

Market Feasibility Analysis

Willow Crossing Townhomes
Willis Road
Spartanburg, Spartanburg County, South Carolina 29301

Prepared For

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Effective Date

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Job Reference Number

14-183 PB



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

Development Name:	Willow Crossing Townhomes	Total # Units:	28
Location:	Willis Road, Spartanburg, SC 29301	# LIHTC Units:	28
PMA Boundary:	Hampton Road, Holly Springs Road, Shiloh Church Road, Inman Road, Gibbs Road, Hope Road, Campground Road, New Cut Road, Interstate 26 and Interstate 85 to the north; Pine Street, Union Street and Cedar Springs Road to the east; Carolina Country Club Road, Christy Lane, Happy Lane, U.S. Highway 221, Interstate 26, Old Georgia Road, Anderson Mill Road, Monroe Road, Moore Duncan Highway, State Route 417, South Tyger River and Interstate 85 to the south; State Route 88, Interstate 26 and half of Census Tract 0234.00 (excludes) Reidsville, and Interstate 85 to the south; State Route 101, Green Road, Robinson Road, State Route 290, South Tyger River and State Route 80 to the west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	11.5 miles

RENTAL HOUSING STOCK (found on page H-11 & 12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	34	5,069***	217	95.7%
Market-Rate Housing	22	3,892	166	95.7%
Assisted/Subsidized Housing not to include LIHTC	3	198	6	97.0%
LIHTC (All that are stabilized)*	9	783	0	100.0%
Stabilized Comps**	4	376	0	100.0%
Non-stabilized Comps	-	-	-	-

* 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.

***Includes the two non-stabilized LIHTC projects (totaling 196 units) that are not considered comparable

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
3	Two	1.75	1,100	\$400	\$880	\$0.80	54.55%	\$998	\$0.92
5	Two	1.75	1,100	\$435	\$880	\$0.80	50.57%	\$998	\$0.92
4	Three	2.5	1,250	\$465	\$1,040	\$0.83	55.29%	\$1,130	\$0.88
16	Three	2.5	1,250	\$500	\$1,040	\$0.83	51.92%	\$1,130	\$0.88
Gross Potential Rent Monthly*				\$13,235	\$27,840		52.46%		

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

DEMOGRAPHIC DATA (found on page F-3, G-4)

	2000		2013		2016	
Renter Households	13,564	41.3%	14,672	40.4%	14,927	40.3%
Income-Qualified Renter HHs (LIHTC)	3,063	9.3%	3,273	9.0%	3,283	8.9%
Income-Qualified Renter HHs (MR)	(if applicable)	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-4)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	2	11	-	-	-	10
Existing Households (Overburd + Substand)	682	877	-	-	-	1,043
Homeowner conversion (Seniors)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-qualified Renter HHs	684	888	-	-	-	1,053

CAPTURE RATES (found on page G-4)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	1.0%	2.4%	-	-	-	2.7%

ABSORPTION RATE (found on page G-6)

Absorption Period	3_months
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S-2 RENT CALCULATION WORKSHEET

Project Name: Willow Crossing Townhomes

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
3	2 BR	\$400	\$1,200	\$890	\$2,670	
5	2 BR	\$435	\$2,175	\$890	\$4,450	
	2 BR		\$0		\$0	
4	3 BR	\$465	\$1,860	\$1,025	\$4,100	
16	3 BR	\$500	\$8,000	\$1,025	\$16,400	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	28		\$13,235		\$27,620	52.08%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 28-unit Willow Crossing Townhomes property in Spartanburg, South Carolina. The proposed project, which will offer two- and three-bedroom townhome units, will be developed under the Low-Income Housing Tax Credit (LIHTC) program and will target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of eight (8) two-bedroom/1.75-bath and 20 three-bedroom/2.5-bath units with proposed collected Tax Credit rents ranging from \$400 to \$500. The project is anticipated to be complete in August 2015. Additional details regarding the project are as follows:

- a. Property Location:** Willis Road
Spartanburg, South Carolina 29301
(Spartanburg County)
- QCT: No DDA: No
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% of AMHI
- e. Special Needs Population:** Not applicable
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
3	Two-Br.	1.75	Townhome	1,100	50%	\$400	\$163	\$564	\$591
5	Two-Br.	1.75	Townhome	1,100	60%	\$435	\$163	\$599	\$709
4	Three-Br.	2.5	Townhome	1,250	50%	\$465	\$204	\$669	\$682
16	Three-Br.	2.5	Townhome	1,250	60%	\$500	\$204	\$704	\$819
28	Total								

Source: Trustmark Construction Corp.
AMHI – Area Median Household Income (Spartanburg, SC MSA 2014)

- g. Number Of Stories/Buildings:** One (1) two-story, walk-up residential building
- k. Project-Based Rental Assistance (Existing or Proposed):** None

l. Community Amenities:

The subject property will include the following community features:

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

m. Unit Amenities:

Each unit will include the following amenities:

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

n. Parking:

A surface parking lot will be provided at no charge to the tenants

o. Utility Responsibility:



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

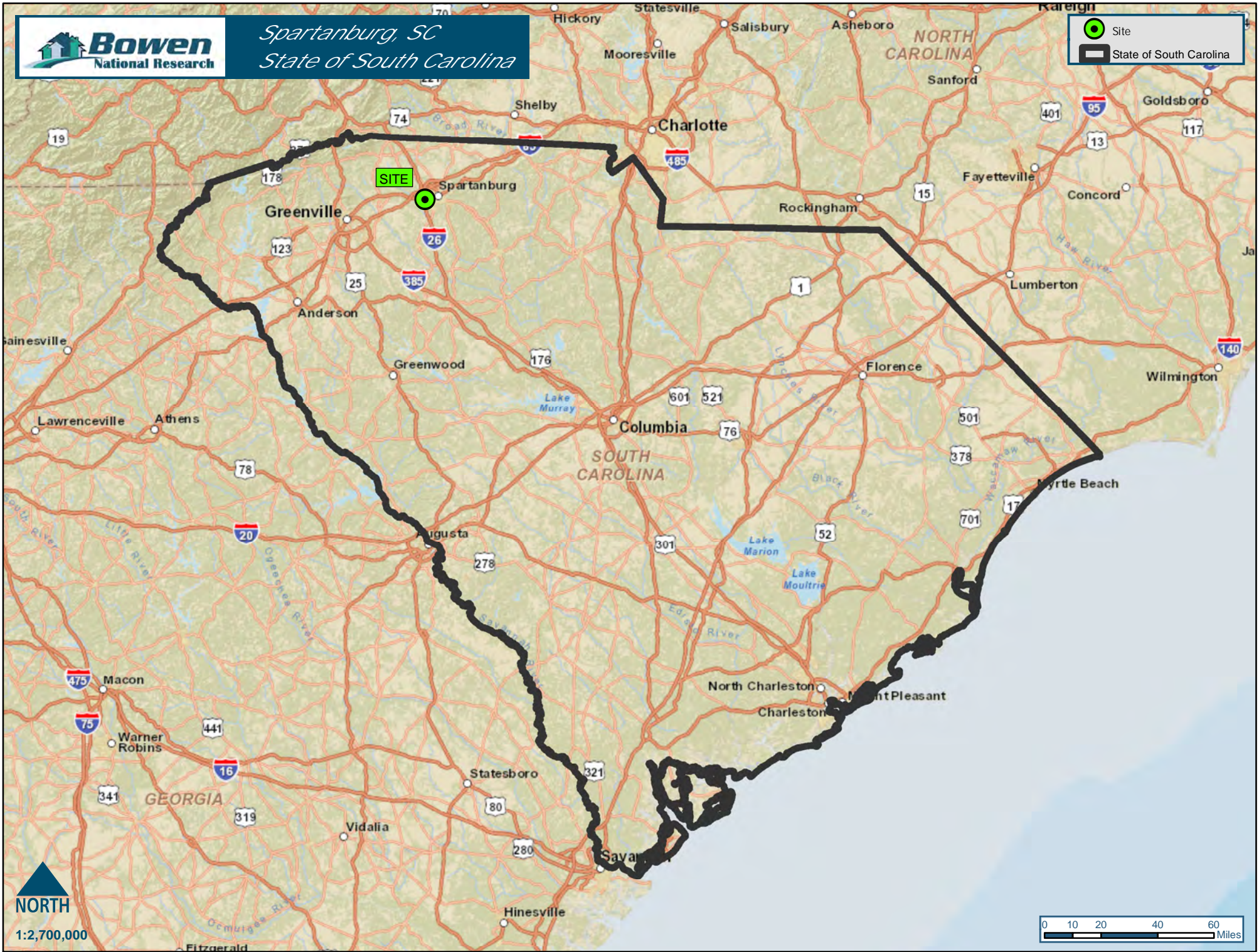
- Electric Heat Pump
- Electric Air Conditioning
- General Electric
- Water
- Electric Water Heating
- Electric Cooking
- Sewer

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



Spartanburg, SC
State of South Carolina

 Site
 State of South Carolina

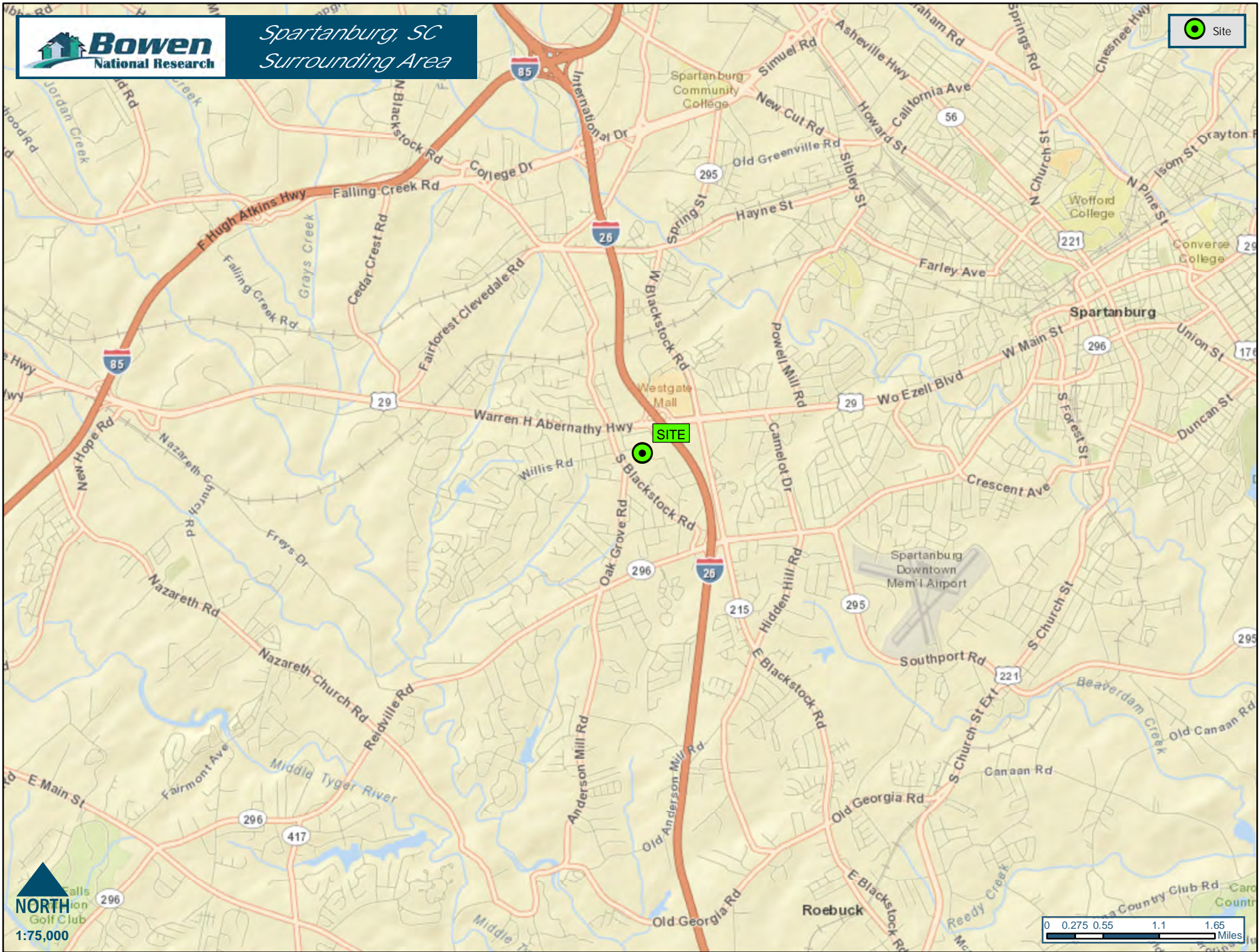



NORTH
1:2,700,000

0 10 20 40 60
Miles



*Spartanburg, SC
Surrounding Area*



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 17, 2014. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The proposed subject site, an undeveloped and partially wooded parcel, is located immediately south of the Academy Sport's Center and west of Sam's Club along Willis Road, which is 4.5 miles west of downtown Spartanburg, South Carolina. The site neighborhood is a mix of residential and commercial land uses that is centered along the U.S. Highway 29 arterial corridor. Established land uses include a mixture of single-family homes, large businesses buildings and major arterials. Adjacent land uses are detailed as follows:

North -	Willis Road, an east/west residential thoroughfare, is adjacent to the site to the north with the Academy sporting goods store immediately north of the site. Immediately northeast of the Academy store is the Spartanburg Regional Healthcare Urgent Care Center; which is currently under construction. Continuing north is U.S. Highway 29, an east/west arterial, as well as a McDonalds and Advanced Auto Parts Store. Extending north of this arterial is a Kohl's as well as a Hobby Lobby, HH Gregg and an Applebee's restaurant.
East -	Willis Road, a north/south residential thoroughfare, is adjacent to the site to the east with the future Ignite Church under construction immediately east of this thoroughfare. Also east of the site is a Sam's Club, which can be accessed from Franklin Avenue. East of the under construction church is a large retail building that is finalizing construction. Interstate 26, accessible from U.S. Highway 29, is farther east that extends into a Lowe's Home Improvement as well as the Dorman Shopping Centre.
South -	Willow Crossing Apartments, a LIHTC family community in excellent condition, is adjacent to the site to the south. Mobile homes, in moderate condition are farther south of the site, which are intermingled with wooded undeveloped land. Single-family homes continue south of the site and vary in condition, which extend into the Sate Route 296 corridor that hosts several services.

West -	An undeveloped parcel is adjacent to the site to the west as well as single-family homes in moderate condition. A Shell gas station as well as an American Storage location are farther west of the site and are located along South Blackstock Road, a north/south thoroughfare. Extending west of the site are residential land uses that include mobile homes in moderate condition and single-family homes in good condition on average.
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The site is located along Willis Road and is in close proximity to the U.S. Highway 29 corridor. However, the neighborhood is considered mostly residential as there are single-family homes intermingled with moderate sized retail centers and community services that are throughout the area of the subject site. Structures within the immediate area are generally considered to be in good condition and no known nuisances were observed within proximity of the site. Additionally, the proximity to Interstate 26 will improve the site’s regional access.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance (In Miles)
Major Highway(S)	U.S. Highway 29 Interstate 26	0.3 North 0.6 Northeast
Public Bus Stop	Spartanburg Area Regional Transit Agency (Sparta)	1.0 East
Major Employers/ Employment Centers	Adidas Group Spartanburg County Michelin North America Inc.	3.5 Northwest 4.4 East 5.0 North
Convenience Store	Shell Marathon	0.2 West 0.4 Northwest
Grocery	Sam's Club Ingles Market Walmart Supercenter	0.2 East 0.5 Northwest 0.7 East
Discount Department Store	Sam's Club Kohl's Department Store Target Walmart Supercenter Dollar Tree	0.2 East 0.5 Northwest 0.8 West 0.7 East 0.8 West
Shopping Center/Mall	Franklin Square Dorman Centre Westgate Mall	0.5 Northwest 1.0 East 1.3 Northeast
Schools: Elementary Middle/Junior High Senior High	West View Elementary School Dawkins Middle School Spartanburg High School	0.9 Southwest 3.4 Southeast 7.1 East
Hospital	Spartanburg Regional Medical Center	5.0 Northeast



(Continued)

Community Services	Name	Driving Distance (In Miles)
Police	Spartanburg Police Dept	4.4 East
Fire	Westview Fairforest Fire Department	0.5 Northwest
Post Office	US Post Office	1.5 Northeast
Bank	Suntrust Bank Wells Fargo Bank	0.4 Northwest 1 East
Gas Station	Shell Sam's Club Gas Marathon Ingles Market Gas	0.2 West 0.3 North 0.4 Northwest 0.5 Northwest
Pharmacy	Sam's Club Pharmacy Ingles Pharmacy Target Pharmacy Walgreens	0.2 East 0.5 Northwest 0.8 West 1.2 Southeast
Restaurant	McDonalds Panera Bread Applebee's Neighborhood Grill Ihop Restaurant	0.3 Northwest 0.3 West 0.3 Northwest 0.8 West
Library	Spartanburg County Library	1.1 South
Medical Center	Spartanburg Regional Health System Urgent Care (U/C)	0.3 North
Fitness Center	Coops Health & Fitness Club	1.2 South
Church	Ignite Of Spartanburg (U/C)	0.1 East

U/C – Under Construction

The location of the site next to a mixed-use neighborhood allows for many community services to be within close proximity while maintaining the appeal of a residential neighborhood. As previously detailed, grocery stores, pharmacies, restaurants, convenience stores, gas stations, banks and shopping centers are all within reasonable distance of the site. These services are accessible through neighboring thoroughfares and are easily reached on foot, according to area management. Collectively, these services form a low-income employment center within walking distance of the site as there are many retail and service jobs available. Other notable community services available within the proximity of the site include the Spartanburg County Public Library and Coops Health and Fitness Club, which are within 1.2 miles. These services offer several activities for all ages, which are popular with the subject site according to area management.

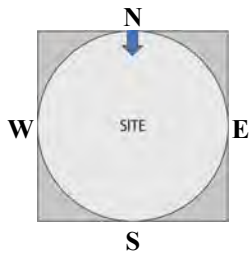
Local schools, which include West View Elementary, Dawkins Middle and Spartanburg High School, are located within 7.1 miles of the site. Emergency responders are within 4.4 miles, while the nearest acute care hospital is located 5.0 miles to the northeast. The Spartanburg Regional Medical Center services include an outpatient surgery center, pediatrics, occupational health, sports medicine and rehabilitation. Notably, the presence of emergency services is beneficial for a residential subject site.

Overall, the scope and proximity of community services available within the Spartanburg market area will benefit the marketability of the subject development.

