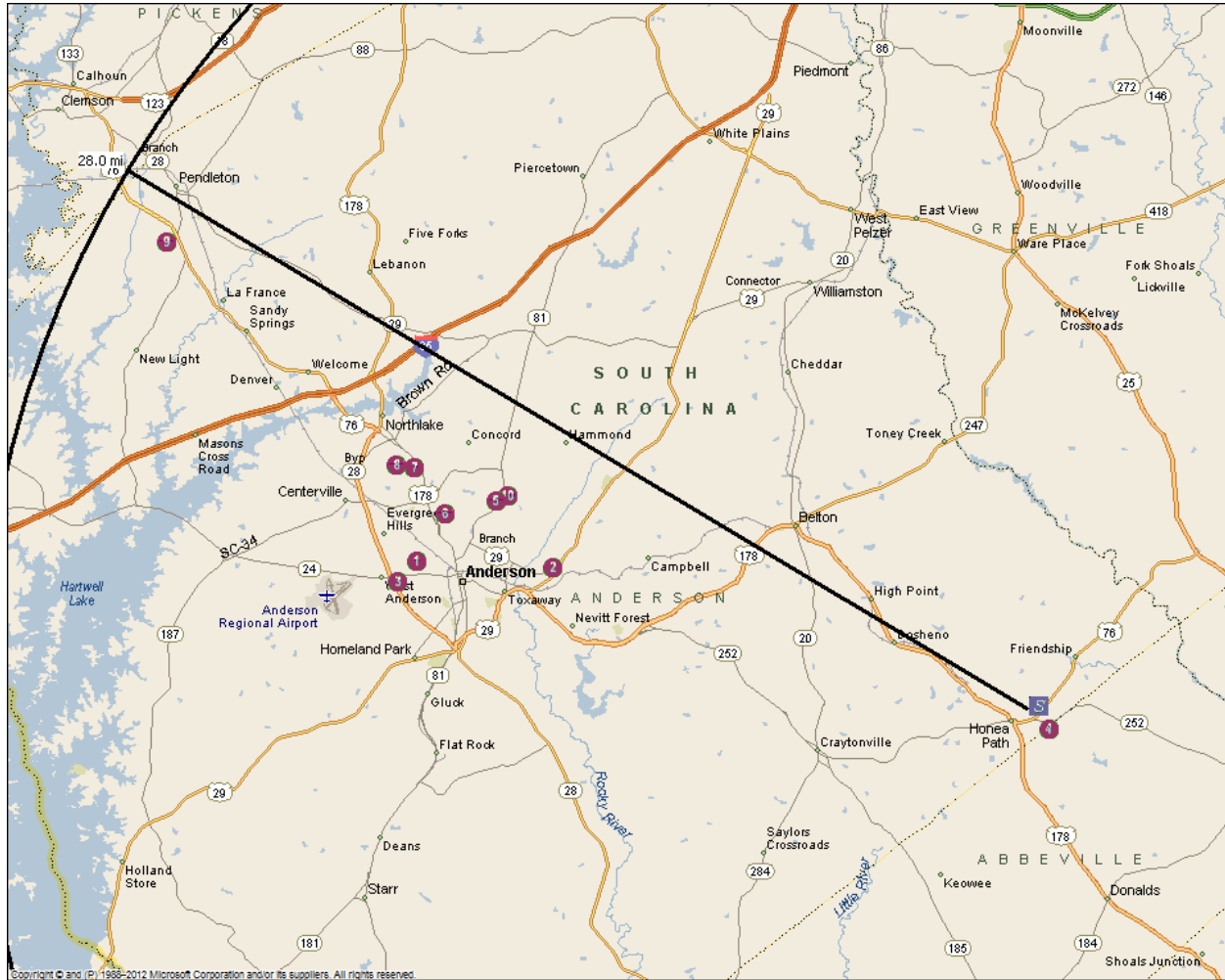
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 10 “true” comparable properties containing 1,038 units.

The availability of LIHTC and market rate data in the immediate market was limited and, therefore, we extended the search into Anderson, SC and Pendleton, SC located approximately 18 and 25 miles to the west in Anderson County. Of the LIHTC comparables, one is a mixed USDA Rural Development/LIHTC property located in Honea Path, while three are LIHTC properties in Anderson. We have also included six market rate properties located in Anderson and Pendleton. Furthermore, given the limited market rate data in the PMA, we have supplemented the rent analysis with classified listings (craigslist.com, hotpads.com, trulia.com) of two and three-bedroom units.

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

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Hampton Crest	Anderson	LIHTC	16.9 miles
2	Rocky Creek Village (fka Anderson Place)	Anderson	LIHTC	13.4 miles
3	The Park On Market	Anderson	LIHTC	17.2 miles
4	Wildwood Apartments	Honea Path	LIHTC	0.5 miles
5	Ashton Park Apartments	Anderson	Market	15.4 miles
6	Bailey Court	Anderson	Market	16.5 miles
7	Country Club Apartments	Anderson	Market	17.7 miles
8	Park Place	Anderson	Market	18.3 miles
9	Pendleton Place	Pendleton	Market	26.2 miles
10	Tanglewood Apartments	Anderson	Market	15.3 miles

The following tables illustrate unit mix by bedroom type and income level, square footage by bedroom type, year built, common area and in-unit amenities, rent per square foot, monthly rents and utilities included, and vacancy information for the comparable properties and the Subject in a comparative framework.