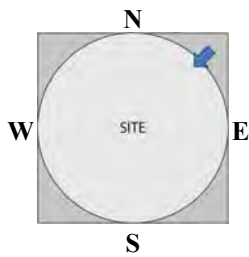
4. **SITE PHOTOGRAPHS**

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

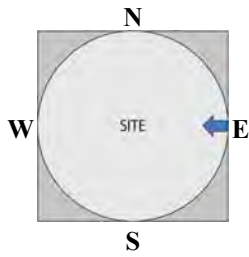
SITE PHOTOGRAPHS



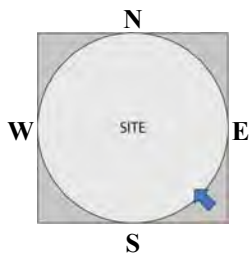
View of site from the north



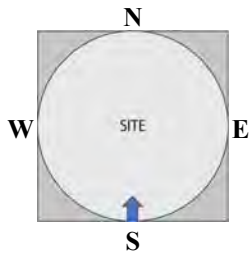
View of site from the northeast



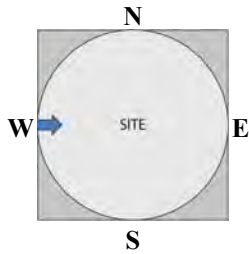
View of site from the east



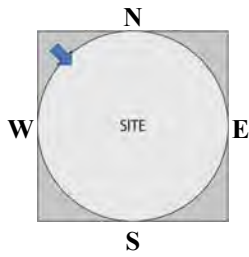
View of site from the southeast



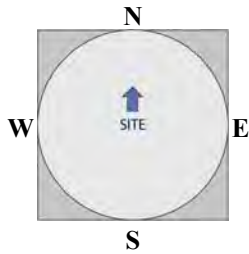
View of site from the south



View of site from the west



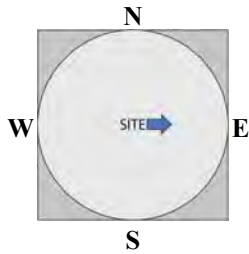
View of site from the northwest



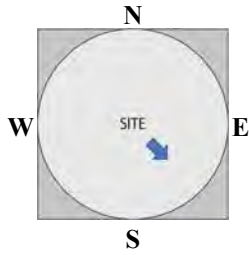
North view from site



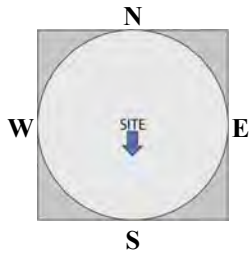
Northeast view from site



East view from site



Southeast view from site



South view from site



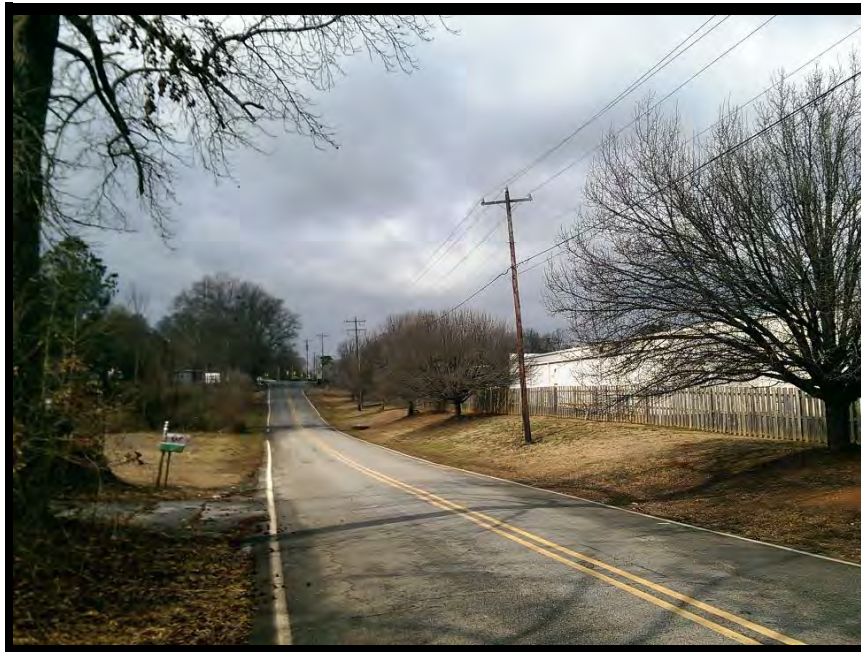
West view from site



Northwest view from site



East view along Willis Road



West view along Willis Road



North view along Willis Road



South view along Willis Road

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



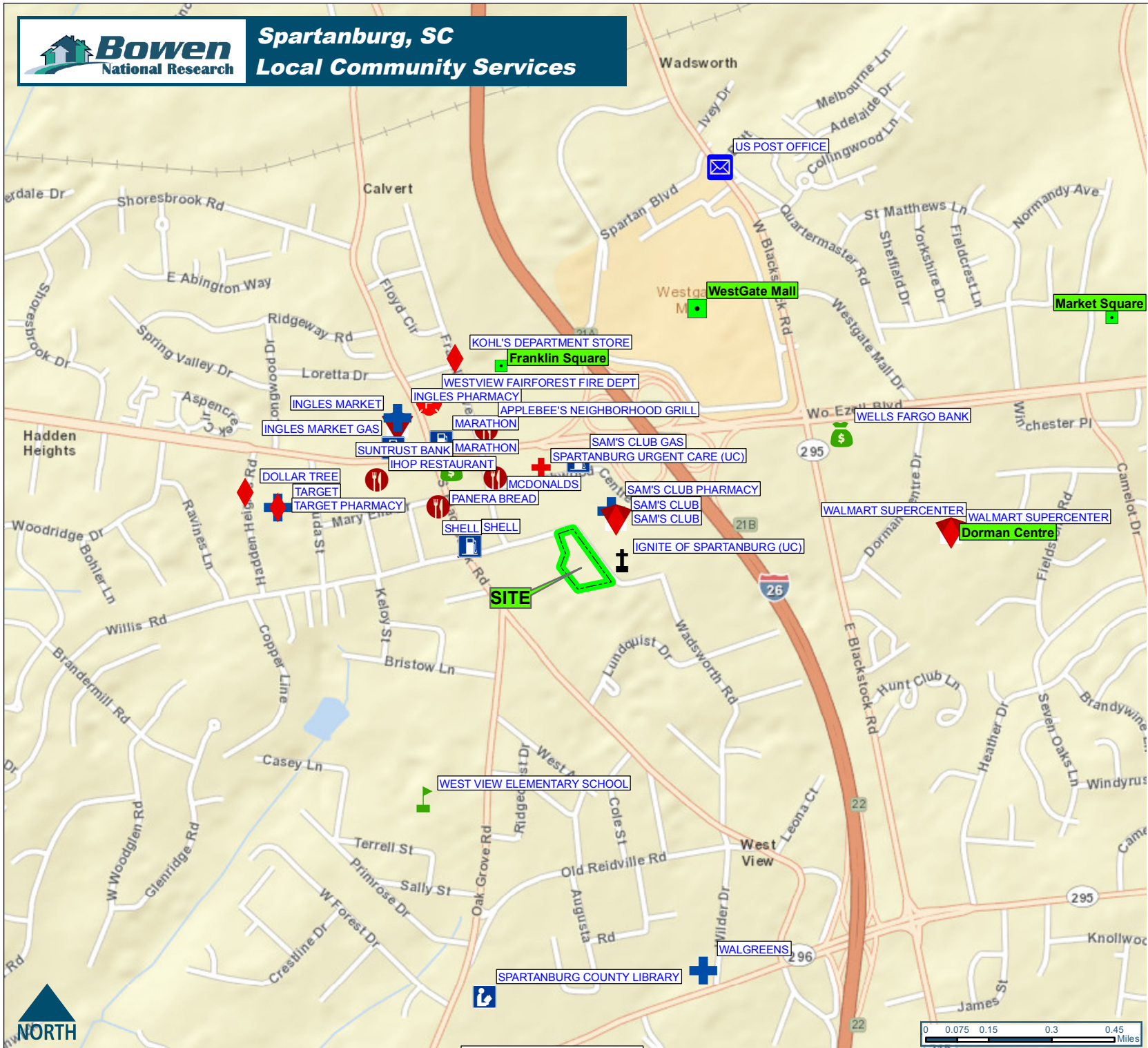
Spartanburg, SC
Site Neighborhood

Legend
 Site Area




NORTH
1:4,000

0 0.02 0.04 0.08 0.12
Miles



Legend

- Site Area
- bank
- church
- convenience store
- elementary school
- fire
- gas
- grocery
- library
- medical center
- pharmacy
- post office
- restaurant
- shopping

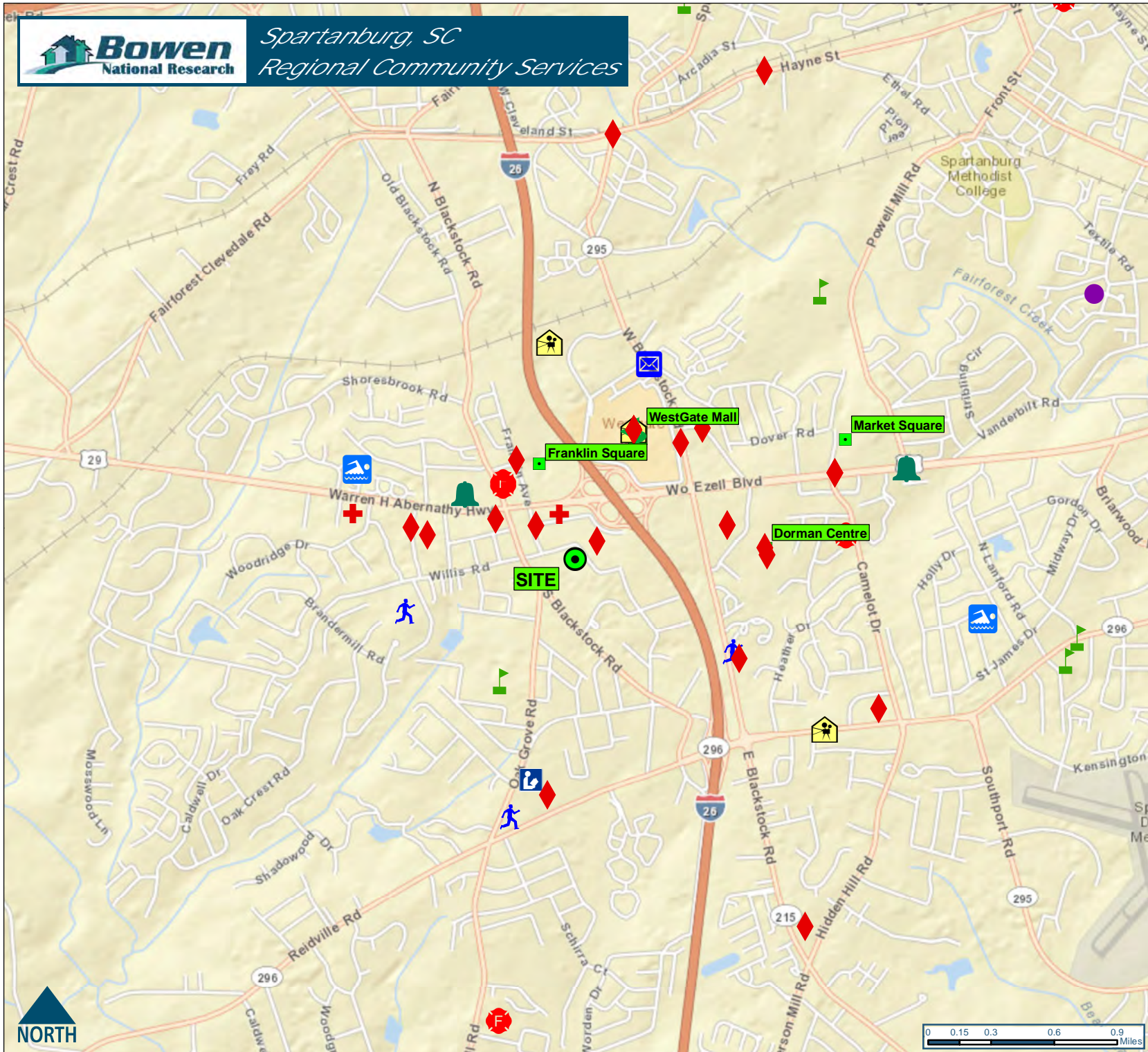
Shopping Center

Gross Leasable Area

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



1:20,000



Legend

- Site
- cinema
- elementary school
- fire
- fitness center
- library
- medical center
- post office
- recreation center
- shopping
- swimming
- university

Shopping Center
Gross Leasable Area

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



6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

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

7. CRIME ISSUES

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

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

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

Total crime risk (193) for the Site PMA is above the national average with an overall personal crime index of 251 and a property crime index of 180. Total crime risk (164) for Spartanburg County is above the national average with indexes for personal and property crime of 209 and 156, respectively.

	Crime Risk Index	
	Site PMA	Spartanburg County
Total Crime	193	164
Personal Crime	251	209
Murder	160	139
Rape	172	147
Robbery	184	129
Assault	350	306
Property Crime	180	156
Burglary	188	164
Larceny	199	173
Motor Vehicle Theft	126	108

Source: Applied Geographic Solutions

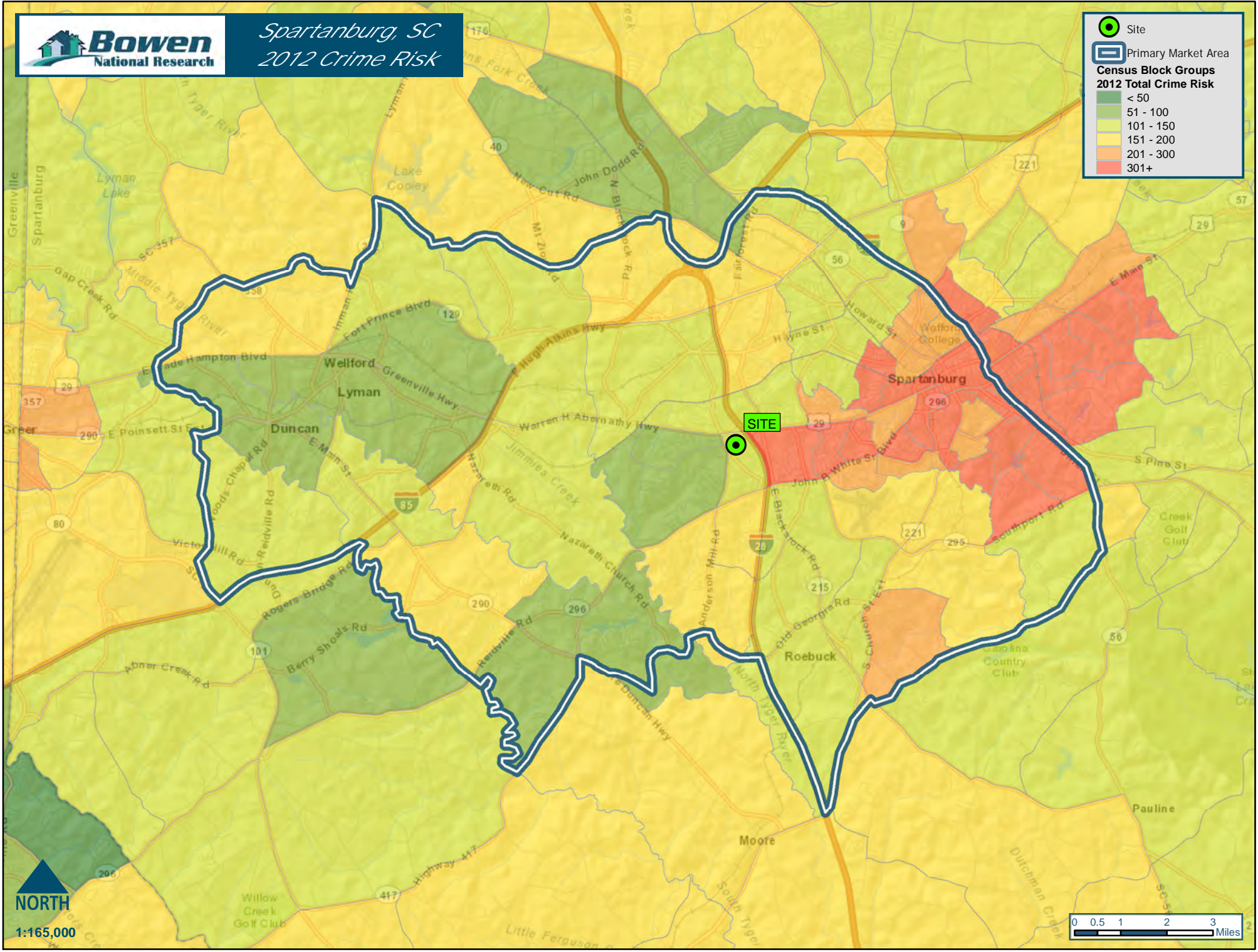
Although the total crime risk for the Spartanburg Site PMA is above the national average, it is not unusually high for an urban area. Interviews with management at nearby rental communities and the personal observations of our analyst revealed that despite the higher than average crime risk, the subject site neighborhood is considered relatively safe. The areas of Spartanburg with higher crime are located primarily east of the subject site neighborhood towards the central portion of Spartanburg. However, we do not anticipate crime will have a significant impact on the marketability of the subject site.

A map illustrating crime risk is on the following page.



Spartanburg, SC
2012 Crime Risk

- Site
- Primary Market Area
- Census Block Groups**
- 2012 Total Crime Risk**
- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:165,000

0 0.5 1 2 3 Miles

8. ACCESS AND VISIBILITY

The subject site will derive access directly from Willis Road and Franklin Avenue, which are lightly traveled residential thoroughfares and are 25-mph residential speed zones. These thoroughfares are two-lane thoroughfares that are unlikely to experience delays upon entering or exiting the subject site due to the light traffic patterns along this thoroughfare. However, the presence of several residential areas could slightly increase traffic flow during limited peak commuting hours. As noted, U.S. Highway 29 is a major area arterial that gives the site area regional access to the greater Spartanburg area with a majority of services along this thoroughfare in the immediate site area enhanced by easy access to Interstate 26. Public transportation, provided by Spartanburg Area Regional Transit Agency (SPARTA), is located within the Dorman Shopping Center, 1.0 mile east of the site. Based on the preceding factors, overall access is considered to be good.

The subject site should be easily viewed from Willis Road and Franklin Avenue, while maintaining privacy that is typically desired by residents. Additionally, the site's location within close proximity to U.S. Highway 29 and Interstate 26 is very appealing to tenants and was highlighted as a marketable feature of the site neighborhood by property management of Willow Crossing Apartments. Proper signage along more heavily traveled thoroughfares may be beneficial during the initial lease up of the subject site. Overall visibility is considered good.