Laurel Street Village – Honea Path, SC – Market Study

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate			
Subject	Laurel Street Village Laurel Street Honea Path, SC 29654 Anderson County	n/a	Townhouse 2015 / n/a	@50%, @60%	2BR / 2BA	2	4.80%	@50%	\$394	1,000	no		N/A	N/A			
					2BR / 2BA	1	2.40%	@60%	\$394	1,000	no		N/A	N/A			
					2BR / 2.5BA	4	9.50%	@50%	\$394	1,000	no		N/A	N/A			
					2BR / 2.5BA	16	38.10%	@60%	\$394	1,000	no		N/A	N/A			
					3BR / 2BA	3	7.10%	@50%	\$479	1,150	yes		N/A	N/A			
					3BR / 2BA	10	23.80%	@60%	\$479	1,150	no		N/A	N/A			
					3BR / 2.5BA	2	4.80%	@50%	\$479	1,150	yes		N/A	N/A			
					3BR / 2.5BA	4	9.50%	@60%	\$479	1,150	no		N/A	N/A			
						42	100%									N/A	N/A
					1	Hampton Crest 101 Palmetto Lane Anderson, SC 29625 Anderson County	16.9 miles	Garden (3 stories) 2010 / n/a	@50%, @60%	1BR / 1BA	N/A	N/A	@50%	\$368	815	yes	No
					1BR / 1BA	N/A	N/A	@60%	\$443	815	yes	No	0	N/A			
					2BR / 2BA	N/A	N/A	@50%	\$434	1,047	yes	No	0	N/A			
					2BR / 2BA	N/A	N/A	@60%	\$510	1,047	yes	No	4	N/A			
					3BR / 2BA	N/A	N/A	@50%	\$498	1,251	yes	No	0	N/A			
					3BR / 2BA	N/A	N/A	@60%	\$587	1,251	yes	No	0	N/A			
						64	100%						4	6.20%			
2	Rocky Creek Village (fka Anderson Place) 1304 Williamston Road Anderson, SC 29621 Anderson County	13.4 miles	Single Family 2004 / n/a	@50%, @60%	2BR / 1BA	N/A	N/A	@50%	\$456	1,400	yes	Yes	0	N/A			
					2BR / 1BA	N/A	N/A	@60%	\$551	1,400	no	Yes	0	N/A			
					3BR / 2BA	N/A	N/A	@50%	\$518	1,400	yes	Yes	0	N/A			
					3BR / 2BA	N/A	N/A	@60%	\$658	1,400	no	Yes	0	N/A			
						35	100%						0	0.00%			
3	The Park On Market 1725 W Market Street Anderson, SC 29624 Anderson County	17.2 miles	Garden (3 stories) 2005 / n/a	@50%, @60%	2BR / 2BA	7	12.50%	@50%	\$478	1,120	yes	Yes, 3HH	N/A	N/A			
					2BR / 2BA	21	37.50%	@60%	\$478	1,120	no	Yes, 3HH	N/A	N/A			
					3BR / 2BA	7	12.50%	@50%	\$552	1,322	yes	Yes, 2HH	N/A	N/A			
					3BR / 2BA	21	37.50%	@60%	\$552	1,322	no	Yes, 2HH	N/A	N/A			
						56	100%						2	3.60%			
4	Wildwood Apartments 360 E Hampton Avenue Honea Path, SC 29654 Abbeville County	0.5 miles	Townhouse (2 stories) 1960's / 2010	@40%, @40% (RD 515)	1BR / 1BA	N/A	N/A	@40%	\$309	650	n/a	Yes, 2HH	0	N/A			
					1BR / 1BA	N/A	N/A	@40%	\$309	650	n/a	Yes	0	N/A			
					2BR / 2BA	N/A	N/A	@40%	\$369	850	n/a	Yes, 1HH	1	N/A			
					2BR / 2BA	N/A	N/A	@40%	\$369	850	n/a	Yes	0	N/A			
						30	100%						1	3.30%			
5	Ashton Park Apartments 50 Braeburn Drive Anderson, SC 29621 Anderson County	15.4 miles	Garden (3 stories) 2006 / n/a	Market	1BR / 1BA	54	25.00%	Market	\$772	850	n/a	No	N/A	N/A			
					1BR / 1BA	0	0.00%	Market	\$807	850	n/a	No	N/A	N/A			
					1BR / 1BA	0	0.00%	Market	\$737	850	n/a	No	N/A	N/A			
					2BR / 2BA	108	50.00%	Market	\$880	1,150	n/a	No	N/A	N/A			
					2BR / 2BA	0	0.00%	Market	\$940	1,200	n/a	No	N/A	N/A			
					2BR / 2BA	0	0.00%	Market	\$819	1,100	n/a	No	N/A	N/A			
					3BR / 2BA	54	25.00%	Market	\$975	1,450	n/a	No	N/A	N/A			
					3BR / 2BA	0	0.00%	Market	\$1,023	1,450	n/a	No	N/A	N/A			
					3BR / 2BA	0	0.00%	Market	\$927	1,450	n/a	No	N/A	N/A			
						216	100%						17	7.90%			
6	Bailey Court 106 Concord Avenue Anderson, SC 29621 Anderson County	16.5 miles	Various 1950 / 2003	Market	1BR / 1BA (Garden)	16	16.00%	Market	\$479	650	n/a	Yes, 10HH	0	0.00%			
					2BR / 1BA (Garden)	36	36.00%	Market	\$539	825	n/a	No	3	8.30%			
					2BR / 1BA (Townhouse)	40	40.00%	Market	\$559	900	n/a	No	0	0.00%			
					3BR / 1BA (Garden)	8	8.00%	Market	\$519	925	n/a	No	1	12.50%			
						100	100%						4	4.00%			
7	Country Club Apartments 200 Country Club Lane Anderson, SC 29625 Anderson County	17.7 miles	Various 1976 / n/a	Market	1BR / 1BA (Garden)	16	8.90%	Market	\$545	806	n/a	No	N/A	N/A			
					1BR / 1.5BA (Townhouse)	18	10.00%	Market	\$558	816	n/a	No	N/A	N/A			
					2BR / 1.5BA (Townhouse)	80	44.40%	Market	\$602	1,056	n/a	No	N/A	N/A			
					2BR / 2BA (Garden)	48	26.70%	Market	\$674	1,184	n/a	No	N/A	N/A			
					3BR / 2.5BA (Townhouse)	18	10.00%	Market	\$688	1,300	n/a	No	N/A	N/A			
						180	100%						13	7.20%			
8	Park Place 153 Civic Center Blvd. Anderson, SC 29621 Anderson County	18.3 miles	Garden (3 stories) 1999 / n/a	Market	1BR / 1BA	63	38.20%	Market	\$550	544	n/a	No	N/A	N/A			
					2BR / 1BA	39	23.60%	Market	\$590	864	n/a	No	N/A	N/A			
					2BR / 2BA	39	23.60%	Market	\$650	864	n/a	No	N/A	N/A			
					3BR / 3BA	24	14.50%	Market	\$765	1,030	n/a	No	N/A	N/A			
						165	100%						10	6.10%			
9	Pendleton Place 200 Woody Road Pendleton, SC 29670 Anderson County	26.2 miles	Townhouse (2 stories) 1980 / n/a	Market	2BR / 1.5BA	24	#####	Market	\$485	800	n/a	No	1	4.20%			
						24	100%						1	4.20%			
10	Tanglewood Apartments 2418 Marchbanks Avenue Anderson, SC 29621 Anderson County	15.2 miles	Garden (2 stories) 1976 / 2007	Market	1BR / 1BA	40	23.80%	Market	\$531	651	n/a	No	N/A	N/A			
					1BR / 1BA	0	0.00%	Market	\$536	651	n/a	No	N/A	N/A			
					1BR / 1BA	0	0.00%	Market	\$526	651	n/a	No	N/A	N/A			
					2BR / 1.5BA	112	66.70%	Market	\$616	925	n/a	No	N/A	N/A			
					2BR / 1.5BA	0	0.00%	Market	\$626	925	n/a	No	N/A	N/A			
					2BR / 1.5BA	0	0.00%	Market	\$606	925	n/a	No	N/A	N/A			
					3BR / 2BA	16	9.50%	Market	\$801	1,150	n/a	No	1	6.20%			
						168	100%						7	4.20%			