9. VISIBLE OR ENVIRONMENTAL ISSUES

No visible or environmental issues were observed at the time of the site visit.

10. OVERALL SITE CONCLUSIONS

The surrounding land uses will have a positive effect on the marketability of the site. Visibility is considered good as the site is located 0.3 miles from U.S. Highway 29. While the site will not be visible by passing motorists, this has not negatively impacted the adjacent Willow Crossing Apartments. Access to and from the site is considered very good, due to generally light traffic patterns in the immediate site area that only increase slightly during peak commuting hours. The site has very good access to area arterials such as U.S. Highway 29 and Interstate 26. The site's proximity to several shopping centers enhances site appeal.

The site is near to several community services that offer a variety of goods and services. Social services and public safety services, such as Spartanburg Police and Westview Fire services are located within 4.4 miles of the site. Local schools in the site area are located within 7.1 miles and the site will be served by public transportation. Several shopping centers off of U.S. Highway 29 offer employment opportunities and several services for area residents within close proximity to the site. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

Diane Keenan, Property Manager for Willow Crossing Apartments, stated that a majority of her tenants originate from within the Spartanburg area and she feels that the surrounding community services are a big draw for her area. She stated that although her site is located off a main thoroughfare, the amount of services in the area create support from all areas within the Site PMA. Further, due to being located in the western portion of Spartanburg, the site will also generate support from Duncan, Lyman and Wellford.

Pamela Stanley, Property Manager for Woodland Apartments, stated that a majority of her tenants originate from within the Spartanburg area as well as smaller towns west of Spartanburg. Ms. Stanley stated that the site area is very popular due to the variety of services and the Site PMA represents areas of support for the site.

The Spartanburg Site PMA includes Duncan, Lyman, Wellford, Roebuck, the majority of Spartanburg and the surrounding unincorporated areas of Spartanburg County, South Carolina. The boundaries of the Site PMA consist of Hampton Road, Holly Springs Road, Shiloh Church Road, Inman Road, Gibbs Road, Hope Road, Campground Road, New Cut Road, Interstate 26 and Interstate 85 to the north; Pine Street, Union Street and Cedar Springs Road to the east; Carolina Country Club Road, Christy Lane, Happy Lane, U.S. Highway 221, Interstate 26, Old Georgia Road, Anderson Mill Road, Monroe Road, Moore Duncan Highway, State Route 417, South Tyger River and Interstate 85 to the south; State Route 88, Interstate 26 and half of Census Tract 0234.00 (excludes) Reidsville, and Interstate 85 to the south; State Route 101, Green Road, Robinson Road, State Route 290, South Tyger River and State Route 80 to the west. The PMA is comprised of the following Census Tracts:

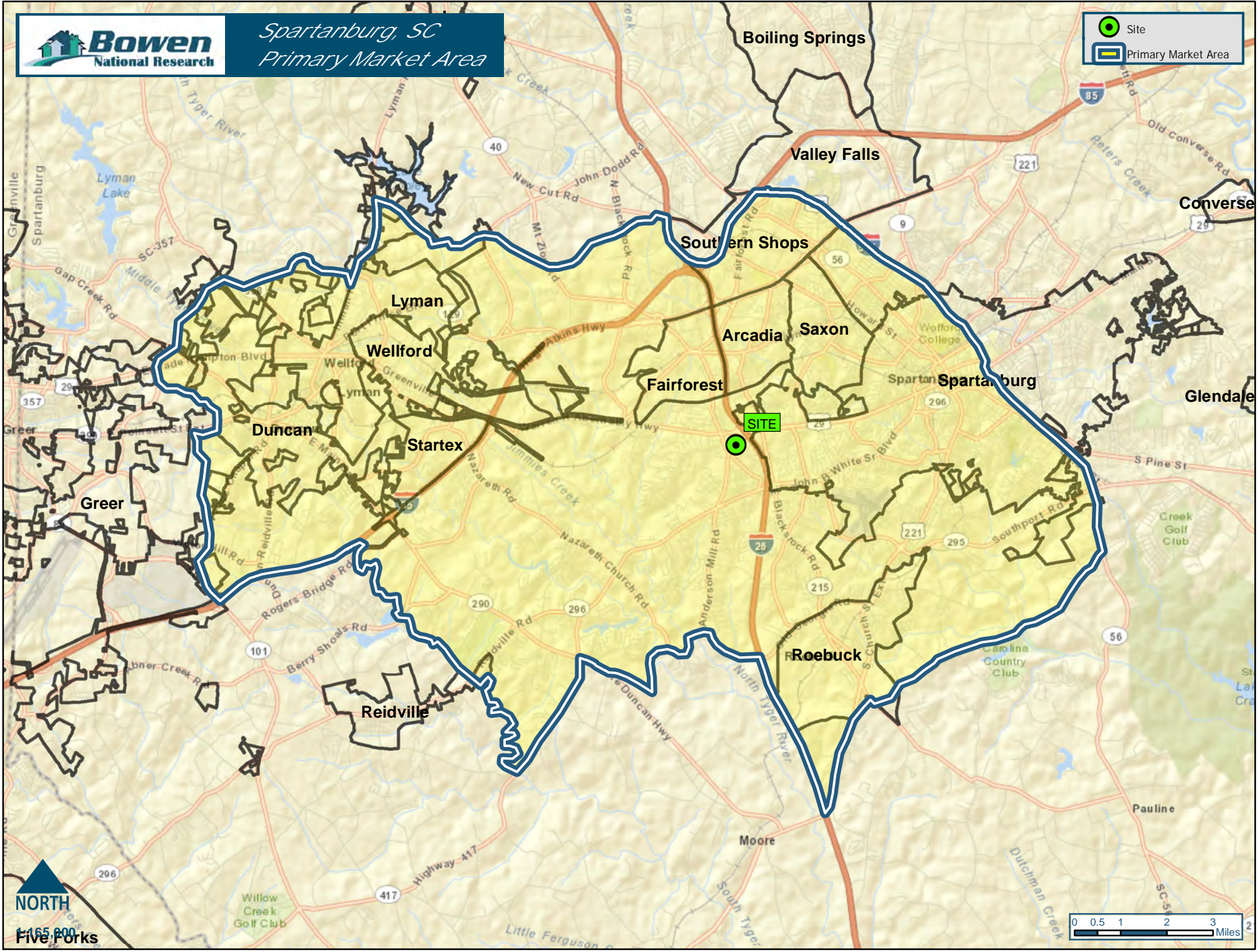
234.02	218.04	231.01.	219.01	211
232.02	220.05	210.01	218.02	209
238.01	220.06	208	217	206.02
234.03	220.07	206.03	216	206.01
230.01	207.02	204	215	205
230.02	207.01	220.03	212	203.01
234.01	231.02	219.02		

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



*Spartanburg, SC
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
Five Forks

0 0.5 1 2 3 Miles

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

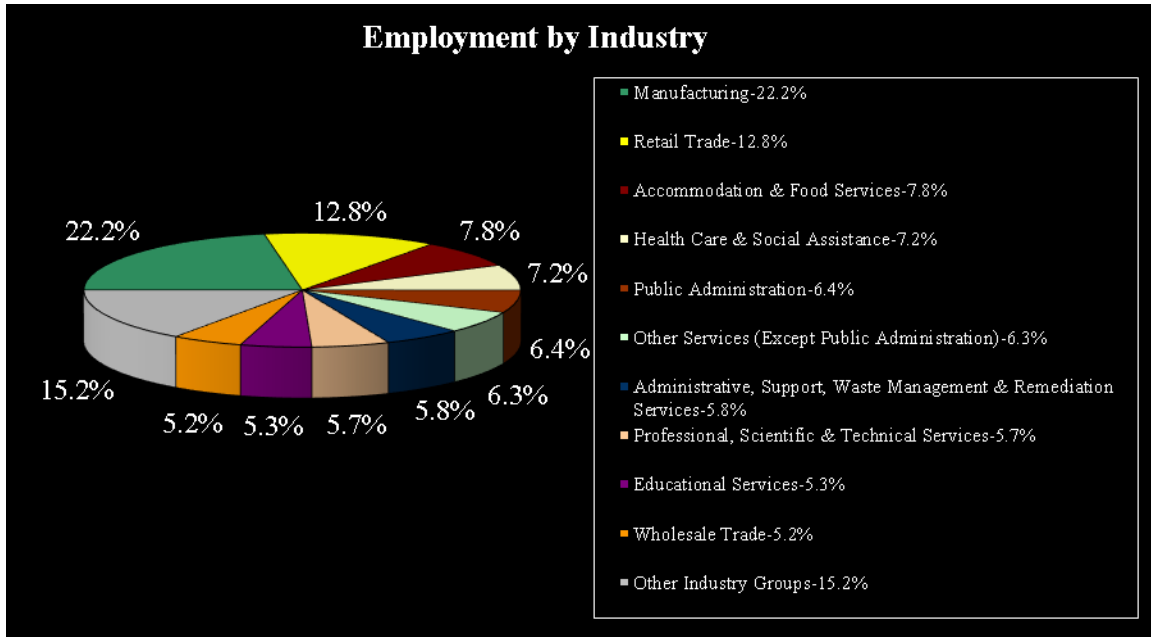
The labor force within the Spartanburg Site PMA is based primarily in two sectors. Manufacturing (which comprises 22.2%) and Retail Trade comprise approximately 35% of the Site PMA labor force. Employment in the Spartanburg Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	27	0.5%	62	0.1%	2.3
Mining	0	0.0%	0	0.0%	0.0
Utilities	8	0.1%	687	1.3%	85.9
Construction	382	6.9%	2,117	4.0%	5.5
Manufacturing	300	5.4%	11,844	22.2%	39.5
Wholesale Trade	316	5.7%	2,794	5.2%	8.8
Retail Trade	777	14.0%	6,846	12.8%	8.8
Transportation & Warehousing	146	2.6%	1,495	2.8%	10.2
Information	79	1.4%	767	1.4%	9.7
Finance & Insurance	283	5.1%	1,754	3.3%	6.2
Real Estate & Rental & Leasing	247	4.5%	947	1.8%	3.8
Professional, Scientific & Technical Services	535	9.7%	3,064	5.7%	5.7
Management of Companies & Enterprises	18	0.3%	44	0.1%	2.4
Administrative, Support, Waste Management & Remediation Services	701	12.7%	3,097	5.8%	4.4
Educational Services	92	1.7%	2,800	5.3%	30.4
Health Care & Social Assistance	407	7.4%	3,840	7.2%	9.4
Arts, Entertainment & Recreation	79	1.4%	234	0.4%	3.0
Accommodation & Food Services	309	5.6%	4,161	7.8%	13.5
Other Services (Except Public Administration)	739	13.3%	3,355	6.3%	4.5
Public Administration	91	1.6%	3,420	6.4%	37.6
Total	5,536	100.0%	53,328	100.0%	9.6

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Spartanburg MSA	South Carolina
Management Occupations	\$99,660	\$93,820
Business and Financial Occupations	\$58,820	\$58,660
Computer and Mathematical Occupations	\$59,790	\$63,670
Architecture and Engineering Occupations	\$63,960	\$72,610
Community and Social Service Occupations	\$42,570	\$38,950
Art, Design, Entertainment and Sports Medicine Occupations	\$44,640	\$41,300
Healthcare Practitioners and Technical Occupations	\$64,500	\$64,670
Healthcare Support Occupations	\$24,590	\$25,010
Protective Service Occupations	\$29,360	\$33,430
Food Preparation and Serving Related Occupations	\$19,580	\$19,610
Building and Grounds Cleaning and Maintenance Occupations	\$22,570	\$22,080
Personal Care and Service Occupations	\$21,150	\$22,420
Sales and Related Occupations	\$32,400	\$30,660
Office and Administrative Support Occupations	\$29,180	\$31,280
Construction and Extraction Occupations	\$34,400	\$35,900
Installation, Maintenance and Repair Occupations	\$40,000	\$40,140
Production Occupations	\$39,870	\$34,750
Transportation and Moving Occupations	\$31,100	\$29,620

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

Most annual blue-collar salaries range from \$19,580 to \$44,640 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$69,346. The proposed project will target low-income households. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Spartanburg County area comprise a total of 26,862 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
BMW Manufacturing Corp	Automobile Manufacturing	7,000
Spartanburg Regional Health Services	Health Services	5,627
SC State Government	State Government	3,232
Michelin North America Inc	Radial Truck Tires	3,190
Spartanburg County Government	Government	1,723
Milliken & Company	Textile Manufacturing	1,300
Spartanburg County School District 6	Public Education	1,342
Spartanburg County School District 7	Public Education	1,175
Mary Black Health System, LLC	Health Services	1,145
Spartanburg County School District 5	Public Education	1,128
Total		26,862

Source: SC Appalachian Council of Governments and Economic Futures Group (3-2013)

According to a representative with the Spartanburg County Economic Futures Group, the Spartanburg economy is growing, with multiple job announcements being made within the past year. These announcements are summarized below.

- In late 2013, BMW completed its \$750 million investment to its plant in Spartanburg, which will ultimately create approximately 300 jobs.
- In December 2013, Trimate Powers, a powder coatings manufacturer, announced planned \$3.7 million expansions that will double the company's facility size. This project was completed in early 2014, but there is no expected immediate job growth.
- Laserfelx, a precision metal fabricator, announced in September 2013 its plans to invest \$4 million in its existing Wellford facility in Spartanburg County. This expansion resulted in the creation of 20 new jobs upon the project's completion in fall 2013.
- In August 2013, Heiche US Surface Technology announced a \$4 million investment and 38 new jobs at a new production facility in Spartanburg. The company specializes in surface treatment for metal automotive components. This project was completed in late 2013.

- Edgewater Automation, a custom machine maker, announces in August 2013 that the company will invest more than \$3 million in a new facility in Spartanburg County. This investment resulted in 53 new jobs, for which the company began hiring in early 2014.
- Contec, Inc. announced a planned five-year, \$6.25 million investment to its existing operations in Spartanburg County. This expansion will ultimately result in the generation of 60 new jobs. Contec is a maker of cleaning contamination control products for critical environments.
- In April 2013, A.L. Solutions Inc., an automotive filtration products distributor, announced plans for a new manufacturing facility in Spartanburg County. This project involved a \$3.6 million investment and the creation of 80 jobs. The project was completed in the summer of 2013.
- In early fall 2013, Ernest Health opened a 40-bed freestanding rehabilitation hospital with an investment of \$14 million. The 50,100 square-foot facility is located at North Grove Medical Park on Boiling Springs Highway. Over 100 new full-time Health Care related jobs, with average salaries and benefits of over \$50,000 were created as a result of this project.
- AFL, a maker of fiber optic products and equipment, expanded its existing operations in Spartanburg County with an investment of \$8.6 million, and the creation of 95 new jobs. AFL relocated approximately 110 current employees and operations to a new building in Duncan. The move and expansion were completed late 2013.
- In December 2013, FedEx announced plans to locate a new distribution facility off of Falling Creek Road in Spartanburg. This \$40 million facility is expected to be complete sometime in 2015 and will create 22 full-time and 219 part-time positions.

According to the South Carolina Department of Employment and Workforce (SC Works) website, there has been one WARN (layoff/closure) notice reported for Spartanburg since January 2013. Spartanburg Steel Products announced plans to lay off 63 workers at its Spartanburg facility in July 2013. A representative with SC Upstate Alliance also stated that in January 2014, Arvato Digital Services, in Duncan, announced that the company will close, affecting nearly 130 people.

4. EMPLOYMENT TRENDS

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

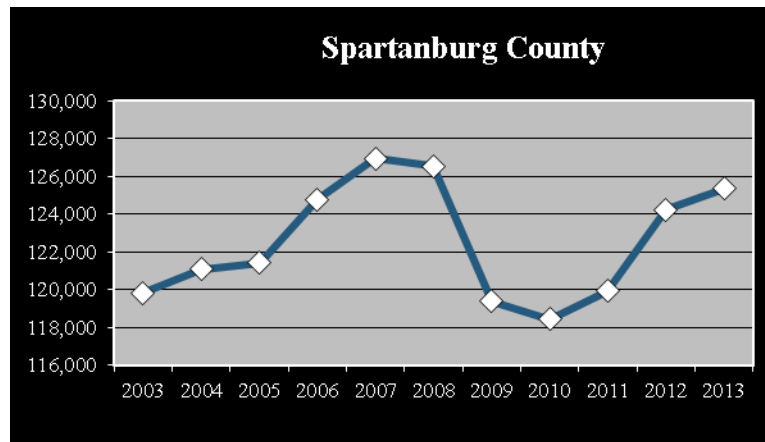
Excluding 2013, the employment base has declined by 1.8% over the past five years in Spartanburg County, more than the South Carolina state decline of 1.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	119,840	-	1,854,419	-	137,936,674	-
2004	121,099	1.1%	1,888,050	1.8%	138,386,944	0.3%
2005	121,427	0.3%	1,922,367	1.8%	139,988,842	1.2%
2006	124,782	2.8%	1,970,912	2.5%	142,328,023	1.7%
2007	126,961	1.7%	2,010,252	2.0%	144,990,053	1.9%
2008	126,553	-0.3%	1,998,368	-0.6%	146,397,529	1.0%
2009	119,383	-5.7%	1,908,839	-4.5%	146,068,824	-0.2%
2010	118,431	-0.8%	1,917,747	0.5%	140,721,369	-3.7%
2011	119,920	1.3%	1,941,654	1.2%	140,483,185	-0.2%
2012	124,234	3.6%	1,970,112	1.5%	141,748,955	0.9%
2013*	125,360	0.9%	1,995,454	1.3%	141,772,241	0.0%

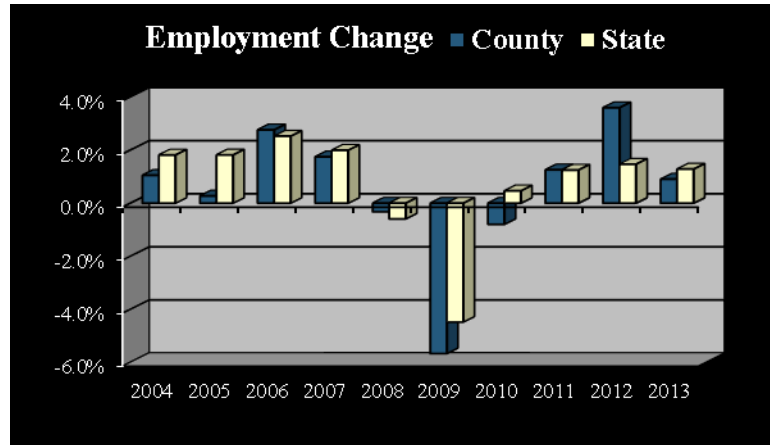
Source: Department of Labor; Bureau of Labor Statistics

*Through December



As the preceding illustrates, the Spartanburg County employment base was adversely impacted by the national recession, particularly in 2009, when the employment base declined by over 7,000 (5.7%) jobs. However, since 2010, the County's employment base has expanded and is near pre-recession levels.