Laurel Street Village – Honea Path, SC – Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.									
Effective Rent Date:		Feb-14	Units Surveyed:		1038	Weighted Occupancy:		94.30%	
			Market Rate		853	Market Rate		93.90%	
			Tax Credit		185	Tax Credit		96.20%	
Two Bedrooms Two Bath			Two Bedrooms Two and a half Bath			Three Bedrooms Two Bath		Three Bedrooms Two and a half Bath	
RENT	Property	Average	Property	Average	Property	Average	Property	Average	
	Ashton Park Apartments	\$940	Ashton Park Apartments (2BA)	\$940	Ashton Park Apartments	\$1,023	Ashton Park Apartments (2BA)	\$1,023	
	Ashton Park Apartments	\$880	Ashton Park Apartments (2BA)	\$880	Ashton Park Apartments	\$975	Ashton Park Apartments (2BA)	\$975	
	Ashton Park Apartments	\$819	Ashton Park Apartments (2BA)	\$819	Ashton Park Apartments	\$927	Ashton Park Apartments (2BA)	\$927	
	Country Club Apartments	\$674	Country Club Apartments (2BA)	\$674	Tanglewood Apartments	\$801	Tanglewood Apartments (2BA)	\$801	
	Park Place	\$650	Park Place (2BA)	\$650	Park Place (3BA)	\$765	Park Place (3BA)	\$765	
	Tanglewood Apartments (1.5BA)	\$626	Tanglewood Apartments (1.5BA)	\$626	Country Club Apartments (2.5BA)	\$688	Country Club Apartments	\$688	
	Tanglewood Apartments (1.5BA)	\$616	Tanglewood Apartments (1.5BA)	\$616	Rocky Creek Village (Ika Anderson Place) * (60%)	\$658	Rocky Creek Village (Ika Anderson Place) * (2BA 60%)	\$658	
	Tanglewood Apartments (1.5BA)	\$606	Tanglewood Apartments (1.5BA)	\$606	Hampton Crest * (60%)	\$587	Hampton Crest * (2BA 60%)	\$587	
	Bailey Court (1BA)	\$559	Bailey Court (1BA)	\$559	The Park On Market * (50%)	\$552	The Park On Market * (2BA 50%)	\$552	
	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	\$551	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	\$551	The Park On Market * (60%)	\$552	The Park On Market * (2BA 60%)	\$552	
	Bailey Court (1BA)	\$539	Bailey Court (1BA)	\$539	Bailey Court (1BA)	\$519	Bailey Court (1BA)	\$519	
	Hampton Crest * (60%)	\$510	Hampton Crest * (2BA 60%)	\$510	Rocky Creek Village (Ika Anderson Place) * (50%)	\$518	Rocky Creek Village (Ika Anderson Place) * (2BA 50%)	\$518	
	Pendleton Place (1.5BA)	\$485	Pendleton Place (1.5BA)	\$485	Hampton Crest * (50%)	\$498	Hampton Crest * (2BA 50%)	\$498	
	The Park On Market * (50%)	\$478	The Park On Market * (2BA 50%)	\$478	Laurel Street Village * (50%)	\$479	Laurel Street Village * (50%)	\$479	
	The Park On Market * (60%)	\$478	The Park On Market * (2BA 60%)	\$478	Laurel Street Village * (60%)	\$479	Laurel Street Village * (60%)	\$479	
	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	\$456	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	\$456					
	Hampton Crest * (50%)	\$434	Hampton Crest * (2BA 50%)	\$434					
	Laurel Street Village * (50%)	\$394	Laurel Street Village * (50%)	\$394					
	Laurel Street Village * (60%)	\$394	Laurel Street Village * (60%)	\$394					
	Wildwood Apartments * (40%)	\$369	Wildwood Apartments * (2BA 40%)	\$369					
	Wildwood Apartments * (40%)	\$369	Wildwood Apartments * (2BA 40%)	\$369					
SQUARE FOOTAGE	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	1,400	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	1,400	Ashton Park Apartments	1,450	Ashton Park Apartments (2BA)	1,450	
	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	1,400	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	1,400	Ashton Park Apartments	1,450	Ashton Park Apartments (2BA)	1,450	
	Ashton Park Apartments	1,200	Ashton Park Apartments (2BA)	1,200	Ashton Park Apartments	1,450	Ashton Park Apartments (2BA)	1,450	
	Country Club Apartments	1,184	Country Club Apartments (2BA)	1,184	Rocky Creek Village (Ika Anderson Place) * (50%)	1,400	Rocky Creek Village (Ika Anderson Place) * (2BA 50%)	1,400	
	Ashton Park Apartments	1,150	Ashton Park Apartments (2BA)	1,150	Rocky Creek Village (Ika Anderson Place) * (60%)	1,400	Rocky Creek Village (Ika Anderson Place) * (2BA 60%)	1,400	
	The Park On Market * (50%)	1,120	The Park On Market * (2BA 50%)	1,120	The Park On Market * (50%)	1,322	The Park On Market * (2BA 50%)	1,322	
	The Park On Market * (60%)	1,120	The Park On Market * (2BA 60%)	1,120	The Park On Market * (60%)	1,322	The Park On Market * (2BA 60%)	1,322	
	Ashton Park Apartments	1,100	Ashton Park Apartments (2BA)	1,100	Country Club Apartments (2.5BA)	1,300	Country Club Apartments	1,300	
	Hampton Crest * (50%)	1,047	Hampton Crest * (2BA 50%)	1,047	Hampton Crest * (50%)	1,251	Hampton Crest * (2BA 50%)	1,251	
	Hampton Crest * (60%)	1,047	Hampton Crest * (2BA 60%)	1,047	Hampton Crest * (60%)	1,251	Hampton Crest * (2BA 60%)	1,251	
	Laurel Street Village * (50%)	1,000	Laurel Street Village * (50%)	1,000	Laurel Street Village * (50%)	1,150	Laurel Street Village * (50%)	1,150	
	Laurel Street Village * (60%)	1,000	Laurel Street Village * (60%)	1,000	Laurel Street Village * (60%)	1,150	Laurel Street Village * (60%)	1,150	
	Tanglewood Apartments (1.5BA)	925	Tanglewood Apartments (1.5BA)	925	Tanglewood Apartments	1,150	Tanglewood Apartments (2BA)	1,150	
	Tanglewood Apartments (1.5BA)	925	Tanglewood Apartments (1.5BA)	925	Park Place (3BA)	1,030	Park Place (3BA)	1,030	
	Tanglewood Apartments (1.5BA)	925	Tanglewood Apartments (1.5BA)	925	Bailey Court (1BA)	925	Bailey Court (1BA)	925	
	Park Place	864	Park Place (2BA)	864					
	Wildwood Apartments * (40%)	850	Wildwood Apartments * (2BA 40%)	850					
	Wildwood Apartments * (40%)	850	Wildwood Apartments * (2BA 40%)	850					
	Bailey Court (1BA)	825	Bailey Court (1BA)	825					
	Pendleton Place (1.5BA)	800	Pendleton Place (1.5BA)	800					
RENT PER SQUARE FOOT	Ashton Park Apartments	\$0.78	Ashton Park Apartments (2BA)	\$0.78	Park Place (3BA)	\$0.74	Park Place (3BA)	\$0.74	
	Ashton Park Apartments	\$0.77	Ashton Park Apartments (2BA)	\$0.77	Ashton Park Apartments	\$0.71	Ashton Park Apartments (2BA)	\$0.71	
	Park Place	\$0.75	Park Place (2BA)	\$0.75	Tanglewood Apartments	\$0.70	Tanglewood Apartments (2BA)	\$0.70	
	Ashton Park Apartments	\$0.74	Ashton Park Apartments (2BA)	\$0.74	Ashton Park Apartments	\$0.67	Ashton Park Apartments (2BA)	\$0.67	
	Tanglewood Apartments (1.5BA)	\$0.68	Tanglewood Apartments (1.5BA)	\$0.68	Ashton Park Apartments	\$0.64	Ashton Park Apartments (2BA)	\$0.64	
	Tanglewood Apartments (1.5BA)	\$0.67	Tanglewood Apartments (1.5BA)	\$0.67	Bailey Court (1BA)	\$0.56	Bailey Court (1BA)	\$0.56	
	Tanglewood Apartments (1.5BA)	\$0.66	Tanglewood Apartments (1.5BA)	\$0.66	Country Club Apartments (2.5BA)	\$0.53	Country Club Apartments	\$0.53	
	Bailey Court (1BA)	\$0.65	Bailey Court (1BA)	\$0.65	Rocky Creek Village (Ika Anderson Place) * (60%)	\$0.47	Rocky Creek Village (Ika Anderson Place) * (2BA 60%)	\$0.47	
	Bailey Court (1BA)	\$0.62	Bailey Court (1BA)	\$0.62	Hampton Crest * (60%)	\$0.47	Hampton Crest * (2BA 60%)	\$0.47	
	Pendleton Place (1.5BA)	\$0.61	Pendleton Place (1.5BA)	\$0.61	The Park On Market * (50%)	\$0.42	The Park On Market * (2BA 50%)	\$0.42	
	Country Club Apartments	\$0.57	Country Club Apartments (2BA)	\$0.57	The Park On Market * (60%)	\$0.42	The Park On Market * (2BA 60%)	\$0.42	
	Hampton Crest * (60%)	\$0.49	Hampton Crest * (2BA 60%)	\$0.49	Laurel Street Village * (50%)	\$0.42	Laurel Street Village * (50%)	\$0.42	
	Wildwood Apartments * (40%)	\$0.43	Wildwood Apartments * (2BA 40%)	\$0.43	Laurel Street Village * (60%)	\$0.42	Laurel Street Village * (60%)	\$0.42	
	Wildwood Apartments * (40%)	\$0.43	Wildwood Apartments * (2BA 40%)	\$0.43	Hampton Crest * (50%)	\$0.40	Hampton Crest * (2BA 50%)	\$0.40	
	The Park On Market * (50%)	\$0.43	The Park On Market * (2BA 50%)	\$0.43	Rocky Creek Village (Ika Anderson Place) * (50%)	\$0.37	Rocky Creek Village (Ika Anderson Place) * (2BA 50%)	\$0.37	
	The Park On Market * (60%)	\$0.43	The Park On Market * (2BA 60%)	\$0.43					
	Hampton Crest * (50%)	\$0.41	Hampton Crest * (2BA 50%)	\$0.41					
	Laurel Street Village * (50%)	\$0.39	Laurel Street Village * (50%)	\$0.39					
	Laurel Street Village * (60%)	\$0.39	Laurel Street Village * (60%)	\$0.39					
	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	\$0.39	Rocky Creek Village (Ika Anderson Place) * (1BA 60%)	\$0.39					
	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	\$0.33	Rocky Creek Village (Ika Anderson Place) * (1BA 50%)	\$0.33					