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

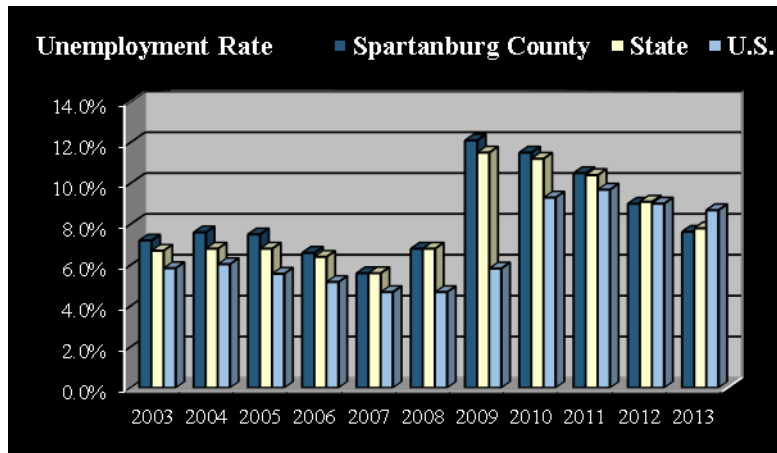


Unemployment numbers and rates for Spartanburg County, South Carolina and the United States are illustrated as follows:

Year	Total Unemployed					
	Spartanburg County		South Carolina		United States	
	Number	Percentage	Number	Percentage	Number	Percentage
2003	9,307	7.2%	133,257	6.7%	8,896,479	5.8%
2004	9,905	7.6%	138,430	6.8%	8,261,839	6.0%
2005	9,873	7.5%	139,983	6.8%	7,756,938	5.6%
2006	8,793	6.6%	134,123	6.4%	7,118,073	5.2%
2007	7,507	5.6%	119,068	5.6%	7,187,820	4.7%
2008	9,224	6.8%	144,925	6.8%	9,048,051	4.7%
2009	16,455	12.1%	246,945	11.5%	14,430,152	5.8%
2010	15,392	11.5%	241,452	11.2%	15,068,608	9.3%
2011	14,015	10.5%	225,657	10.4%	14,029,475	9.7%
2012	12,279	9.0%	197,083	9.1%	12,688,718	9.0%
2013*	10,385	7.6%	168,885	7.8%	13,012,624	8.7%

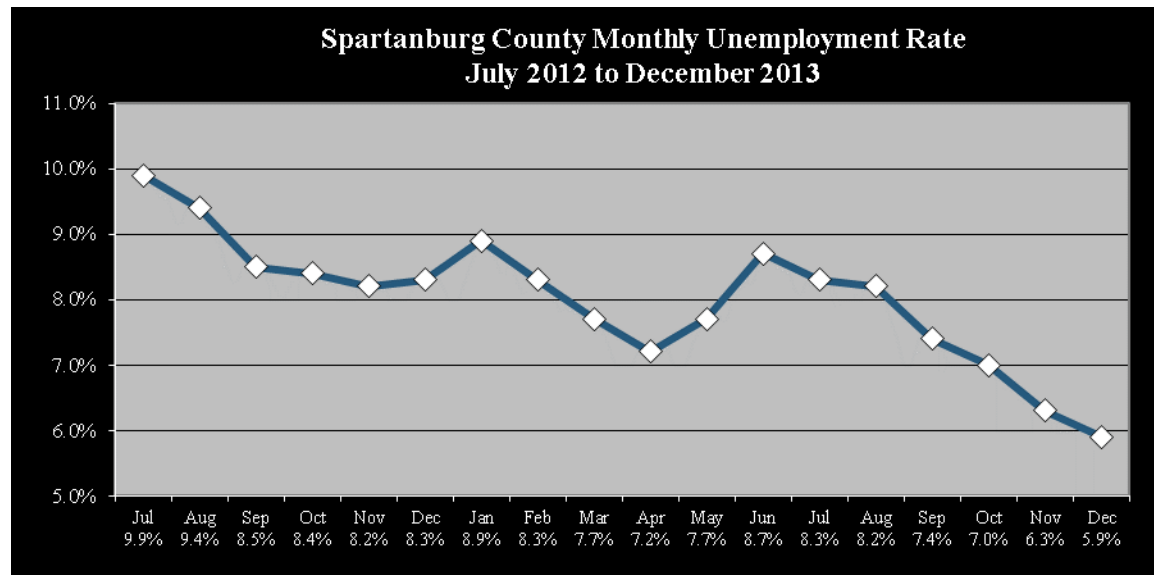
Source: Department of Labor, Bureau of Labor Statistics

*Through December



Over the past decade, the Spartanburg County unemployment rate has been slightly above but generally comparable to the state averages. The unemployment rate in Spartanburg County reached a 10-year high of 12.1% in 2009, as a result of the national recession. Since this time, the unemployment rate has declined each subsequent year. The 2013 unemployment rate of 7.6% for the County was lower than both the state and national averages.

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



The unemployment rate for Spartanburg County has generally declined on a monthly basis over much of the past 18 months.

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

In-Place Employment Spartanburg County			
Year	Employment	Change	Percent Change
2003	115,777	-	-
2004	114,866	-911	-0.8%
2005	115,190	324	0.3%
2006	116,837	1,647	1.4%
2007	119,036	2,199	1.9%
2008	119,670	634	0.5%
2009	111,150	-8,520	-7.1%
2010	109,848	-1,302	-1.2%
2011	111,288	1,440	1.3%
2012	114,561	3,273	2.9%
2013*	118,960	4,399	3.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Spartanburg County to be 92.2% of the total Spartanburg County employment. This means that most residents of Spartanburg County also work within the County. This will have a positive impact on the proposed subject project.

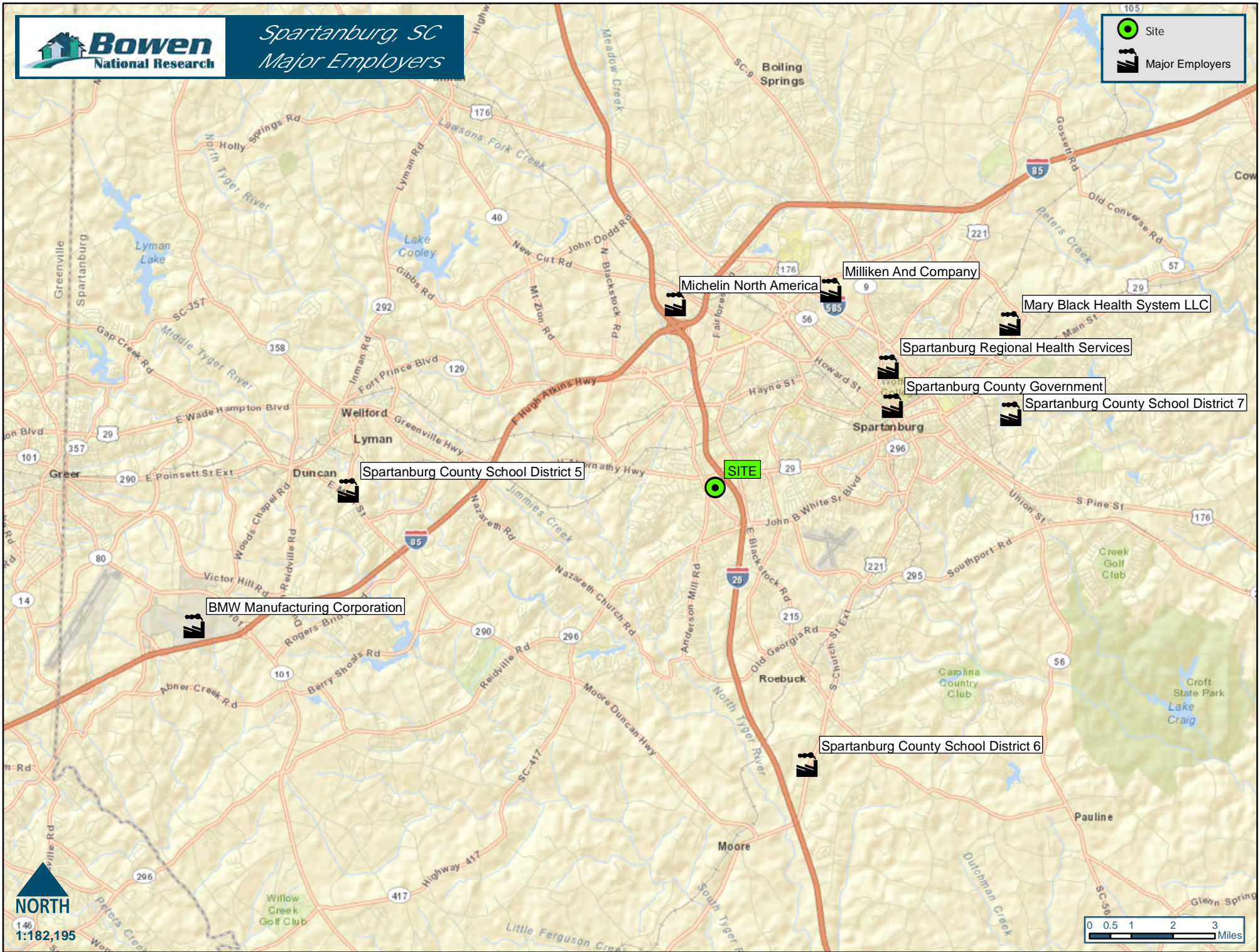
5. EMPLOYMENT CENTERS MAP

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



Spartanburg, SC Major Employers

Legend:
● Site
🏭 Major Employers



NORTH
1:182,195

0 0.5 1 2 3 Miles

6. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	31,332	83.1%
Carpooled	4,055	10.8%
Public Transit	239	0.6%
Walked	1,047	2.8%
Other Means	405	1.1%
Worked at Home	627	1.7%
Total	37,705	100.0%

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

Over 83% of all workers drove alone, 10.8% carpooled and only 0.6% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	12,477	33.1%
15 to 29 Minutes	16,839	44.7%
30 to 44 Minutes	5,098	13.5%
45 to 59 Minutes	1,468	3.9%
60 or More Minutes	1,195	3.2%
Worked at Home	627	1.7%
Total	37,705	100.0%

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

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

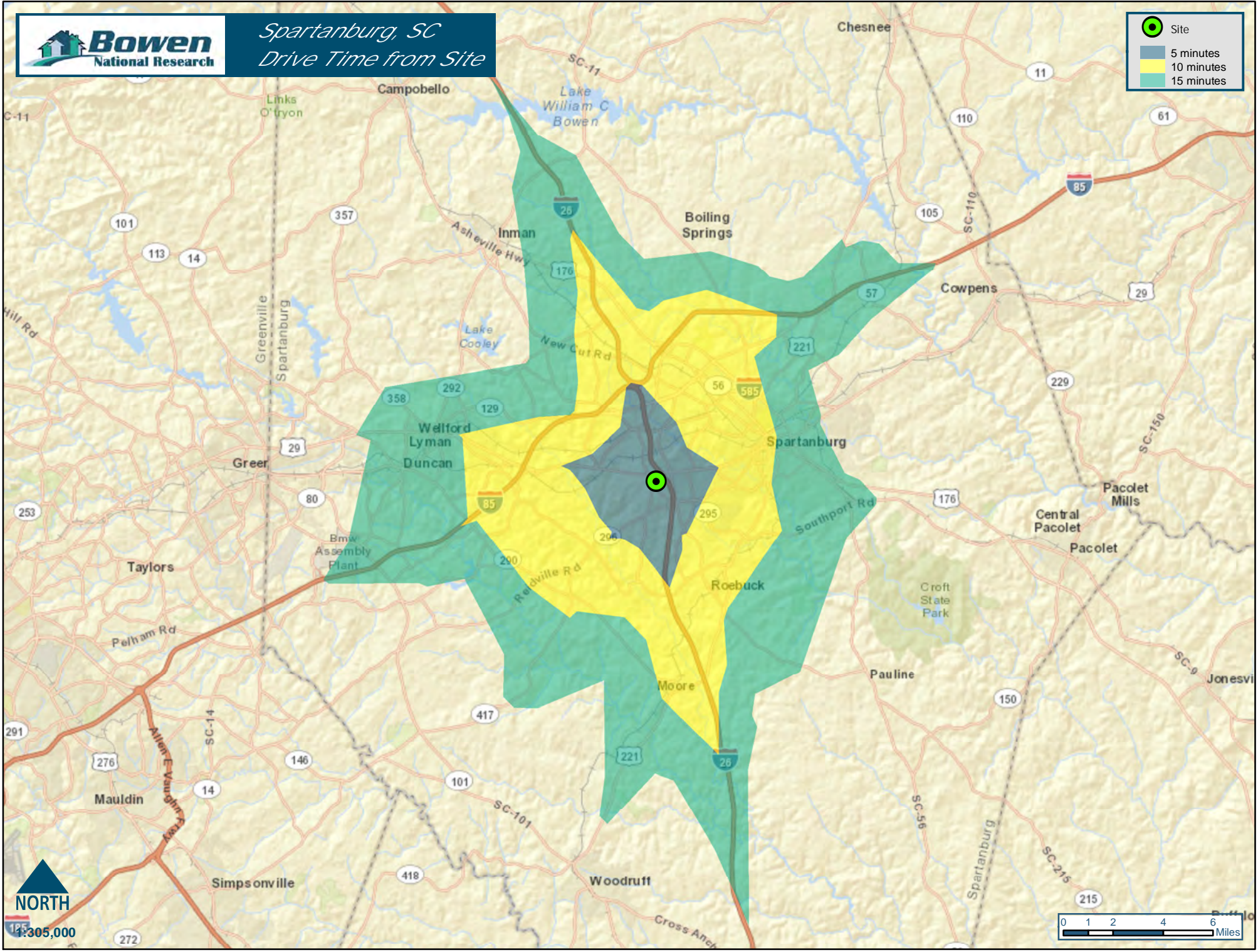


Spartanburg, SC

Drive Time from Site

Site

- 5 minutes
- 10 minutes
- 15 minutes



14:305,000



7. ELDERLY EMPLOYMENT OPPORTUNITIES

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

8. ECONOMIC FORECAST AND HOUSING IMPACT

Other than the BMW Manufacturing Corporation offices, which is the area's largest employers, most of area's large employers are within the Healthcare, Government and Education job sectors. Such employment sectors contribute to the area's economic stability. However, Spartanburg County was not immune to the effects of the national recession. In 2009, the Spartanburg County employment base was adversely impacted by the national recession, when the employment base declined by over 7,000 (5.7%) jobs. The unemployment rate in Spartanburg County reached a 10-year high of 12.1% in 2009, as a result of the national recession. However, since 2010, the County's employment base has expanded and is near pre-recession levels and the unemployment rate has declined each subsequent year. The 2013 unemployment rate of 7.6% for the County was lower than both the state and national averages. These recent trends are clear signs of a strengthening economy. Despite these improvements, demand for affordable housing remains high. While several job announcements will add to the expanding economy, we anticipate the need for affordable housing will continue to exist for the foreseeable future.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2016 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2016 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2016 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2016 (Projected)
Population	86,737	93,542	95,579	97,565
Population Change	-	6,805	2,037	1,986
Percent Change	-	7.8%	2.2%	2.1%

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

The Spartanburg Site PMA population base increased by 6,805 between 2000 and 2010. This represents a 7.8% increase over the 2000 population, or an annual rate of 0.8%. Between 2010 and 2013, the population increased by 2,037, or 2.2%. It is projected that the population will increase by 1,986, or 1.4%, between 2013 and 2016.

Based on the 2010 Census, the population residing in group-quarters is represented by 4.3% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	3,992	4.3%
Population not in Group Quarters	89,550	95.7%
Total Population	93,542	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2013 (Estimated)		2016 (Projected)		Change 2013-2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	26,983	28.8%	26,535	27.8%	26,735	27.4%	200	0.8%
20 to 24	7,117	7.6%	7,418	7.8%	7,037	7.2%	-381	-5.1%
25 to 34	11,789	12.6%	12,527	13.1%	12,968	13.3%	441	3.5%
35 to 44	12,421	13.3%	11,992	12.5%	12,017	12.3%	25	0.2%
45 to 54	13,097	14.0%	13,119	13.7%	12,961	13.3%	-158	-1.2%
55 to 64	10,808	11.6%	11,594	12.1%	11,991	12.3%	397	3.4%
65 to 74	6,544	7.0%	7,353	7.7%	8,336	8.5%	983	13.4%
75 & Over	4,780	5.1%	5,041	5.3%	5,519	5.7%	478	9.5%
Total	93,539	100.0%	95,579	100.0%	97,565	100.0%	1,986	2.1%

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

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2013. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2016 (Projected)
Households	33,099	35,410	36,279	37,079
Household Change	-	2,311	869	800
Percent Change	-	7.0%	2.5%	2.2%
Household Size	2.62	2.64	2.52	2.52

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

Within the Spartanburg Site PMA, households increased by 2,311 (7.0%) between 2000 and 2010. Between 2010 and 2013, households increased by 869 or 2.5%. By 2016, there will be 37,079 households, an increase of 800 households, or 2.2% over 2013 levels. This is an increase of approximately 267 households annually over the next two years.

b. Household by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2016 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	21,619	61.1%	21,607	59.6%	22,151	59.7%
Renter-Occupied	13,791	38.9%	14,672	40.4%	14,928	40.3%
Total	35,410	100.0%	36,279	100.0%	37,079	100.0%

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

In 2013, homeowners occupied 59.6% of all occupied housing units, while the remaining 40.4% were occupied by renters. The share of renters is relatively high and the 14,672 renter households represent a good base of potential support in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2013 (Estimated)		2016 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	3,812	10.8%	4,240	11.7%	4,241	11.4%
\$10,000 to \$19,999	5,324	15.0%	5,524	15.2%	5,487	14.8%
\$20,000 to \$29,999	4,503	12.7%	4,599	12.7%	4,645	12.5%
\$30,000 to \$39,999	4,091	11.6%	4,410	12.2%	4,423	11.9%
\$40,000 to \$49,999	2,892	8.2%	3,138	8.6%	3,187	8.6%
\$50,000 to \$59,999	3,258	9.2%	3,154	8.7%	3,204	8.6%
\$60,000 to \$74,999	3,111	8.8%	3,249	9.0%	3,330	9.0%
\$75,000 to \$99,999	3,629	10.2%	3,369	9.3%	3,531	9.5%
\$100,000 to \$124,999	2,055	5.8%	1,980	5.5%	2,117	5.7%
\$125,000 to \$149,999	1,135	3.2%	1,096	3.0%	1,215	3.3%
\$150,000 to \$199,999	926	2.6%	901	2.5%	974	2.6%
\$200,000 & Over	676	1.9%	619	1.7%	723	2.0%
Total	35,410	100.0%	36,279	100.0%	37,079	100.0%
Median Income	\$39,940		\$38,563		\$39,420	