PROPERTY PROFILE REPORT

Hampton Crest

Effective Rent Date 2/17/2014
Location 101 Palmetto Lane
 Anderson, SC 29625
 Anderson County
Distance 16.9 miles
Units 64
Vacant Units 4
Vacancy Rate 6.2%
Type Garden (3 stories)
Year Built/Renovated 2010 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Oak Place
Tenant Characteristics None identified
Contact Name Belinda
Phone 864-224-7700



Market Information

Program @50%, @60%
Annual Turnover Rate 38%
Units/Month Absorbed N/A
HCV Tenants 8%
Leasing Pace Within four days
Annual Chg. in Rent Increased two to three percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	815	\$424	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	815	\$499	\$0	@60%	No	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,047	\$503	\$0	@50%	No	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,047	\$579	\$0	@60%	No	4	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,251	\$580	\$0	@50%	No	0	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,251	\$669	\$0	@60%	No	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$424	\$0	\$424	-\$56	\$368	1BR / 1BA	\$499	\$0	\$499	-\$56	\$443
2BR / 2BA	\$503	\$0	\$503	-\$69	\$434	2BR / 2BA	\$579	\$0	\$579	-\$69	\$510
3BR / 2BA	\$580	\$0	\$580	-\$82	\$498	3BR / 2BA	\$669	\$0	\$669	-\$82	\$587

Hampton Crest, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Courtyard
Central Laundry
On-Site Management
Recreation Areas

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The contact could not provide the unit breakdown. Additionally, the contact would not provide tenant characteristics, citing the Fair Housing Act. When asked about current market conditions, the contact replied that the market is strong. The contact added that turnover at the property is due to job transfers and tenants purchasing homes.

PROPERTY PROFILE REPORT

Rocky Creek Village (fka Anderson Place)

Effective Rent Date	2/19/2014
Location	1304 Williamston Road Anderson, SC 29621 Anderson County
Distance	13.4 miles
Units	35
Vacant Units	0
Vacancy Rate	0.0%
Type	Single Family
Year Built/Renovated	2004 / N/A
Marketing Began	12/01/2004
Leasing Began	12/01/2004
Last Unit Leased	1/31/2005
Major Competitors	None identified
Tenant Characteristics	Approximately 10 percent senior tenants. Most of the tenants are from the area.
Contact Name	Sherry
Phone	864.260.9011



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	71%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Single Family	N/A	1,400	\$525	\$0	@50%	Yes, 1HH	0	N/A	yes	None
2	1	Single Family	N/A	1,400	\$620	\$0	@60%	Yes, 1HH	0	N/A	no	None
3	2	Single Family	N/A	1,400	\$600	\$0	@50%	Yes, 5HH	0	N/A	yes	None
3	2	Single Family	N/A	1,400	\$740	\$0	@60%	Yes, 5HH	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$525	\$0	\$525	-\$69	\$456	2BR / 1BA	\$620	\$0	\$620	-\$69	\$551
3BR / 2BA	\$600	\$0	\$600	-\$82	\$518	3BR / 2BA	\$740	\$0	\$740	-\$82	\$658

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Rocky Creek Village (fka Anderson Place), continued

Comments

The contact could not provide a reason for the high voucher use at the property, and added that the voucher rate is typical for the property. The contact noted that the three-bedroom unit is the most demanded unit type at the property. When asked about current market conditions, the contact replied that the market is strong.

PROPERTY PROFILE REPORT

The Park On Market

Effective Rent Date	2/11/2014
Location	1725 W Market Street Anderson, SC 29624 Anderson County
Distance	17.2 miles
Units	56
Vacant Units	2
Vacancy Rate	3.6%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	4/01/2005
Last Unit Leased	5/15/2005
Major Competitors	Oak Place
Tenant Characteristics	Majority families, approximately 10 percent seniors. Most of the tenants are from Anderson.
Contact Name	Shirley
Phone	(864) 964-9551



Market Information

Program	@50%, @60%
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	7	1,120	\$478	\$0	@50%	Yes, 3HH	N/A	N/A	yes	None
2	2	Garden (3 stories)	21	1,120	\$478	\$0	@60%	Yes, 3HH	N/A	N/A	no	None
3	2	Garden (3 stories)	7	1,322	\$552	\$0	@50%	Yes, 2HH	N/A	N/A	yes	None
3	2	Garden (3 stories)	21	1,322	\$552	\$0	@60%	Yes, 2HH	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$478	\$0	\$478	\$0	\$478	2BR / 2BA	\$478	\$0	\$478	\$0	\$478
3BR / 2BA	\$552	\$0	\$552	\$0	\$552	3BR / 2BA	\$552	\$0	\$552	\$0	\$552

The Park On Market, continued

Amenities

In-Unit

Balcony/Patio
Ceiling Fan
Microwave
Refrigerator

Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Playground

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact stated that the two current vacancies at the property are pre-leased. When asked about current market conditions, the contact replied that the market is strong, and added that she has received a significant amount of phone calls from individuals who are interested in the property.

PROPERTY PROFILE REPORT

Wildwood Apartments

Effective Rent Date	2/22/2014
Location	360 E Hampton Avenue Honea Path, SC 29654 Abbeville County
Distance	0.5 miles
Units	30
Vacant Units	1
Vacancy Rate	3.3%
Type	Townhouse (2 stories)
Year Built/Renovated	1960's / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	50 percent families. Most of the tenants are from Honea Path.
Contact Name	Donna
Phone	864-369-2516



Market Information

Program	@40%, @40% (RD 515)
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased one percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	650	\$365	\$0	@40%	Yes, 2HH	0	N/A	N/A	None
1	1	Townhouse (2 stories)	N/A	650	\$365	\$0	@40% (RD 515)	Yes	0	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	850	\$438	\$0	@40%	Yes, 1HH	1	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	850	\$438	\$0	@40% (RD 515)	Yes	0	N/A	N/A	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$365	\$0	\$365	-\$56	\$309
2BR / 2BA	\$438	\$0	\$438	-\$69	\$369

Wildwood Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Oven
Walk-In Closet

Security

None

Services

None

Property

Courtyard
Off-Street Parking
Picnic Area
Recreation Areas

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The property has 12 one-bedroom units and 18 two-bedroom units. Fifteen of the units are rental-assistance units, while the other 15 are not. The contact was unable to provide the breakdown of the number of one- and two-bedroom units that operate without rental assistance. The basic rent is equal to the 40 percent AMI LIHTC rent and indicated that 12 tenants are paying the current basic rents. The contact said that the note rent was \$430 for a one-bedroom and \$503 for a two-bedroom; however, no tenants currently pay the note rent. The contact noted that tenants must be a resident at the property in order to be considered for rental assistance, and the approximate wait for a rental assistance unit is three years. The property offers exterior storage on two-bedroom units, but does not charge a fee for this amenity.

When asked about current market conditions, the contact replied that the market is strong.

PROPERTY PROFILE REPORT

Ashton Park Apartments

Effective Rent Date	2/11/2014
Location	50 Braeburn Drive Anderson, SC 29621 Anderson County
Distance	15.4 miles
Units	216
Vacant Units	17
Vacancy Rate	7.9%
Type	Garden (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Walden Oaks and Shadow Creek
Tenant Characteristics	Approximately 40 percent students.
Contact Name	Epiphany
Phone	864-367-0143



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Rents change daily - Yield Star
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	54	850	\$759	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	0	850	\$794	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	0	850	\$724	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	108	1,150	\$867	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	0	1,200	\$927	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	0	1,100	\$806	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	54	1,450	\$962	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Garden (3 stories)	0	1,450	\$1,010	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	0	1,450	\$914	\$0	Market	No	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$724 - \$794	\$0	\$724 - \$794	\$13	\$737 - \$807
2BR / 2BA	\$806 - \$927	\$0	\$806 - \$927	\$13	\$819 - \$940
3BR / 2BA	\$914 - \$1,010	\$0	\$914 - \$1,010	\$13	\$927 - \$1,023

Ashton Park Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Coat Closet
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool
Volleyball Court

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground
Theatre
Wi-Fi

Premium

None

Other

None

Comments

The contact could not provide vacancy by unit type. The contact stated that the property is currently at 92 percent occupancy, and added that the property normally operates at 98 percent occupancy. The contact attributed the above average amount of vacancy to a slow winter season. The property does not accept Housing Choice Vouchers. The contact stated that turnover at the property is due to tenants purchasing homes, and students moving out at the end of the school year. The contact noted that the two-bedroom unit is the most popular unit type at the property.

PROPERTY PROFILE REPORT

Bailey Court

Effective Rent Date	2/17/2014
Location	106 Concord Avenue Anderson, SC 29621 Anderson County
Distance	16.5 miles
Units	100
Vacant Units	4
Vacancy Rate	4.0%
Type	Various
Year Built/Renovated	1950 / 2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rain Tree Apts, Tanglewood Apts
Tenant Characteristics	Majority singles, approximately 30 percent seniors. Most of the tenants are from Anderson.
Contact Name	Erin
Phone	864.224.2271



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Within two months
Annual Chg. in Rent	Increased five to six percent
Concession	None

Utilities

A/C	included -- central
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	16	650	\$625	\$0	Market	Yes,	0	0.0%	N/A	None
2	1	Garden	36	825	\$725	\$0	Market	No	3	8.3%	N/A	None
2	1	Townhouse	40	900	\$745	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden	8	925	\$745	\$0	Market	No	1	12.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	-\$146	\$479
2BR / 1BA	\$725 - \$745	\$0	\$725 - \$745	-\$186	\$539 - \$559
3BR / 1BA	\$745	\$0	\$745	-\$226	\$519

Bailey Court, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Off-Street Parking

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact stated that turnover at the property is due to job transfers and tenants purchasing homes.

PROPERTY PROFILE REPORT

Country Club Apartments

Effective Rent Date	2/11/2014
Location	200 Country Club Lane Anderson, SC 29625 Anderson County
Distance	17.7 miles
Units	180
Vacant Units	13
Vacancy Rate	7.2%
Type	Various
Year Built/Renovated	1976 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Tanglewood
Tenant Characteristics	Majority families, most of the tenants are from out of the area.
Contact Name	Victoria
Phone	864.225.3283



Market Information

Program	Market
Annual Turnover Rate	55%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	16	806	\$545	\$0	Market	No	N/A	N/A	N/A	None
1	1.5	Townhouse	18	816	\$558	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse	80	1,056	\$602	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	48	1,184	\$674	\$0	Market	No	N/A	N/A	N/A	None
3	2.5	Townhouse	18	1,300	\$688	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$545	\$0	\$545	\$0	\$545
1BR / 1.5BA	\$558	\$0	\$558	\$0	\$558
2BR / 1.5BA	\$602	\$0	\$602	\$0	\$602
2BR / 2BA	\$674	\$0	\$674	\$0	\$674
3BR / 2.5BA	\$688	\$0	\$688	\$0	\$688

Country Club Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Central Laundry
On-Site Management
Tennis Court

Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The contact said that rents had increased over the past year; however, she was unable to note the percentage or amount that they had increased. The contact noted that vacancy is typically lower, and attributed the above average vacancy rate to a slow winter season.