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

In 2010, the median household income was \$39,940. This declined by 3.4% to \$38,563 in 2013. By 2016, it is projected that the median household income will be \$39,420, an increase of 2.2% over 2013.



d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2013 and 2016 for the Spartanburg Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,324	457	324	249	128	2,483
\$10,000 to \$19,999	1,354	706	366	380	96	2,903
\$20,000 to \$29,999	642	578	391	198	268	2,076
\$30,000 to \$39,999	509	485	440	186	355	1,976
\$40,000 to \$49,999	250	343	145	135	146	1,019
\$50,000 to \$59,999	216	452	176	126	196	1,165
\$60,000 to \$74,999	88	240	238	99	85	750
\$75,000 to \$99,999	115	104	134	134	125	613
\$100,000 to \$124,999	47	113	41	73	31	305
\$125,000 to \$149,999	47	67	50	30	51	245
\$150,000 to \$199,999	46	26	60	16	10	158
\$200,000 & Over	39	13	26	14	5	98
Total	4,677	3,583	2,392	1,641	1,498	13,791

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,575	543	340	266	163	2,888
\$10,000 to \$19,999	1,464	743	413	430	106	3,156
\$20,000 to \$29,999	656	627	442	208	281	2,214
\$30,000 to \$39,999	588	469	472	202	383	2,114
\$40,000 to \$49,999	253	415	160	124	156	1,108
\$50,000 to \$59,999	202	438	173	124	173	1,109
\$60,000 to \$74,999	78	258	240	101	93	770
\$75,000 to \$99,999	95	92	117	137	102	542
\$100,000 to \$124,999	46	122	46	85	31	330
\$125,000 to \$149,999	40	54	33	27	66	220
\$150,000 to \$199,999	31	23	75	9	7	146
\$200,000 & Over	25	16	20	12	2	75
Total	5,052	3,800	2,532	1,726	1,563	14,672

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2016 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,596	538	339	263	155	2,892
\$10,000 to \$19,999	1,476	756	401	416	96	3,145
\$20,000 to \$29,999	675	637	436	197	274	2,219
\$30,000 to \$39,999	604	481	478	197	381	2,143
\$40,000 to \$49,999	257	408	169	135	162	1,131
\$50,000 to \$59,999	211	437	180	130	175	1,132
\$60,000 to \$74,999	81	260	246	103	100	791
\$75,000 to \$99,999	108	100	126	149	114	597
\$100,000 to \$124,999	48	133	54	96	37	367
\$125,000 to \$149,999	45	60	32	30	73	241
\$150,000 to \$199,999	34	26	87	14	13	173
\$200,000 & Over	34	17	23	18	4	97
Total	5,168	3,853	2,571	1,748	1,587	14,928

Source: Ribbon Demographics; ESRI; Urban Decision Group

The Spartanburg Site PMA population base and number of households experienced positive growth since 2000. These trends are projected to continue. Between 2013 and 2018, it is projected that the population will increase by 1,986, or 1.4%, while the number of households is projected to increase by 800 households, or 2.2% over 2013 levels. These are very positive growth trends and indicate that the market will likely have a growing need for additional housing. During this three-year projection period, the overall number of renter households is projected to increase by 256. It appears that this growth will occur among all renter household income segments, including modest growth among low-income households. This will increase the demand for affordable rental housing in the market.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within the Spartanburg, SC MSA, which has a four-person median household income of \$52,500 for 2014. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI for the MSA. The following table summarizes the maximum allowable income by household size at various levels of AMHI.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,400	\$22,080
Two-Person	\$21,000	\$25,200
Three-Person	\$23,650	\$28,380
Four-Person	\$26,250	\$31,500
Five-Person	\$28,350	\$34,020

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$34,020.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$564 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,768. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$19,337.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$19,337	\$28,350
Tax Credit (Limited To 60% Of AMHI)	\$20,537	\$34,020
Overall Project	\$19,337	\$34,020

3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2013 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2016) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

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

rent burdened households range from 27.0% to 30.4%, depending upon targeted income levels.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing. The share of substandard households in the market is 2.8%.*
- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. This demand component was not considered in this report.*
- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service in 2013 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2013 which have not reached stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2013 to current). We did not identify any comparable projects that were placed in service prior to 2013 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component (Households Age 55+)	Percent Of Median Household Income		
	50% AMHI (\$19,337-\$28,350)	60% AMHI (\$20,537-\$34,020)	Overall (\$19,337-\$34,020)
Demand From New Renter Households (Age- And Income-Appropriate)	2,060 - 2,058 = 2	2,956 - 2,945 = 11	3,283 - 3,273 = 10
+			
Demand From Existing Households (Rent Overburdened)	2,058 X 30.4% = 625	2,945 X 27.0% = 795	3,273 X 29.1% = 952
+			
Demand From Existing Households (Renters In Substandard Housing)	2,058 X 2.8% = 57	2,945 X 2.8% = 82	3,273 X 2.8% = 91
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	684	888	1,053
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2013)	0	0	0
=			
Net Demand	684	888	1,053
Proposed Units	7	21	28
Proposed Units/ Net Demand	7 / 684	21 / 888	28 / 1,053
Capture Rate	= 1.0%	= 2.4%	= 2.7%

The capture rates by income level are low, ranging from 1.0% to 2.4%. The overall capture rate of 2.7% is also very low and is an indication that there is significant depth of support for the proposed subject project.

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

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

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

Units Targeting 50% Of AMHI (684 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	171	0	171	0	-
Two-Bedroom (50%)	342	0	342	3	0.9%
Three-Bedroom (25%)	171	0	171	4	2.3%

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

Units Targeting 60% Of AMHI (888 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	222	0	222	0	-
Two-Bedroom (50%)	444	0	444	4	0.9%
Three-Bedroom (25%)	222	0	222	16	7.2%

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

The capture rates by bedroom type and AMHI level are low, ranging from 0.9% to 7.2%. These capture rates that there is sufficient demand for the proposed subject units by bedroom type and AMHI level.

5. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2016 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2016, though the actual completion date may be earlier.

It is our opinion that the proposed 28 LIHTC units at the subject site will reach a stabilized occupancy of 93.0% within three months of opening. This absorption period is based on an average monthly absorption rate of 10 units. Our absorption projections assume that household growth will continue rapidly and that no other large projects targeting a similar income group are developed during the projection period. This assumes the proposed subject project is developed and operated as proposed in this report.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

The subject project will include 28 Low-Income Housing Tax Credit (LIHTC) units. We identified four (4) LIHTC projects within the Site PMA that are considered comparable to the subject development because they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Willow Crossing Townhomes	2015	28	-	-	-	Families; 50% & 60% AMHI
1	Willow Crossing	2012	48	100.0%	1.1 Miles	148 H.H.	Families; 50% & 60% AMHI
9	Companion at Lee's Crossing I	2010	192	100.0%	2.2 Miles	7 H.H.	Families; 60% AMHI
24	Monarch Place	1999	64	100.0%	6.6 Miles	2 H.H.	Families; 50% & 60% AMHI
31	Culpepper Landing I & II	1998	72*	100.0%	7.6 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households
*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 100.0%. Three of the four LIHTC projects maintain wait lists. Notably, the adjacent Willow Crossing project has a 148-household wait list. This project began preleasing units in January 2012 and completed a full lease-up by March of 2012. This resulted in an average monthly absorption rate of 16 units, which is considered a rapid absorption rate for affordable housing. The occupancy rates and wait lists of the comparable projects, and the rapid lease-up of the newest LIHTC project in the Site PMA, are evidence of the strong and pent-up demand for affordable housing within the immediate site area.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Willow Crossing	48	4	8.3%
9	Companion at Lee's Crossing I	192	59	30.7%
24	Monarch Place	64	17	26.6%
31	Culpepper Landing I & II	72*	20	27.8%
Total		376	100	26.6%

*Tax Credit units only

As the preceding table illustrates, there are a total of approximately 100 voucher holders residing at the comparable properties within the market. This comprises 26.6% of the 376 total non-subsidized LIHTC units. As such, nearly 75% of the units are occupied by residents who are actually paying the quoted rents. Given the 100% occupancy rate at these projects, it can be concluded that the gross rents at these properties are achievable and serve as a good base of comparison for the proposed subject project.

According to a representative with the Spartanburg Housing Authority, there are approximately 1,711 Housing Choice Voucher holders within the housing authority's jurisdiction and over 800 people currently on the waiting list for additional Vouchers. Assuming the proposed project will accept Voucher holders, the subject project will have a large base of potential support.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Willow Crossing Townhomes	-	\$564/50% (3) \$599/60% (5)	\$669/50% (4) \$704/60% (16)	-
1	Willow Crossing	-	\$573/50% (8/0) \$613/60% (8/0)	\$671/50% (4/0) \$716/60% (28/0)	None
9	Companion at Lee's Crossing I	\$601/60% (36/0)	\$723/60% (98/0)	\$841/60% (58/0)	None
24	Monarch Place	-	\$659/50% (13/0) \$787/60% (19/0)	\$752/50% (13/0) \$878/60% (19/0)	None
31	Culpepper Landing I & II	-	\$693/50% (14/0) \$738/60% (34/0)	\$804/50% (10/0) \$866/60% (14/0)	None

The proposed subject gross rents range from \$564 to \$599 for a two-bedroom unit and \$669 to \$704 for a three-bedroom unit. These rents compare very well with the existing LIHTC rents in the market and will likely represent a value in the market to low-income renter households. Given that these rents will be among the lowest of the comparable LIHTC projects' rents, the subject units will likely experience a rapid absorption rate.

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



31 Culpepper Landing I & II

7.6 miles to site



Address 201 Culpepper Landing Dr.
Duncan, SC 29334

Phone (864) 486-0022 **Contact** Samantha

Total Units 192 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 1998 **Floors** 3

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

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

Remarks 50% & 60% AMHI; HCV (20 units)

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage
Project Amenities Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Picnic Area
Parking Surface Parking

UNIT CONFIGURATION

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	60	0	988	\$0.73	\$725	
2	2	G	34	0	788	\$0.79	\$625	60%
2	2	G	14	0	988	\$0.59	\$580	50%
3	2	G	60	0	1128	\$0.73	\$825	
3	2	G	14	0	1128	\$0.64	\$725	60%
3	2	G	10	0	1128	\$0.59	\$663	50%

1 Willow Crossing 1.1 miles to site



Address 101 Willow Crossing Ln.
Spartanburg, SC 29301

Phone (864) 699-9965 **Contact** Allison

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

Project Type Tax Credit

Year Open 2012 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 148 households

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

Remarks
50% & 60% AMHI; HCV (4 units); Opened 2/2012, 100% occupied 3/2012, began preleasing 1/2012; Laminate flooring in kitchen, living room, hallway, carpeting in bedrooms



FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area, Social Services, Gazebo
Parking Surface Parking

UNIT CONFIGURATION

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	8	0	1100	\$0.45	\$500	60%
2	2	G	8	0	1100	\$0.42	\$460	50%
3	2	G	28	0	1200	\$0.48	\$575	60%
3	2	G	4	0	1200	\$0.44	\$530	50%



9

Companion at Lee's Crossing I

2.2 miles to site



Address 701 Powell Mill Rd.
Spartanburg, SC 29301

Phone (864) 574-8494 **Contact** Angela

Total Units 192 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2010 **Floors** 3,4

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 7 households

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

Remarks 60% AMHI, Tax Credit Bond; HCV (approx. 59 units)

FEATURES AND UTILITIES

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Car Wash Area, Security
Parking	Detached Garages, Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	36	0	687	\$0.75	\$515	60%
2	2	G	98	0	933	\$0.65	\$610	60%
3	2	G	58	0	1106	\$0.63	\$700	60%

24 Monarch Place

6.6 miles to site



Address 200 Monarch Pl.
Wellford, SC 29385

Phone (864) 439-1080 **Contact** Dee

Total Units 64 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 1999 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 2 households

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

Remarks 50% & 60% AMHI; HCV (17 units)

FEATURES AND UTILITIES

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities On-site Management, Laundry Facility
Parking Surface Parking

UNIT CONFIGURATION

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1.5	G	19	0	985	\$0.61	\$605	60%
2	1.5	G	13	0	985	\$0.48	\$477	50%
3	2	G	19	0	1190	\$0.55	\$655	60%
3	2	G	13	0	1190	\$0.44	\$529	50%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Willow Crossing Townhomes	-	1,100	1,250
1	Willow Crossing	-	1,100	1,200
9	Companion at Lee's Crossing I	687	933	1,106
24	Monarch Place	-	985	1,190
31	Culpepper Landing I & II	-	788 - 988	1,128

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Willow Crossing Townhomes	-	1.75	2.5
1	Willow Crossing	-	2.0	2.0
9	Companion at Lee's Crossing I	1.0	2.0	2.0
24	Monarch Place	-	1.5	2.0
31	Culpepper Landing I & II	-	2.0	2.0

The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered. These sizes and number of bathroom will appeal to low-income households, particularly families. As such, the unit sizes and number of baths will allow the proposed LIHTC units to compete well with the existing low-income units in the market.

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



COMPARABLE PROPERTIES AMENITIES - SPARTANBURG, SC

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

MAP ID	PROJECT AMENITIES															OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	
SITE		X	X	X	X	X		X			X			X		X				Security Cameras
31	X	X	X	X		X		X								X				
1		X	X	X		X		X						X		X	X			Gazebo
9	X	X	X		X	X		X												Security
24		X	X																	

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

X - All Units
S - Some Units
O - Optional

Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

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

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

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

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

The proposed subject project will offer a very comprehensive unit and project amenities package that will be competitive with those of the competing low-income projects. With fully equipped kitchens and a project amenities package that will include such things as storage areas, fitness center, playground, computer center, community room, and picnic area, the project will likely appeal to a large base of prospective renters, including families. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Tax Credit project.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties. With rents among the lowest, along with competitively sized (square feet) units and a comprehensive amenity package, the proposed subject project is positioned to lease-up rather quickly and effectively compete in the market.

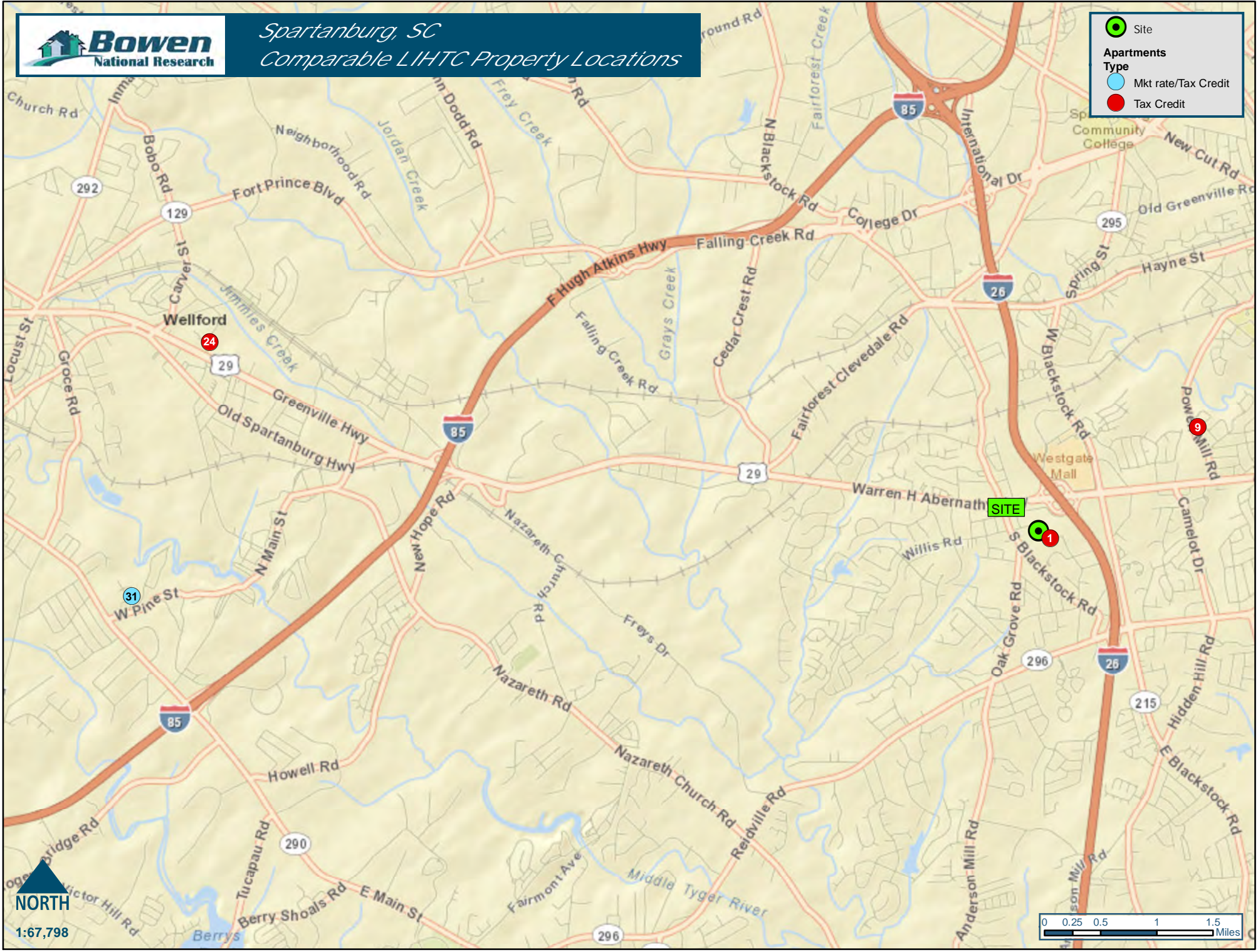
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Spartanburg, SC
Comparable LIHTC Property Locations

● Site
● Apartments
Type
● Mkt rate/Tax Credit
● Tax Credit



NORTH
1:67,798



3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Spartanburg Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	35,410	87.7%	36,279	88.1%
Owner-Occupied	21,619	61.1%	21,607	59.6%
Renter-Occupied	13,791	38.9%	14,672	40.4%
Vacant	4,955	12.3%	4,904	11.9%
Total	40,365	100.0%	41,183	100.0%

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

Based on a 2013 update of the 2010 Census, of the 41,183 total housing units in the market, 11.9% were vacant. In 2013, it was estimated that homeowners occupied 59.6% of all occupied housing units, while the remaining 40.4% were occupied by renters. The more than 14,000 renter households represents a large base of potential support in the market for the subject development.