PROPERTY PROFILE REPORT

Park Place

Effective Rent Date 2/11/2014
Location 153 Civic Center Blvd.
 Anderson, SC 29621
 Anderson County
Distance 18.3 miles
Units 165
Vacant Units 10
Vacancy Rate 6.1%
Type Garden (3 stories)
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Hamptons, Country Club
Tenant Characteristics 50 percent of the tenants are local.
Contact Name Brittany
Phone 864-222-2333



Market Information

Program Market
Annual Turnover Rate 60%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace Within three weeks
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	63	544	\$550	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	39	864	\$590	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	39	864	\$650	\$0	Market	No	N/A	N/A	N/A	None
3	3	Garden (3 stories)	24	1,030	\$765	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	\$0	\$550
2BR / 1BA	\$590	\$0	\$590	\$0	\$590
2BR / 2BA	\$650	\$0	\$650	\$0	\$650
3BR / 3BA	\$765	\$0	\$765	\$0	\$765

Park Place, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Furnishing
Refrigerator

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The contact could not provide vacancy by unit type. The contact added that a significant amount of tenants relocate to the area for work.

PROPERTY PROFILE REPORT

Pendleton Place

Effective Rent Date	2/11/2014
Location	200 Woody Road Pendleton, SC 29670 Anderson County
Distance	26.2 miles
Units	24
Vacant Units	1
Vacancy Rate	4.2%
Type	Townhouse (2 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mainly families from Anderson County
Contact Name	Kerry
Phone	864-654-1000



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased two percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	24	800	\$485	\$0	Market	No	1	4.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$485	\$0	\$485	\$0	\$485

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Blinds		
Central A/C		
Dishwasher		
Oven		
Walk-In Closet		

Property	Premium	Other
Off-Street Parking	None	None

Comments

The property does not accept Housing Choice Vouchers. The contact stated that turnover at the property is due to job transfers and tenants purchasing homes. When asked about current market conditions, the contact replied that the market is strong.

PROPERTY PROFILE REPORT

Tanglewood Apartments

Effective Rent Date	2/11/2014
Location	2418 Marchbanks Avenue Anderson, SC 29621 Anderson County
Distance	15.2 miles
Units	168
Vacant Units	7
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Raintree, Ashton Park
Tenant Characteristics	Majority families.
Contact Name	Tanna
Phone	864-226-5254



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Rents change daily - LRO
Concession	200 dollars off March rent on all unit

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	651	\$535	\$17	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (2 stories)	0	651	\$540	\$17	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (2 stories)	0	651	\$530	\$17	Market	No	N/A	N/A	N/A	LOW
2	1.5	Garden (2 stories)	112	925	\$620	\$17	Market	No	N/A	N/A	N/A	AVG
2	1.5	Garden (2 stories)	0	925	\$630	\$17	Market	No	N/A	N/A	N/A	HIGH
2	1.5	Garden (2 stories)	0	925	\$610	\$17	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (2 stories)	16	1,150	\$805	\$17	Market	No	1	6.2%	N/A	AVG*
3	2	Garden (2 stories)	0	1,150	\$815	\$17	Market	No	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	0	1,150	\$795	\$17	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$530 - \$540	\$17	\$513 - \$523	\$13	\$526 - \$536
2BR / 1.5BA	\$610 - \$630	\$17	\$593 - \$613	\$13	\$606 - \$626
3BR / 2BA	\$795 - \$815	\$17	\$778 - \$798	\$13	\$791 - \$811

Tanglewood Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Exterior Storage
Furnishing
Hand Rails
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Central Laundry
On-Site Management
Swimming Pool

Off-Street Parking
Sport Court
Tennis Court

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The contact stated that turnover at the property is due to job transfers or tenants purchasing homes. The contact noted that the property generally maintains a higher occupancy rate; however, there have been some recent evictions at the property. When asked about the current market, the contact replied that market conditions are starting to improve.

Comparable Property Analysis

Vacancy

The following tables summarize overall vacancy rates for the comparable properties.

OVERALL VACANCY (ALL PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Hampton Crest	@50%, @60%	64	4	6.2%
Rocky Creek Village (fka Anderson Place)	@50%, @60%	35	0	0.0%
The Park On Market	@50%, @60%	56	2	3.6%
Wildwood Apartments	@40%/Rural Development	30	1	3.3%
Ashton Park Apartments	Market	216	17	7.9%
Bailey Court	Market	100	4	4.0%
Country Club Apartments	Market	180	13	7.2%
Park Place	Market	165	10	6.1%
Pendleton Place	Market	24	1	4.2%
Tanglewood Apartments	Market	<u>168</u>	<u>7</u>	<u>4.2%</u>
Total		1,038	59	5.7%

OVERALL VACANCY (LIHTC PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Hampton Crest	@50%, @60%	64	4	6.2%
Rocky Creek Village (fka Anderson Place)	@50%, @60%	35	0	0.0%
The Park On Market	@50%, @60%	56	2	3.6%
Wildwood Apartments	@40%/Rural Development	<u>30</u>	<u>1</u>	<u>3.3%</u>
Total		185	7	3.8%

OVERALL VACANCY (MARKET RATE PROPERTIES)

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Park Apartments	Market	216	17	7.9%
Bailey Court	Market	100	4	4.0%
Country Club Apartments	Market	180	13	7.2%
Park Place	Market	165	10	6.1%
Pendleton Place	Market	24	1	4.2%
Tanglewood Apartments	Market	<u>168</u>	<u>7</u>	<u>4.2%</u>
Total		853	52	6.1%

Overall vacancy in the local market is stable at 5.7 percent. The four properties with LIHTC units reported an average vacancy rate of 3.8 percent, with one LIHTC comparable reporting vacancy of 6.2 percent and the other reporting 3.6 percent vacancy or less. The only LIHTC comparable in Honea Path, Wildwood Apartments, reported a vacancy of 3.3 percent with a wait list. Two of the remaining three LIHTC comparables reported wait lists.

Vacancy among the market rate properties is considered stable at 6.1 percent. Management at Ashton Park Apartments and Country Club Apartments, which reported the highest vacancies at 7.9 and 7.2 percent, respectively, indicated that vacancies were higher than typical due to a slow winter season. Overall, the local rental market appears to be healthy and we believe that the Subject will maintain a stabilized vacancy rate of five percent or less following stabilization. This is consistent with the LIHTC average. Furthermore, property managers in the local market reported that historically, vacancy rates have ranged between three and six percent over the past few years and that the current rental market is performing well.

LIHTC VACANCY – ALL LIHTC PROPERTIES

As previously discussed, the only LIHTC property in the PMA is Wildwood Apartments, which is located in Honea Path, approximately 0.5 miles south of the Subject site. Wildwood Apartments was LIHTC renovated in 2010 and offers one and two-bedroom units restricted at 40 percent AMI. Half (15) of the units operate with rental assistance. This property reported a 3.3 percent vacancy with a three-household wait list for non-subsidized units.

Reasonability of Rents

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCHFDA Utility Allowances for the Update State Region effective through December 2014. The rent analysis is based on net rents at the Subject as well as surveyed properties.

LIHTC Rent Comparison - @50%

Property Name	2BR	3BR
Laurel Street Village (Subject)	\$394	\$479
LIHTC Maximum (Net)	\$424	\$479
Rocky Creek Village (fka Anderson Place)	\$456	\$518
Hampton Crest	\$434	\$498
The Park On Market	\$478	\$552
Wildwood Apartments (40%)	\$309	\$369
Average (excluding Subject)	\$419	\$484

LIHTC Rent Comparison - @60%

Property Name	2BR	3BR
Laurel Street Village (Subject)	\$394	\$479
LIHTC Maximum (Net)	\$546	\$620
Rocky Creek Village (fka Anderson Place)	\$551	\$658
Hampton Crest	\$510	\$587
The Park On Market	\$478	\$552
Average (excluding Subject)	\$513	\$599

The Subject’s pro forma 50 and 60 percent AMI rents are set equal to each other and all are below both the 50 and 60 percent AMI maximum allowable rents. The comparable LIHTC properties were placed in service in 2010 or earlier and, therefore, may have their rents held harmless to the 2012 maximum allowable levels. All of the comparables reported 50 percent AMI rents above the 2014 maximum allowable levels. Additionally, Rocky Creek Village reported 60 percent AMI rents above the 2014 maximum allowable levels. All of the comparables restricted at 50 and 60 percent AMI are located in Anderson, which is a generally superior community than Honea Path. The Subject’s pro forma 50 percent rents are moderately below the LIHTC comparables in Anderson, while the 60 percent rents are well below. Wildwood Apartments, which has a similar location as the Subject in Honea Path, is restricted at 40 percent AMI and, as would be expected, is achieving rents well below

the Subject’s pro forma rents. Relative to the comparables, the Subject will offer superior condition, similar to slightly inferior unit amenities, and similar to inferior common area amenities. The Subject will also have competitive unit sizes in a townhouse design. Therefore, we believe that the pro forma 50 and 60 percent AMI rents will be achievable.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are below the achievable market rates for the Subject’s area. The following table shows both market rent comparisons and achievable market rents.

Subject Comparison To Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
2 BR/2 BA @ 50%	\$394	\$485	\$940	\$659	\$530	25.66%
2 BR/2.5 BA @ 50%	\$394	\$485	\$940	\$659	\$545	27.71%
3 BR/2 BA @ 50%	\$479	\$519	\$1,023	\$839	\$650	26.31%
3 BR/2.5 BA @ 50%	\$479	\$519	\$1,023	\$839	\$665	27.97%
2 BR/2 BA @ 60%	\$394	\$485	\$940	\$659	\$530	25.66%
2 BR/2.5 BA @ 60%	\$394	\$485	\$940	\$659	\$545	27.71%
3 BR/2 BA @ 60%	\$479	\$519	\$1,023	\$839	\$650	26.31%
3 BR/2.5 BA @ 60%	\$479	\$519	\$1,023	\$839	\$665	27.97%

All of the market rate properties were built or renovated between 1976 and 2007 and are located in either Anderson or Pendleton, which are generally superior communities with greater access to amenities and employment. Overall, the market rate comparables offer slightly superior amenities (as all but one include washer/dryer appliances), similar to superior common area amenities (several offer pools), and generally similar to superior unit sizes. The Subject, however, will have superior condition, two and half baths, and a competitive townhouse design. The Subject’s proposed rents are all below the range at the market rate comparables. As illustrated, we have placed the Subject’s achievable market rents within the low end of the range. Nonetheless, the Subject’s proposed LIHTC rents will have a sizeable advantage over what we have determined to be the achievable market rents.

For the market-rate properties, the Subject is most similar to Tanglewood Apartments. This comparables offers similar unit sizes, generally inferior condition, superior location, and superior unit and common area amenities relative to the Subject. Therefore, we believe that rents slightly to moderately below Tanglewood Apartments would be reasonable for the Subject as a market rate property. We have compared the proposed rents at the Subject to those rents reported by Tanglewood Apartments. The Subject’s proposed rental rates are well below the rents at this comparable property. The following table depicts the proposed rental rates for the Subject and the adjusted rental rates for Tanglewood Apartments.

SUBJECT RENT COMPARISON WITH TANGLEWOOD APTS.

Unit Type	Subject Rent	Square Feet	Tanglewood Rents	Square Feet	Subject Rent Advantage
2BR at 50%	\$394	1,000	\$626	925	37%
3BR at 50%	\$479	1,150	\$801	1,150	40%
2BR at 60%	\$394	1,000	\$626	925	37%
3BR at 60%	\$479	1,150	\$801	1,150	40%

Due to the lack of nonsubsidized rental housing in the PMA, we have also included classified listings in our analysis.

NEIGHBORHOOD CLASSIFIED LISTINGS

Unit Type	Address	Rent	Square Footage	Comments
2BR/1BA	7506 US #25, Hodges, SC	\$600	1,125 SF	Ceiling fan, balcony, disposal, furnished, air conditioning, dishwasher, fireplace, microwave, granite counter tops.
2BR/2BA	100 A Miller Road, Belton, SC	\$535	1,000 SF	Duplex, central laundry, refrigerator, stove, washer/dryer hookup, dishwasher.
2BR/1BA	200 Carolina Avenue, Honea Path, SC	\$450	1,300 SF	Mill house. New paint and carpet, stove and refrigerator.
2BR/2BA	Honea Path, SC	\$550	980 SF	Mobile home. New carpet, washer dryer, balcony/patio, furnished, off-street parking.
Average		\$522		
3BR/1BA	10 Riley Street, Honea Path, SC	\$500	1,100 SF	Single-family home. Central heat and air, stove, refrigerator, washer, and carport.
3BR/2BA	Near State Highway 252, Honea Path, SC	\$875	N/A	Single-family home. Carport, central heat and air, new roof, granite counter tops, new carpet. Near schools.
3BR/2BA	Honea Path, SC	\$650	N/A	Doublewide mobile hoe. Walk-in closets, fireplace, washer/dryer hookups.
Average		\$675		

Source: www.craigslist.com, www.hotpads.com, www.trulia.com, www.socialserve.com

The classified listings reported an average of \$522 and \$675 for the two and three-bedroom units and all require tenants to pay all utilities with exception of trash, similar to the Subject. These properties consist of a mix of duplex, mobile homes, and single-family homes with similar to slightly superior unit sizes. They offer generally inferior condition and amenities relative to the Subject. As such, our estimate achievable market rents of \$530 to \$545 for two-bedroom units and \$650 to \$665 for three-bedroom units appear supported by the classified listings.

Cost and Availability of Homeownership

We performed a rent-buy analysis assuming a 5.0 interest rate with a 5.0 percent down payment for a typical three-bedroom starter home in Honea Path.