We identified and personally surveyed 34 conventional housing projects containing a total of 5,069 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. **These rentals have a combined occupancy rate of 95.7%, a good rate for rental housing.** Among these projects, 28 are non-subsidized (market-rate and Tax Credit) projects containing 4,434 units. These non-subsidized units are 96.2% occupied. There are ten additional units under construction in the Site PMA. The remaining six projects contain 635 government-subsidized units, which are 92.6% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	20	3,692	165	95.5%
Market-rate/Tax Credit	1	192	0	100.0%
Market-rate/Government-Subsidized	1	100	1	99.0%
Tax Credit	5	470	4	99.1%
Tax Credit/Government-Subsidized	5	437	41	90.6%
Government-Subsidized	2	178	6	96.6%
Total	34	5,069	217	95.7%

Other than the Tax Credit/Government-subsidized housing segment, the rental housing market is performing extremely well, with no segment operating below 95% occupancy. The 90.6% occupancy rate among the Tax Credit/Government-subsidized supply is primarily attributed to a single

project, Crescent Hill Apartments (Map ID 41). This project, which operates under the HUD Section 8 and LIHTC programs, is currently 72.7% occupied, with a total of 41 vacancies. This project is currently under new management. While current management wasn't certain as to the reason for the low occupancy rate, it is worth noting that this project is among the oldest projects (built in 1971) in the market and has a low quality rate of "C". Further, this project has a very limited amenity package. As a result, we believe the occupancy challenges at this project are related to possible prior management issues, age and quality of the product, and its limited amenity package. A survey of this project by Bowen National Research in late 2012 indicated that this project was fully occupied and maintained a 20-household wait list. Therefore, the increase in vacancies at this project has been a relatively recent trend and is not a reflection of any weaknesses in the market.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	21	0.5%	2	9.5%	\$693
One-Bedroom	1.0	1,139	29.3%	40	3.5%	\$760
Two-Bedroom	1.0	167	4.3%	11	6.6%	\$602
Two-Bedroom	1.5	254	6.5%	11	4.3%	\$824
Two-Bedroom	2.0	1,544	39.7%	66	4.3%	\$924
Three-Bedroom	1.0	49	1.3%	0	0.0%	\$620
Three-Bedroom	1.5	32	0.8%	2	6.3%	\$776
Three-Bedroom	2.0	661	17.0%	34	5.1%	\$966
Three-Bedroom	2.5	16	0.4%	0	0.0%	\$1,049
Four-Bedroom	2.0	9	0.2%	0	0.0%	\$912
Total Market-rate		3,892	100.0%	166	4.3%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	10	1.8%	0	0.0%	\$534
One-Bedroom	1.0	59	10.9%	2	3.4%	\$601
Two-Bedroom	1.0	13	2.4%	2	15.4%	\$616
Two-Bedroom	1.5	32	5.9%	0	0.0%	\$787
Two-Bedroom	2.0	162	29.9%	0	0.0%	\$723
Three-Bedroom	2.0	206	38.0%	0	0.0%	\$841
Four-Bedroom	2.0	60	11.1%	0	0.0%	\$920
Total Tax Credit		542	100.0%	4	0.7%	-

The market-rate units are 95.7% occupied and the Tax Credit units are 99.3% occupied. As such, the non-subsidize rental housing market is performing very well. Interestingly, with only four vacant units among the more than 500 LIHTC units in the market, there is clearly strong demand for affordable housing in the market. The four projects that operate exclusively under the LIHTC project are fully occupied with wait lists.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	8	1,171	3.2%
1980 to 1989	4	624	3.8%
1990 to 1999	6	1,259	4.9%
2000 to 2005	3	401	3.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	2	496	5.0%
2009	0	0	0.0%
2010	2	408	0.0%
2011	0	0	0.0%
2012	1	48	0.0%
2013	1	27	37.0%
Total	27	4,434	3.8%

*As of February

Over 26% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 3.2%, slightly lower than the overall market. As a result, it appears the market has responded well to older product. The market's newest project, Magnolia Loft Apartments (Map ID 2) was opened in 2013 and is currently in its initial lease-up phase. Excluding this project, the three newest projects built since 2008 are fully occupied. Therefore, the market has responded well to new product, which appears to be in high demand.

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

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
Two-Bedroom	\$564-50%	\$845	\$499 - \$1,464	2,168 (99.8%)
	\$599-60%			2,121 (97.7%)
Three-Bedroom	\$669-50%	\$929	\$620 - \$1,397	935 (97.0%)
	\$704-60%			931 (96.6%)

Most of the rents of existing rentals in the market are above the proposed rents at the subject site. Therefore, the proposed rents should be perceived as an exceptional value in the market. The appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	4	960	3.2%
A-	3	799	7.0%
B+	4	505	3.4%
B	5	800	4.1%
B-	4	416	4.1%
C+	1	100	4.0%
C	1	312	2.6%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	48	0.0%
A-	1	72	0.0%
B+	3	376	0.0%
C-	1	46	8.7%

Generally, vacancies are lowest among the higher quality projects, particularly among the LITHC supply. The proposed subject project is expected to be of very good quality, which will contribute to its marketability.

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

4. RENTAL HOUSING INVENTORY MAP

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



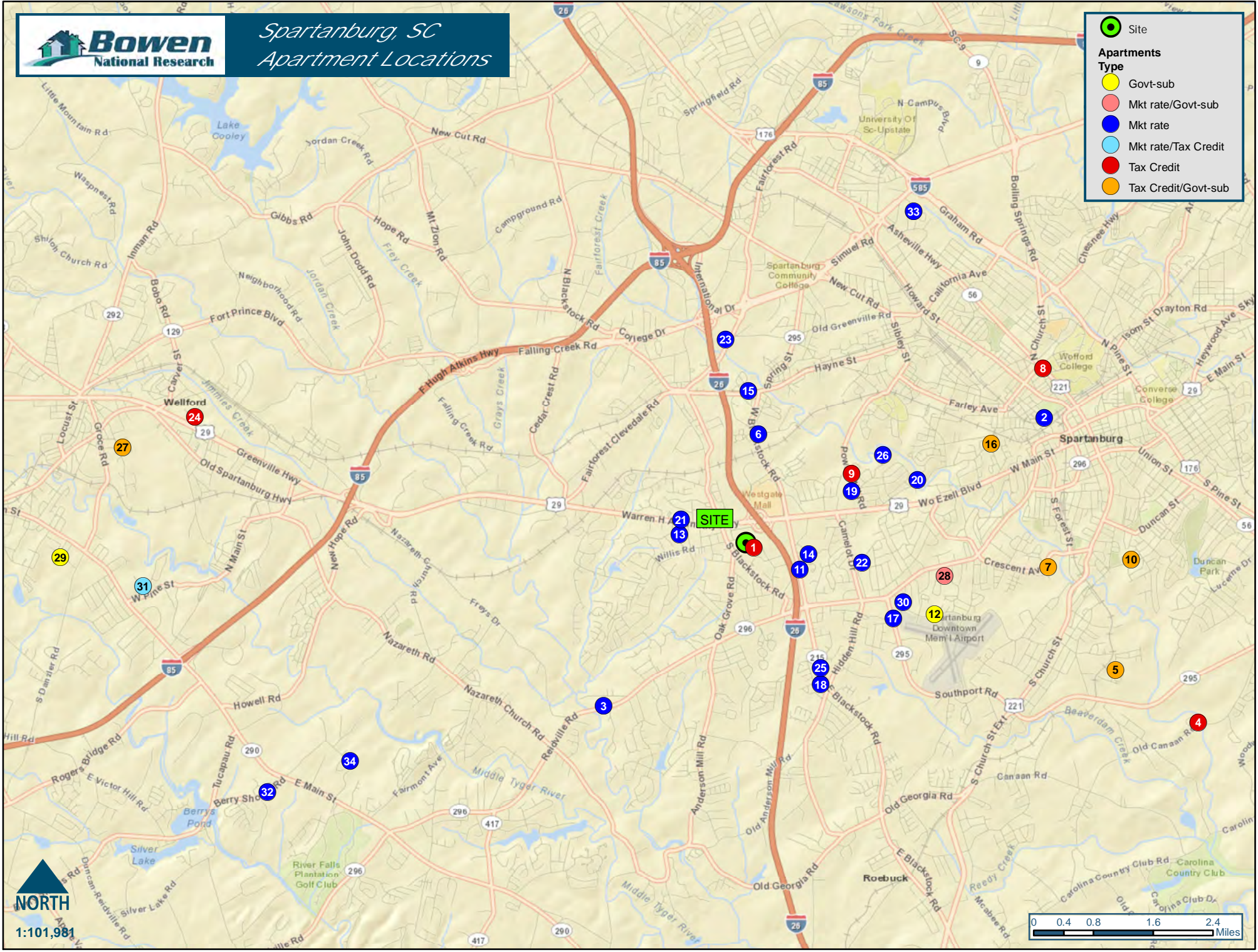


Spartanburg, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate/Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:101,981

0 0.4 0.8 1.6 2.4 Miles

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

According to planning and building representatives, there is currently one multi-unit rental housing project planned or under construction within the Site PMA.

- Schuyler Building Apartments is an adaptive reuse of a 13-story 1950's apartment building located at 275 South Church Street in Spartanburg. The project is currently under construction and once completed the development will consist of 88 one-bedroom market-rate units, a roof terrace, fitness center and first floor retail. The project is expected to be completed sometime in fall 2014. The developer is Pace Burt.

This project is expected to target a different income segment than the proposed subject project and therefore, it will not compete with the proposed subject project.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

As discussed earlier in this analysis, we identified a total of four comparable LIHTC projects within or near the Site PMA that have received Tax Credit funding. In addition, we identified a total of four projects offering market-rate units (may include mixed-income projects) of which none are considered both economically and conceptually comparable. Our methodology for identifying conceptual comparability, which is the basis for our achievable market-rent analysis, are those projects that target a similar age cohort, are of similar design, offered similar amenity packages, have a year built or received significant renovations no earlier than 1998. While several market-rate projects in the market are conceptually comparable, they are not considered economic comparable. The lack of economic comparability of the selected market-rate projects is primarily attributed to the rent differential of over \$300. The four stabilized comparable Tax Credit projects identified in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/ Renovated	Project Type	Total Units	Occupancy Rate
Site	Willow Crossing Townhomes	2015	TC	28	-
1	Willow Crossing	2012	TC	48	100.0%
9	Companion at Lee's Crossing I	2010	TC	192	100.0%
24	Monarch Place	1999	TC	64	100.0%
31	Culpepper Landing I & II	1998	TC	72*	100.0%
Total				376	100%

*Non-Subsidized Tax Credit Units Only
 TC – Tax Credit
 MR – Market-Rate

The overall occupancy rate of the four stabilized comparable Tax Credit in the Site PMA is 100%.

8. MARKET RENT ADVANTAGE

We identified four (4) market-rate properties within the Spartanburg Site PMA that we consider most comparable to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.



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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Willow Crossing Townhomes	2015	28	-	-	8 (-)	20 (-)
3	River Run	2010	216	100.0%	12 (100.0%)	120 (100.0%)	84 (100.0%)
6	Reserve at Park West	2008	264	94.3%	90 (96.7%)	132 (92.4%)	42 (95.2%)
32	Chartwell Berry Shoals	2003	248	97.6%	84 (100.0%)	112 (96.4%)	52 (96.2%)
34	Chartwell River Falls	2008	232	95.7%	102 (95.1%)	104 (95.2%)	26 (100.0%)

Occ. - Occupancy

The four selected market-rate projects have a combined total of 960 units with an overall occupancy rate of 96.8%. None of the comparable properties has an occupancy rate below 94.3%.

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

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Willow Crossing Townhomes		River Run		Reserve at Park West		Chartwell Berry Shoals		Chartwell River Falls			
Willis Rd.		901 Meridian River Run		100 Keats Dr.		200 Tralee Dr.		150 Churchill Falls Dr.			
Spartanburg, SC		Spartanburg, SC		Spartanburg, SC		Duncan, SC		Duncan, SC			
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$998		\$853		\$885		\$899			
2	Date Surveyed	Feb-14		Feb-14		Feb-14		Feb-14			
3	Rent Concessions	None		None		Yes (\$74)		None			
4	Occupancy for Unit Type	100%		92%		96%		95%			
5	Effective Rent & Rent/ sq. ft	\$998	0.92	\$853	0.83	\$811	0.71	\$899	0.79		
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/3		WU/3,4		WU/3,4			
7	Yr. Built/Yr. Renovated	2015		2010 \$5		2008 \$7		2008 \$7			
8	Condition /Street Appeal	E		E		E		E			
9	Neighborhood	G	(\$10)	E		G		E	(\$10)		
10	Same Market?	Yes		Yes		Yes		Yes			
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2			
12	# Baths	1.75	(\$8)	2	(\$8)	2	(\$8)	2	(\$8)		
13	Unit Interior Sq. Ft.	1100	\$3	1086	\$3	1023 \$16		1148 (\$10)		1133 (\$7)	
14	Balcony/ Patio	Y		Y		Y		Y			
15	AC: Central/ Wall	C		C		C		C			
16	Range/ refrigerator	R/F		R/F		R/F		R/F			
17	Microwave/ Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y			
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L			
19	Floor Coverings	C		C		C		C			
20	Window Coverings	B		B		B		B			
21	Intercom/Security System	N/N		N/N		N/Y (\$3)		N/N		N/N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)		
23	Ceiling Fans	Y		Y		Y		Y			
D Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y		Y		Y		Y			
26	Security Gate/Cameras	Y		Y		N \$5		Y			
27	Clubhouse/ Meeting Rooms	Y/Y		Y/N \$5		Y/N \$5		Y/N \$5			
28	Pool/ Recreation Areas	F	(\$10)	P/F	(\$10)	P/F/S (\$13)		P/F (\$10)		P/F (\$10)	
29	Computer Center	Y		Y		Y		Y			
30	Picnic Area	Y		Y		Y		Y			
31	Playground	Y		Y		Y		Y			
32	Storage	Y		Y		OPT/\$70		Y			
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E			
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E			
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E			
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E			
37	Other Electric	N		N		N		N			
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N			
39	Trash /Recycling	Y/N		Y/N		N/N \$13		N/N \$13			
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	4	4	4	3	4	2	5		
41	Sum Adjustments B to D	\$13	(\$33)	\$33	(\$29)	\$22	(\$32)	\$12	(\$39)		
42	Sum Utility Adjustments					\$13		\$13			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$20)	\$45	\$4	\$61	\$3	\$67	(\$14)	\$64		
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$978		\$857		\$814		\$885			
45	Adj Rent/Last rent		98%		101%		100%		98%		
46	Estimated Market Rent	\$880	\$0.80	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Willow Crossing Townhomes		River Run		Reserve at Park West		Chartwell Berry Shoals		Chartwell River Falls			
Willis Rd.		901 Meridian River Run		100 Keats Dr.		200 Tralee Dr.		150 Churchill Falls Dr.			
Spartanburg, SC		Spartanburg, SC		Spartanburg, SC		Duncan, SC		Duncan, SC			
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,130		\$966		\$1,005		\$1,120			
2	Date Surveyed	Feb-14		Feb-14		Feb-14		Feb-14			
3	Rent Concessions	None		None		Yes (\$84)		None			
4	Occupancy for Unit Type	100%		95%		96%		100%			
5	Effective Rent & Rent/ sq. ft	\$1,130	0.88	\$966	0.78	\$921	0.67	\$1,120	0.85		
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/3		WU/3,4		WU/3,4			
7	Yr. Built/Yr. Renovated	2015		2010	\$5	2008	\$7	2003	\$12	2008	\$7
8	Condition /Street Appeal	E		E		E		E			
9	Neighborhood	G		E	(\$10)	G		E	(\$10)		
10	Same Market?			Yes		Yes		Yes			
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3			
12	# Baths	2.5		2	\$15	2	\$15	2	\$15		
13	Unit Interior Sq. Ft.	1250		1280	(\$6)	1236	\$3	1370	(\$24)	1316	(\$13)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C			
16	Range/ refrigerator	R/F		R/F		R/F		R/F			
17	Microwave/ Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y			
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L			
19	Floor Coverings	C		C		C		C			
20	Window Coverings	B		B		B		B			
21	Intercom/Security System	N/N		N/N		N/Y	(\$3)	N/N		N/N	
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y		Y		Y		Y			
26	Security Gate/Cameras	Y		Y		N	\$5	Y			
27	Clubhouse/ Meeting Rooms	Y/Y		Y/N	\$5	Y/N	\$5	Y/N	\$5		
28	Pool/ Recreation Areas	F		P/F	(\$10)	P/F/S	(\$13)	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y		Y		Y		Y			
30	Picnic Area	Y		Y		Y		Y			
31	Playground	Y		Y		Y		Y			
32	Storage	Y		Y		OPT/\$70		Y			
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E			
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E			
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E			
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E			
37	Other Electric	N		N		N		N			
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N			
39	Trash /Recycling	Y/N		Y/N		Y/N		N/N	\$13	N/N	\$13
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	4	5	3	4	3	3	4		
41	Sum Adjustments B to D	\$25	(\$31)	\$35	(\$21)	\$37	(\$39)	\$27	(\$38)		
42	Sum Utility Adjustments					\$13		\$13			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$6)	\$56	\$14	\$56	\$11	\$89	\$2	\$78		
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,124		\$980		\$932		\$1,122			
45	Adj Rent/Last rent		99%		101%		101%		100%		
46	Estimated Market Rent	\$1,040	\$0.83	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$880 for a two-bedroom unit and \$1,040 for a three-bedroom unit.

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

Bedroom Type	Proposed Collected Rent (% AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$400 (50%)	\$880	54.55%
	\$435 (60%)		50.57%
Three-Bedroom	\$465 (50%)	\$1,040	55.29%
	\$500 (60%)		51.92%
Weighted Average			52.46%

The proposed collected rents represent a market rent advantage of 50.57% to 55.29% when compared with achievable market rent and represent significant rent advantages in the subject market. The weighted market rent advantage at the subject project is 52.46%. **This is also a large rent advantage and indicates that overall, the project’s rents will be positioned well to compete.**

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. We have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties.