THREE BEDROOM RENT BUY ANALYSIS -5.0%				
Inputs		Ownership	Rental	Notes
Average Price		\$109,000		Median priced three+ bedroom in the Subject's zip code.
Closing Costs	3%	\$3,270		
Downpayment	5%	\$5,450.00		
Principal		\$103,550.00		
Interest Rate	5.00%			
Amortization period	30			
Monthly Payment		\$555.88		
Annual Payment		\$6,670.55		
Real Estate Taxes	1.25%	\$1,363		
Private Mortgage Insurance	0.50%	\$517.75		
Homeowner's Insurance		\$500		Local Insurance quote
Utilities		\$156		Estimated cost for one year.
Maintanance and Repairs	1.00%	\$1,090		Assumes a 1% cost for maintenance and repairs.
Tax Benefit				Assumes taxable income of \$36,000
Marginal Tax Bracket	28%			
Annual Interest		\$5,178		Assumes first year
Annual Tax Savings		(\$1,831.20)		
Rental Costs				
Annual Rent			\$5,748	3 bedroom townhouse unit rent of \$479/month.
Insurance (renter)			\$200	Typical annual cost based upon Insurance Industry Articles
Total Annual Cost		\$8,466	\$5,948	
Total Monthly Cost		\$705	\$496	
Differential per year	\$2,518			
Differential per month	\$210			
Cash Due at Occupancy		\$8,720	\$779	

The three-bedroom rent-buy analysis of single-family homes indicates that at a 5.0 percent interest rate with a five percent down payment, it is more affordable to rent at the Subject than own. The cost of ownership is approximately \$120 more per month than renting a unit at the Subject. Furthermore, the cash due at occupancy of \$8,720 is a significant barrier that may be difficult to obtain for some households in the Subject's area.

Affect of Subject on Other Affordable Units in Market

LIHTC vacancy in the market is low at 3.8 percent and three of the four LIHTC comparables have waiting lists. There is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at 40 percent AMI. Therefore, the availability of nonsubsidized LIHTC housing targeting moderate income households is very limited. Therefore, we do not believe that the addition of the Subject will have a long term impact on the existing affordable units in the market.

Availability of Affordable Housing Options

There is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at 40 percent AMI. Therefore, the availability of nonsubsidized LIHTC housing targeting moderate incomes is very limited.

Primary Housing Voids

There is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at

40 percent AMI. Therefore, we believe that the Subject will help to fill a housing void in the local market for moderate income households at 50 and 60 percent AMI.

Summary Evaluation of the Proposed Project

Overall vacancy in the local market is stable at 5.7 percent. The four properties with LIHTC units reported an average vacancy rate of 3.8 percent, with one LIHTC comparable reporting vacancy of 6.2 percent and the other reporting 3.6 percent vacancy or less. There is only one LIHTC property in the PMA that offers units that operate without project-based rental assistance. Wildwood Apartments is a 30-unit USDA rental community that was renovated with LIHTC in 2010 and offers one and two-bedroom units unit restricted at 40 percent AMI. Half (15) of the units operate with rental assistance. This property is 3.3 percent vacant with a waiting list. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable and they are significantly below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We spoke with Earl Meyer, Mayor of Honea Path, SC, regarding any new developments in the area that are currently planned, under construction, or recently completed. Other than the Subject, Mr. Meyer noted an assisted living senior development that is currently being constructed on Chiquola Avenue, approximately 0.5 miles northwest of the Subject site. Mr. Meyer stated that the property is expected to be 150 units, and construction is expected to start in the spring of 2014. As an assisted living facility, this property will not compete with the Subject. Additionally, Mr. Meyer was able to note a single-family subdivision that is in the early planning stages that will be located on East Hampton Avenue, approximately 0.5 miles south of the Subject site. The subdivision is expected to be 25-acres, and will include five lots per acre at 6,000 square feet per lot. Mr. Meyer was not able to note any new commercial/retail/industrial projects in the area that are currently planned, under construction, or recently completed.

Section 8/Public Housing

We attempted to contact the Anderson Housing Authority to obtain payment standard and Housing Choice Voucher data. Repeated attempts to call and email the executive director were unsuccessful. Additionally, this data was not available via our internet research.

Property Managers

Interviews with property managers are located in the comments section of the property profiles.

I. RECOMMENDATIONS

Recommendations

We believe there is sufficient demand for the Subject in the market and we recommend the Subject as proposed. Overall capture rates for the Subject are low to moderate and indicate demand for the Subject. The average vacancy rate among the LIHTC properties is low at 3.8 percent and three of the four LIHTC properties have waiting lists. Furthermore, there is only one LIHTC property in the PMA; although it targets general tenancy, this property has USDA rental assistance covering half of its 30 units and the remaining units are LIHTC restricted at 40 percent AMI. Therefore, we believe that the Subject will help to fill a housing void in the local market for moderate income households at 50 and 60 percent AMI.

J. SIGNED STATEMENT REQUIREMENTS

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

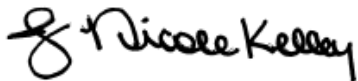
Respectfully submitted,
Novogradac & Company LLP

February 24, 2014

Date



H. Blair Kincer, MAI
Partner



J. Nicole Kelley
Manager



K. David Adamescu
Analyst



Brandon Taff
Researcher

ADDENDA

Addendum A: Subject and Neighborhood Photos



Subject site



Subject site



View west along Laurel Street



View east along Laurel Street



View north along Eastview Street



View south along Eastview Street



View north along Saluda Street



Forested land adjacent to north



Single-family homes adjacent to east



Single-family home across Laurel Street to south



Honea Path Recreation Department Baseball Diamond adjacent to west



Single-family home to northeast



Single-family home to north



Single-family homes to east



Vacant land to east



John Hill Park to east



Single-family home to south



Single-family homes to east



Grocery store to south



Retail to south



Retail to south



Single-family to west



House of worship to west



House of worship to east



Honea Path Recreation Department to west



Single-family to west

Addendum B: Analyst Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado
Certified General Real Estate Appraiser, No 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

H. Blair Kincer

Qualifications

Page 3

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

J. Nicole Kelley

I. Education

Auburn University, Auburn, Alabama

Bachelor of Science in Business Administration: International Business

Auburn University, Auburn, Alabama

Master of Business Administration (MBA)

II. Professional Experience

Manager, Novogradac & Company LLP (July 2012-Present)

Real Estate Analyst, Novogradac & Company LLP (October 2009-June 2012)

Real Estate Researcher, Novogradac & Company LLP (May 2006-September 2009)

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)

Member, Women in Affordable Housing Network (WAHN)

Successfully completed "Introduction to Commercial Real Estate Analysis" and

"Financial Analysis for Commercial Real Estate Investment"

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning
Bachelors of Arts, Economics

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A representative of assignments relating to research and market feasibility studies includes:

- Written and supervised the production of affordable rental housing market studies for projects located throughout the continental United States as well as Alaska. The preponderance of experience is with the Section 42 Low-income Housing Tax Credit, HUD Section 8, and USDA Rural Development programs.
- Additional experience authoring market feasibility analyses for market-rate rental housing, condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Assisted in numerous appraisals of proposed LIHTC rental housing, commercial office, and commercial retail properties. Analysis typically includes physical inspection of the property and market, concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination, operating expense analysis to determine cost estimates, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Brandon Taff

I. Education

University of Maryland-College Park, MD
Bachelor of Arts, Economics

II. Professional Experience

Researcher, Novogradac & Company LLP, October 2013 – Present
Credit Analyst, On Deck Capital, August 2013 - October 2013
Accounts Payable Specialist, February 2013-August 2013
Intern, BP Realty Investments, June 2009 – August 2010

III. Research Assignments

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

- Assisted in numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; physical inspection of site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.