8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.
- 13.- 23. The subject project will offer a unit amenity package that is generally similar to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. While the subject project offers a comprehensive project amenities package, it is slightly inferior to the selected market-rate projects. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

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

Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2016
Willow Crossing	100.0%	95%-100.0%
Companion at Lee's Crossing I	100.0%	95%-100.0%
Monarch Place	100.0%	95%-100.0%
Culpepper Landing I & II	100.0%	95%-100.0%

Each of the existing comparable LIHTC projects are fully occupied and three of the four projects maintain wait lists. Given the performance of these projects and the depth of support shown in our capture rate analyses, we believe there is ample support in the market for the introduction of the subject units and that it will not adversely impact the occupancy levels of the other LIHTC projects in the market.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$119,709. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$119,709 home is \$737, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$119,709
Mortgaged Value = 95% of Median Home Price	\$113,724
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$590
Estimated Taxes and Insurance*	\$147
Estimated Monthly Mortgage Payment	\$737

*Estimated at 25% of principal and interest

In comparison, the collected rents for the subject property range from \$400 to \$500 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$237 to \$337 greater than the cost of renting at the proposed subject project, depending on unit size. While it is possible that some of the low-income households in the market would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, we identified and surveyed 5,069 rental units within 34 projects. These totals include market-rate, Low-Income Housing Tax Credit and government-subsidized projects. These projects have a combined 95.7% occupancy rate. Of the 542 units that operate under the LIHTC program guidelines, only 4 (0.7%) are available to rent. Of the four rental properties that operate exclusively under the LIHTC program, all are fully occupied and three have waiting lists of up to 148 households for the next available units. As such, there is clearly limited availability of affordable housing in the market for low-income households.

In addition to the existing housing supply, there is one market-rate multifamily project currently in the planning stage within the Site PMA. This project will target higher income households and leave a void in the market for affordable rental housing. The development of the proposed subject project will help fill part of this void.

I. INTERVIEWS

The following are summaries of interviews conducted with various area stakeholders:

- Tiffany Askews, Section 8 Program Specialist with the Spartanburg Housing Authority stated that there is a great demand for affordable apartment properties within the Spartanburg area. Specifically, Ms. Askews believes that one-bedroom units are of highest demand within the county. Ms. Askews further stated her concern of the lack of one-bedroom units. Currently there is an extensive list of residents who are in need of the one-bedroom units; however, these prospective tenants are placed on the waiting list maintained by the housing authority. **Phone: (864) 597-6000**
- Wanda Logan, Neighborhood Services Specialist with the City of Spartanburg Community Services Department, stated that there is a definite need for additional affordable housing in the Spartanburg area. Ms. Logan's department spearheads the revitalization of neighborhoods within Spartanburg and assists with the relocation of residents as the city improves these distressed areas. Ms Logan further stated that it has been extremely difficult to locate affordable housing for the residents. While there are units available for \$600 to \$700 per month, these rents are out of reach for some renters, and many of these units are in need of extensive renovation. Also, based on her experience in this position, Ms. Logan stated that there is always a need for three-bedroom units with more than 1.0 bathroom to accommodate larger families. However, over the past year available rentals of all bedroom types are increasingly difficult to find. She speculated that this might be the result of the large number of foreclosures in the past two years and the increased demand for rental housing as an alternative for displaced homeowners. **Phone: (864) 596-2910**

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 28 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as a significant value in the marketplace. This is demonstrated in Section IV.

Given the occupancy rate of affordable developments within the Site PMA, the subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with a very low capture rate of only 2.7% of income-qualified households in the market, there is sufficient support for the subject development. Therefore, it is our opinion that the subject project will have minimal, if any, impact on the existing Tax Credit developments in the Site PMA.

K. SIGNED STATEMENT REQUIREMENT

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

Certified:



Patrick Bowen
President/Market Analyst
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patrickb@bowennational.com
Date: February 27, 2014



Chuck Ewing
Market Analyst
chucke@bowennational.com
Date: February 27, 2014

L. Qualifications

The Company

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

The Staff

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

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

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

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

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

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

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

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

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

Marlon Boone, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

SPARTANBURG, SOUTH CAROLINA

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

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

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

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

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

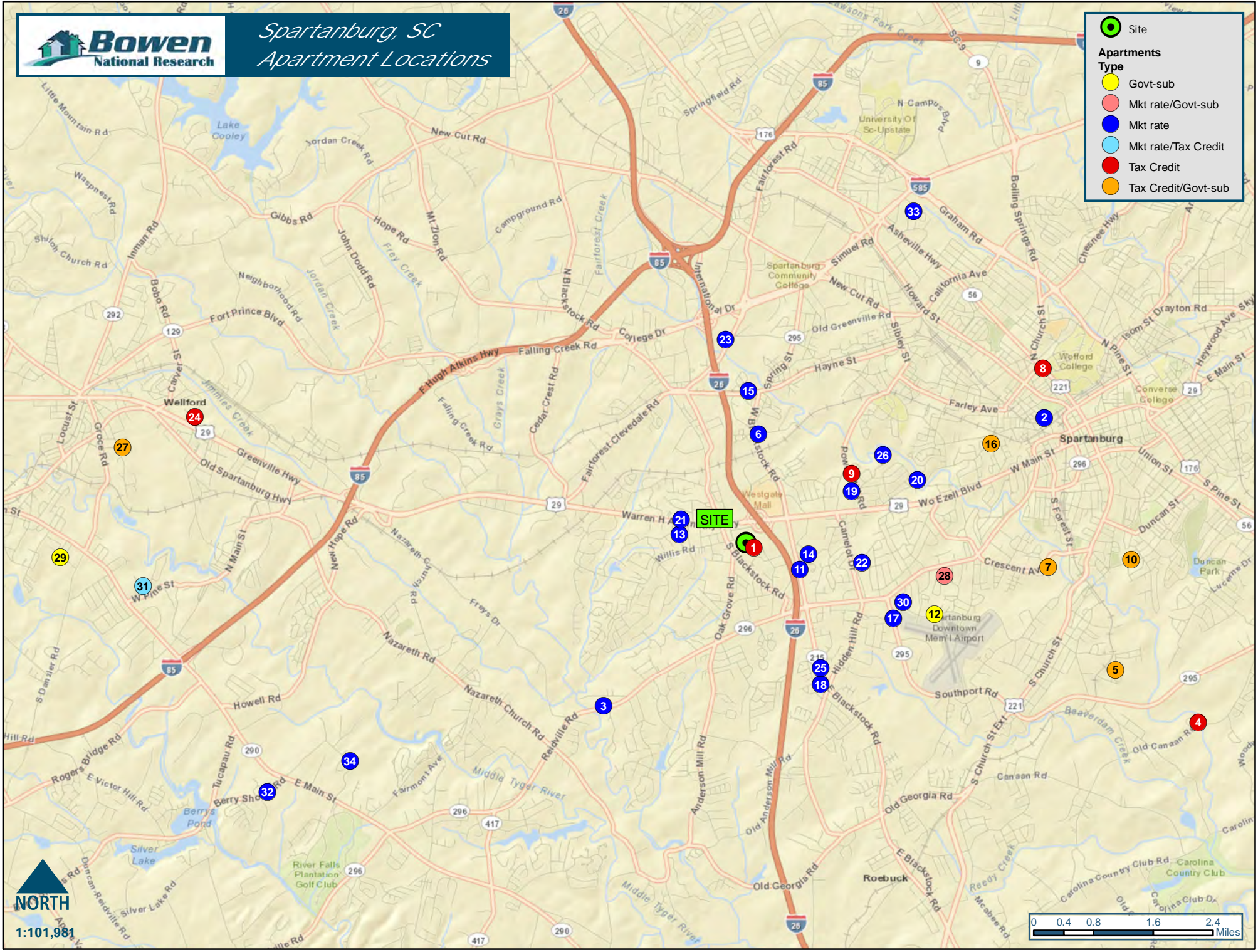


Spartanburg, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate/Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:101,981



MAP IDENTIFICATION LIST - SPARTANBURG, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Willow Crossing	TAX	A+	2012	48	0	100.0%	1.1
2	Magnolia Loft Apts.	MRR	B	2013	27	10	63.0%	4.3
3	River Run	MRR	A	2010	216	0	100.0%	2.8
4	Canaan Pointe	TAX	B+	1998	120	0	100.0%	7.1
5	Ridge at Southport	TGS	A	2009	86	0	100.0%	5.6
6	Reserve at Park West	MRR	A	2008	264	15	94.3%	2.1
7	Crescent Hill Apts.	TGS	C	1971	150	41	72.7%	4.3
8	Fremont School	TAX	C-	2002	46	4	91.3%	4.6
9	Companion at Lee's Crossing I	TAX	B+	2010	192	0	100.0%	2.2
10	Collins Park & Cottage Grove	TGS	B	2007	108	0	100.0%	5.5
11	Hunt Club	MRR	B	1986	204	7	96.6%	1.5
12	Kensington Manor	GSS	B	1979	124	0	100.0%	3.1
13	Oak Forest Apts. I, II & III	MRR	A-	1996	496	45	90.9%	0.9
14	Magnolia Townhomes	MRR	B-	1974	98	5	94.9%	1.6
15	Mayfair Lofts	MRR	B+	2005	107	2	98.1%	2.6
16	Summer Place	TGS	A-	2008	53	0	100.0%	3.5
17	Park Place	MRR	B	1986	184	2	98.9%	2.7
18	Quail Pointe	MRR	C+	1973	100	4	96.0%	2.4
19	Crown Point	MRR	B	1974	241	8	96.7%	2.0
20	Bluffs	MRR	B	1983	144	6	95.8%	2.6
21	Veridian	MRR	A-	1998	183	11	94.0%	1.0
22	Timbercreek	MRR	B-	1974	116	6	94.8%	2.9
23	Valley Creek	MRR	B+	1972	102	0	100.0%	2.7
24	Monarch Place	TAX	B+	1999	64	0	100.0%	6.6
25	Westgate	MRR	B-	1978	122	5	95.9%	2.3
26	Whispering Pines	MRR	C	1979	312	8	97.4%	2.5
27	Hidden Valley	TGS	B	1989	40	0	100.0%	7.9
28	Woodland Apts.	MRG	B-	1972	100	1	99.0%	3.3
29	Hampton Ridge	GSS	C+	1982	54	6	88.9%	8.7
30	Timberlane Apts.	MRR	B+	1989	92	9	90.2%	2.7
31	Culpepper Landing I & II	MRT	A-	1998	192	0	100.0%	7.6
32	Chartwell Berry Shoals	MRR	A	2003	248	6	97.6%	7.3
33	Chartwell North End	MRR	B+	1996	204	6	97.1%	5.5
34	Chartwell River Falls	MRR	A	2008	232	10	95.7%	6.9

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

* - Drive Distance (Miles)

Survey Date: February 2013



MAP IDENTIFICATION LIST - SPARTANBURG, SOUTH CAROLINA

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	20	3,692	165	95.5%	10
MRT	1	192	0	100.0%	0
MRG	1	100	1	99.0%	0
TAX	5	470	4	99.1%	0
TGS	5	437	41	90.6%	0
GSS	2	178	6	96.6%	0

Total units does not include units under construction.

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

Survey Date: February 2013

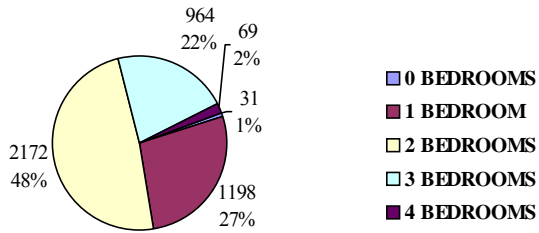
DISTRIBUTION OF UNITS - SPARTANBURG, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	21	0.5%	2	9.5%	\$693
1	1	1,139	29.3%	40	3.5%	\$760
2	1	167	4.3%	11	6.6%	\$602
2	1.5	254	6.5%	11	4.3%	\$824
2	2	1,544	39.7%	66	4.3%	\$924
3	1	49	1.3%	0	0.0%	\$620
3	1.5	32	0.8%	2	6.3%	\$776
3	2	661	17.0%	34	5.1%	\$966
3	2.5	16	0.4%	0	0.0%	\$1,049
4	2	9	0.2%	0	0.0%	\$912
TOTAL		3,892	100.0%	166	4.3%	
10 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	10	1.8%	0	0.0%	\$534
1	1	59	10.9%	2	3.4%	\$601
2	1	13	2.4%	2	15.4%	\$616
2	1.5	32	5.9%	0	0.0%	\$787
2	2	162	29.9%	0	0.0%	\$723
3	2	206	38.0%	0	0.0%	\$841
4	2	60	11.1%	0	0.0%	\$920
TOTAL		542	100.0%	4	0.7%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	28	6.4%	0	0.0%	N.A.
2	1	89	20.4%	10	11.2%	N.A.
2	1.5	36	8.2%	0	0.0%	N.A.
3	1	248	56.8%	20	8.1%	N.A.
4	1	36	8.2%	11	30.6%	N.A.
TOTAL		437	100.0%	41	9.4%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	62	31.3%	0	0.0%	N.A.
2	1	69	34.8%	0	0.0%	N.A.
2	1.5	20	10.1%	4	20.0%	N.A.
3	1	19	9.6%	0	0.0%	N.A.
3	1.5	24	12.1%	2	8.3%	N.A.
4	2	4	2.0%	0	0.0%	N.A.
TOTAL		198	100.0%	6	3.0%	
GRAND TOTAL		5,069	-	217	4.3%	

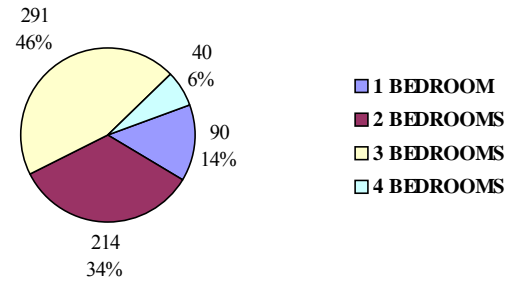
DISTRIBUTION OF UNITS - SPARTANBURG, SOUTH CAROLINA

DISTRIBUTION OF UNITS BY BEDROOM




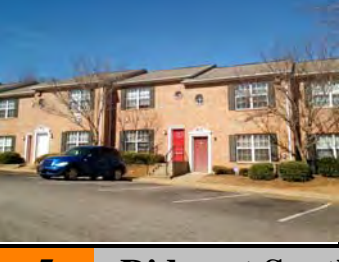

NON-SUBSIDIZED



SUBSIDIZED



SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA






1 Willow Crossing			
	Address 101 Willow Crossing Ln. Spartanburg, SC 29301	Phone (864) 699-9965 (Contact in person)	Total Units 48
	Year Built 2012	Contact Allison	Vacancies 0
	Comments 50% & 60% AMHI; HCV (4 units); Opened 2/2012, 100% occupied 3/2012, began preleasing 1/2012; Laminate flooring in kitchen, living room, hallway, carpeting in bedrooms		Occupied 100.0%
			Floors 2
			Quality Rating A+
			Waiting List 148 households
2 Magnolia Loft Apts.			
	Address 249 Magnolia St. Spartanburg, SC 29306	Phone (864) 591-3456 (Contact in person)	Total Units 27
	Year Built 2013	Contact Jessica	Vacancies 10
	Comments Does not accept HCV; Adaptive reuse, originally built in 1912; Opened Summer 2013, still in lease up		Occupied 63.0%
			Floors 3
			Quality Rating B
			Waiting List None
3 River Run			
	Address 901 Meridian River Run Spartanburg, SC 29301	Phone (864) 595-7474 (Contact in person)	Total Units 216
	Year Built 2010	Contact Lea	Vacancies 0
	Comments Does not accept HCV; Rent range due to floor level & view		Occupied 100.0%
			Floors 3,4
			Quality Rating A
			Waiting List None
4 Canaan Pointe			
	Address 200 Canaan Point Dr. Spartanburg, SC 29306	Phone (864) 577-9922 (Contact in person)	Total Units 120
	Year Built 1998	Contact Lisa	Vacancies 0
	Comments 60% AMHI; HCV (24 units)		Occupied 100.0%
			Floors 2
			Quality Rating B+
			Waiting List 1 household
5 Ridge at Southport			
	Address 305 Grand Central Ave. Spartanburg, SC 29306	Phone (864) 598-6089 (Contact in person)	Total Units 86
	Year Built 2009	Contact Melissa	Vacancies 0
	Comments 60% AMHI & Public Housing (50 units); 60% AMHI & HUD Section 8 (28 units); HOPE VI		Occupied 100.0%
			Floors 2
			Quality Rating A
			Waiting List 106 households

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA

6 Reserve at Park West			
	Address 100 Keats Dr. Spartanburg, SC 29301	Phone (864) 208-0900 (Contact in person)	Total Units 264
	Year Built 2008 Comments Does not accept HCV; Rent changes daily	Contact Heather	Vacancies 15 Occupied 94.3% Floors 3 Quality Rating A
			Waiting List None
7 Crescent Hill Apts.			
	Address 108 Pineneedle Dr. Spartanburg, SC 29306	Phone (864) 582-7877 (Contact in person)	Total Units 150
	Year Built 1971 Renovated 2001 Comments 60% AMHI; HUD Section 8	Contact Rhonda	Vacancies 41 Occupied 72.7% Floors 2 Quality Rating C
			Waiting List None
8 Fremont School			
	Address 600 Magnolia St. Spartanburg, SC 29303	Phone (864) 585-1486 (Contact in person)	Total Units 46
	Year Built 2002 Comments 50% & 60% AMHI; HCV (1 unit); Adaptive reuse of school, original year built 1915	Contact Melissa	Vacancies 4 Occupied 91.3% Floors 2.5 Quality Rating C-
			Waiting List None
9 Companion at Lee's Crossing I			
	Address 701 Powell Mill Rd. Spartanburg, SC 29301	Phone (864) 574-8494 (Contact in person)	Total Units 192
	Year Built 2010 Comments 60% AMHI, Tax Credit Bond; HCV (approx. 59 units)	Contact Angela	Vacancies 0 Occupied 100.0% Floors 3,4 Quality Rating B+
			Waiting List 7 households
10 Collins Park & Cottage Grove			
	Address 106 Rev. Booker T. Sears St. Spartanburg, SC 29306	Phone (864) 598-6255 (Contact in person)	Total Units 108
	Year Built 2007 Comments 60% AMHI & Public Housing (60 units); 60% AMHI & Section 8 (48 units); HOPE VI	Contact Paulette	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List 30 households

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA

11 Hunt Club			
	Address 1000 Hunt Club Ln. Spartanburg, SC 29301	Phone (864) 576-0928 (Contact in person)	Total Units 204
	Year Built 1986	Contact Brooke	Vacancies 7
	Comments Does not accept HCV; Rents change daily; Rents range based on floor level, ceiling fans, upgrades, flooring, length of lease or vaulted ceilings; Some 1-br have dens; 10 units under renovations		Occupied 96.6%
			Floors 2
			Quality Rating B
			Waiting List None
12 Kensington Manor			
	Address 170 Kensington Dr. Spartanburg, SC 29306	Phone (864) 576-8507 (Contact in person)	Total Units 124
	Year Built 1979	Contact Emily	Vacancies 0
	Comments HUD Section 8; HUD insured property; Higher rent for handicap accessible units		Occupied 100.0%
			Floors 1,2
			Quality Rating B
			Waiting List 6-9 months
13 Oak Forest Apts. I, II & III			
	Address 3400 Portrush Dr. Spartanburg, SC 29301	Phone (864) 587-0101 (Contact in person)	Total Units 496
	Year Built 1996	Contact Brittney	Vacancies 45
	Comments Does not accept HCV; Phase II built 1998, phase III built 2003 & units have microwaves; Rent range based on phase & unit amenities; Typical 3-br rent: \$883-1008		Occupied 90.9%
			Floors 2,3
			Quality Rating A-
	Rent Special Move-in: 50% off; 2-br 1st month's rent free; Reported 3-br rent discounted		Waiting List None
14 Magnolia Townhomes			
	Address 201 E. Blackstock Rd. Spartanburg, SC 29301	Phone (864) 574-2900 (Contact in person)	Total Units 98
	Year Built 1974	Contact April	Vacancies 5
	Comments Does not accept HCV; Rent range based on unit updates; 40 units have washer/dryer hookups; Vacancies attributed to evictions & economy		Occupied 94.9%
			Floors 1,2
			Quality Rating B-
			Waiting List None
15 Mayfair Lofts			
	Address 100 W. Cleveland St. Spartanburg, SC 29301	Phone (864) 576-1073 (Contact in person)	Total Units 107
	Year Built 2005	Contact Pace	Vacancies 2
	Comments Does not accept HCV; Adaptive reuse of former mill, originally built in 1922; Flooring is polished concrete		Occupied 98.1%
			Floors 3.5
			Quality Rating B+
			Waiting List None

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA

16 Summer Place			
	Address 700 Vanderbilt Rd. Spartanburg, SC 29301	Phone (864) 598-6045 (Contact in person)	Total Units 53
	Year Built 2008 Comments 50% & 60% AMHI; HUD Section 8; Part of HOPE VI	Contact Karen	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating A-
			Waiting List 12 households
17 Park Place			
	Address 110 Southport Rd. Spartanburg, SC 29306	Phone (864) 576-4319 (Contact in person)	Total Units 184
	Year Built 1986 Comments Does not accept HCV; Rents change daily; 16 2-br have microwaves & fireplace; All 2nd floor units have fireplace	Contact Megan	Vacancies 2 Occupied 98.9% Floors 2 Quality Rating B
			Waiting List None
18 Quail Pointe			
	Address 460 E. Blackstock Rd. Spartanburg, SC 29301	Phone (864) 587-1939 (Contact in person)	Total Units 100
	Year Built 1973 Comments HCV (17 units); Rents change daily; 4-br have washer/dryer hookups; Select units have ceiling fans	Contact Rich	Vacancies 4 Occupied 96.0% Floors 1,2 Quality Rating C+
			Waiting List None
19 Crown Point			
	Address 201 Powell Mill Rd. Spartanburg, SC 29301	Phone (864) 576-7670 (Contact in person)	Total Units 241
	Year Built 1974 Renovated 2007 Comments Does not accept HCV; Approx. 10% of units have a "recreation room" attached, with direct, private access; 2 & 3-br have washer/dryer hookups	Contact Destiny	Vacancies 8 Occupied 96.7% Floors 2,3 Quality Rating B
Rent Special 1-br: \$200 off 1st month's rent			Waiting List None
20 Bluffs			
	Address 100 Vanderbilt Ln. Spartanburg, SC 29303	Phone (864) 574-4877 (Contact in person)	Total Units 144
	Year Built 1983 Comments Does not accept HCV; Townhomes have patio/balcony	Contact Dawn	Vacancies 6 Occupied 95.8% Floors 2 Quality Rating B
Rent Special Select units: \$100 off 1st month's rent			Waiting List None

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA



21	Veridian						
	Address 315 Birchrun Dr. Spartanburg, SC 29301 Year Built 1998 Comments Does not accept HCV; Flooring is wood laminate; All units except studios have washer/dryer hookups; 3rd-floor units have vaulted ceilings	Phone (855) 251-8702 <small>(Contact in person)</small> Contact Sarah	Total Units 183 Vacancies 11 Occupied 94.0% Floors 3 Quality Rating A- Waiting List None				
	22 Timbercreek						
	Address 501 Camelot Dr. Spartanburg, SC 29301 Year Built 1974 Renovated 1997 Comments Does not accept HCV Rent Special Application fee waived & \$200 off one month's rent	Phone (864) 576-4420 <small>(Contact in person)</small> Contact Joy	Total Units 116 Vacancies 6 Occupied 94.8% Floors 2 Quality Rating B- Waiting List None				
	23 Valley Creek						
	Address 9085 Fairforest Rd. Spartanburg, SC 29301 Year Built 1972 Renovated 2001 Comments Does not accept HCV; Rent range based on floor level, length lease & demand; 2 & 3-br units have washer/dryer hookups	Phone (864) 576-6830 <small>(Contact in person)</small> Contact Betty	Total Units 102 Vacancies 0 Occupied 100.0% Floors 2.5 Quality Rating B+ Waiting List 1-4 households				
	24 Monarch Place						
	Address 200 Monarch Pl. Wellford, SC 29385 Year Built 1999 Comments 50% & 60% AMHI; HCV (17 units)	Phone (864) 439-1080 <small>(Contact in person)</small> Contact Dee	Total Units 64 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List 2 households				
	25 Westgate						
	Address 430 E. Blackstock Rd. Spartanburg, SC 29301 Year Built 1978 Comments Does not accept HCV	Phone (864) 574-3975 <small>(Contact in person)</small> Contact Serina	Total Units 122 Vacancies 5 Occupied 95.9% Floors 2 Quality Rating B- Waiting List None				

Project Type

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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA

26 Whispering Pines			
	Address 408 Abner Rd. Spartanburg, SC 29301	Phone (864) 574-2980 (Contact in person)	Total Units 312
	Year Built 1979	Contact Jamie	Vacancies 8
	Comments Does not accept HCV; Rent range based on unit upgrades; 2 & 3-br have washer/dryer hookups		Occupied 97.4%
			Floors 2
			Quality Rating C
	Rent Special 1-br: \$100 off 1st month's rent & 3-br \$200 off 1st month's rent		Waiting List
			None
27 Hidden Valley			
	Address 10 Valley Rd. Lyman, SC 29365	Phone (864) 439-3231 (Contact in person)	Total Units 40
	Year Built 1989 Renovated 2009	Contact Tanya	Vacancies 0
	Comments 60 AMHI, Tax Credit bond; RD 515, no RA; HCV (8 units)		Occupied 100.0%
			Floors 1,2
			Quality Rating B
			Waiting List
			3 households
28 Woodland Apts.			
	Address 180 S. Pine Lake Rd. Spartanburg, SC 29306	Phone (864) 576-6024 (Contact in person)	Total Units 100
	Year Built 1972	Contact Pamela	Vacancies 1
	Comments Market rate (80 units); HUD Section 8 (20 units); HCV (21 units); HUD insured property		Occupied 99.0%
			Floors 2
			Quality Rating B-
			Waiting List
			GSS: 6-12 months
29 Hampton Ridge			
	Address 121 Lyman Ave. Duncan, SC 29334	Phone (864) 439-7856 (Contact in person)	Total Units 54
	Year Built 1982	Contact Ryan	Vacancies 6
	Comments RD 515, has RA (22 units); HCV (3 units)		Occupied 88.9%
			Floors 2
			Quality Rating C+
			Waiting List
			1 & 4-br: 4 HH
30 Timberlane Apts.			
	Address 106 Kensington Dr. Spartanburg, SC 29306	Phone (864) 574-2717 (Contact in person)	Total Units 92
	Year Built 1989	Contact Mandy	Vacancies 9
	Comments Does not accept HCV; 2-br/1-ba fireplaces; 3rd floor units have vaulted ceilings		Occupied 90.2%
			Floors 2,3
			Quality Rating B+
			Waiting List
			None

Project Type








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

Survey Date: February 2013

SURVEY OF PROPERTIES - SPARTANBURG, SOUTH CAROLINA

31 Culpepper Landing I & II			
	Address 201 Culpepper Landing Dr. Duncan, SC 29334	Phone (864) 486-0022 (Contact in person)	Total Units 192
	Year Built 1998 Comments 50% & 60% AMHI; HCV (20 units)	Contact Samantha	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A-
			Waiting List None
32 Chartwell Berry Shoals			
	Address 200 Tralee Dr. Duncan, SC 29334	Phone (864) 486-9808 (Contact in person)	Total Units 248
	Year Built 2003 Comments Does not accept HCV; Rent range based on floor level & unit location; Select units have ceiling fans	Contact Kristen	Vacancies 6 Occupied 97.6% Floors 3,4 Quality Rating A
Rent Special Application fee \$99 & One month free rent			Waiting List None
33 Chartwell North End			
	Address 425 Willowdale Dr. Spartanburg, SC 29303	Phone (864) 598-9999 (Contact in person)	Total Units 204
	Year Built 1996 Comments Does not accept HCV; Typical rent: 2-br \$699-714; 2nd & 3rd floor have fireplace	Contact Liz	Vacancies 6 Occupied 97.1% Floors 3 Quality Rating B+
Rent Special Reported 2-br rent discounted			Waiting List None
34 Chartwell River Falls			
	Address 150 Churchill Falls Dr. Duncan, SC 29334	Phone (864) 438-2300 (Contact in person)	Total Units 232
	Year Built 2008 Comments Does not accept HCV; Typical rent: 2-br \$930-970; Rent range based on location & view	Contact Brianne	Vacancies 10 Occupied 95.7% Floors 3,4 Quality Rating A
Rent Special Reported 2-br rent discounted			Waiting List None

Project Type

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

Survey Date: February 2013

COLLECTED RENTS - SPARTANBURG, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1			\$460 to \$500	\$530 to \$575					
2		\$600 to \$1000							
3		\$860 to \$880	\$985 to \$1010	\$1110 to \$1150					
4				\$680	\$710			\$710	\$725
6		\$783 to \$956	\$853 to \$1042	\$966 to \$1194					
8	\$478 to \$534	\$513 to \$549	\$499 to \$616						
9		\$515	\$610	\$700					
11		\$538	\$647 to \$655						
13		\$605 to \$730	\$729 to \$854	\$729 to \$854					
14		\$675					\$705 to \$735	\$845 to \$935	
15		\$765 to \$990	\$965				\$1350		
17		\$530	\$725 to \$805	\$820 to \$890					
18		\$562	\$546	\$706	\$829				
19		\$495	\$555 to \$609	\$643 to \$675					
20		\$520	\$635				\$615	\$789	
21	\$619	\$679	\$784	\$989					
22		\$579	\$639	\$735					
23		\$529	\$629	\$729					
24			\$477 to \$605	\$529 to \$655					
25		\$495	\$585						
26		\$495 to \$525	\$509 to \$564	\$595 to \$615					
28		\$500	\$525	\$550					\$575
30		\$550	\$650 to \$665	\$780					
31			\$580 to \$725	\$663 to \$825					
32		\$710 to \$735	\$835 to \$935	\$955 to \$1055					
33		\$630	\$650	\$850					
34		\$750 to \$800	\$899	\$1100 to \$1140					

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - SPARTANBURG, SOUTH CAROLINA

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
21	Veridian	1	400	\$693	\$1.73
8	Fremont School	1	680	\$478 to \$534	\$0.70 to \$0.79
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Magnolia Loft Apts.	1	800 to 1000	\$680 to \$1080	\$0.85 to \$1.08
3	River Run	1	916	\$1002 to \$1022	\$1.09 to \$1.12
6	Reserve at Park West	1	740 to 828	\$905 to \$1078	\$1.22 to \$1.30
11	Hunt Club	1	694 to 826	\$687	\$0.83 to \$0.99
13	Oak Forest Apts. I, II & III	1	816 to 872	\$760 to \$885	\$0.93 to \$1.01
14	Magnolia Townhomes	1	742	\$817	\$1.10
15	Mayfair Lofts	1	635 to 1200	\$831 to \$1056	\$0.88 to \$1.31
17	Park Place	1	804	\$685	\$0.85
18	Quail Pointe	1	760	\$605	\$0.80
19	Crown Point	1	756 to 1512	\$650	\$0.43 to \$0.86
20	Bluffs	1	700	\$675	\$0.96
21	Veridian	1	566	\$765	\$1.35
22	Timbercreek	1	752	\$701	\$0.93
23	Valley Creek	1	840	\$684	\$0.81
25	Westgate	1	650	\$650	\$1.00
26	Whispering Pines	1	627	\$650 to \$680	\$1.04 to \$1.08
30	Timberlane Apts.	1	650	\$630	\$0.97
32	Chartwell Berry Shoals	1	872	\$865 to \$890	\$0.99 to \$1.02
33	Chartwell North End	1	816	\$785	\$0.96
34	Chartwell River Falls	1	828 to 904	\$905 to \$955	\$1.06 to \$1.09
28	Woodland Apts.	1	648	\$543	\$0.84
8	Fremont School	1	710	\$513 to \$549	\$0.72 to \$0.77
9	Companion at Lee's Crossing I	1	687	\$601	\$0.87
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	River Run	2	1086	\$1167 to \$1192	\$1.07 to \$1.10
6	Reserve at Park West	2	1023 to 1173	\$1015 to \$1204	\$0.99 to \$1.03
11	Hunt Club	1	840 to 904	\$832	\$0.92 to \$0.99
		2	928 to 1048	\$840	\$0.80 to \$0.91
13	Oak Forest Apts. I, II & III	2	1075 to 1148	\$924 to \$1049	\$0.86 to \$0.91
14	Magnolia Townhomes	1.5	905	\$908 to \$938	\$1.00 to \$1.04

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - SPARTANBURG, SOUTH CAROLINA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
15	Mayfair Lofts	2	1250 to 1504	\$1058 to \$1464	\$0.85 to \$0.97
17	Park Place	2	1044 to 1188	\$920 to \$1000	\$0.84 to \$0.88
18	Quail Pointe	1	880	\$602	\$0.68
19	Crown Point	1	915 to 1830	\$750	\$0.41 to \$0.82
		2	1014 to 2028	\$790 to \$804	\$0.40 to \$0.78
20	Bluffs	1.5	925	\$831	\$0.90
		2	875	\$830	\$0.95
21	Veridian	2	864	\$897	\$1.04
22	Timbercreek	1.5	1062	\$797	\$0.75
23	Valley Creek	1.5	1050	\$824	\$0.78
25	Westgate	1.5	850	\$776	\$0.91
26	Whispering Pines	2	967	\$704 to \$759	\$0.73 to \$0.78
30	Timberlane Apts.	1 to 2	912	\$753 to \$768	\$0.83 to \$0.84
32	Chartwell Berry Shoals	2	1148	\$1030 to \$1130	\$0.90 to \$0.98
33	Chartwell North End	2	1075	\$845	\$0.79
34	Chartwell River Falls	2	1133	\$1094	\$0.97
31	Culpepper Landing I & II	2	788 to 988	\$693 to \$838	\$0.85 to \$0.88
28	Woodland Apts.	1	780	\$581	\$0.74
1	Willow Crossing	2	1100	\$573 to \$613	\$0.52 to \$0.56
8	Fremont School	1	840	\$499 to \$616	\$0.59 to \$0.73
9	Companion at Lee's Crossing I	2	933	\$723	\$0.77
24	Monarch Place	1.5	985	\$659 to \$787	\$0.67 to \$0.80
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	River Run	2	1280	\$1333 to \$1373	\$1.04 to \$1.07
6	Reserve at Park West	2	1236 to 1304	\$1169 to \$1397	\$0.95 to \$1.07
13	Oak Forest Apts. I, II & III	2	1292 to 1370	\$965 to \$1090	\$0.75 to \$0.80
14	Magnolia Townhomes	1.5	1027	\$1092 to \$1182	\$1.06 to \$1.15
17	Park Place	2	1284	\$1056 to \$1126	\$0.82 to \$0.88
18	Quail Pointe	1.5	1020	\$776	\$0.76
19	Crown Point	2	1198 to 2396	\$879 to \$911	\$0.38 to \$0.73
20	Bluffs	2.5	1225	\$1049	\$0.86
21	Veridian	2	1080	\$1130	\$1.05
22	Timbercreek	2	1280	\$929	\$0.73
23	Valley Creek	2	1200	\$965	\$0.80

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

Survey Date: February 2013

PRICE PER SQUARE FOOT - SPARTANBURG, SOUTH CAROLINA

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
26	Whispering Pines	2	1026	\$831 to \$851	\$0.81 to \$0.83
30	Timberlane Apts.	1	1185	\$907	\$0.77
32	Chartwell Berry Shoals	2	1370	\$1191 to \$1291	\$0.87 to \$0.94
33	Chartwell North End	2	1292	\$1086	\$0.84
34	Chartwell River Falls	2	1316	\$1336 to \$1376	\$1.02 to \$1.05
31	Culpepper Landing I & II	2	1128	\$804 to \$966	\$0.71 to \$0.86
28	Woodland Apts.	1	945	\$620	\$0.66
1	Willow Crossing	2	1200	\$671 to \$716	\$0.56 to \$0.60
4	Canaan Pointe	2	1109 to 1216	\$821 to \$875	\$0.72 to \$0.74
9	Companion at Lee's Crossing I	2	1106	\$841	\$0.76
24	Monarch Place	2	1190	\$752 to \$878	\$0.63 to \$0.74
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
18	Quail Pointe	2	1277	\$912	\$0.71
28	Woodland Apts.	2	1092	\$674	\$0.62
4	Canaan Pointe	2	1309 to 1358	\$877 to \$920	\$0.67 to \$0.68

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

Survey Date: February 2013

AVERAGE GROSS RENT PER SQUARE FOOT - SPARTANBURG, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.99	\$0.87	\$0.84
TOWNHOUSE	\$0.00	\$0.98	\$0.96

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.83	\$0.77	\$0.71
TOWNHOUSE	\$0.00	\$0.00	\$0.72

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.98	\$0.86	\$0.81
TOWNHOUSE	\$0.00	\$0.98	\$0.81

TAX CREDIT UNITS - SPARTANBURG, SOUTH CAROLINA

STUDIO UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
8	Fremont School	4	680	1	50%	\$478
8	Fremont School	6	680	1	60%	\$534
ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
27	Hidden Valley	4	620	1	60%	\$402 - \$457
5	Ridge at Southport	10	720	1	60%	\$435
10	Collins Park & Cottage Grove	14	720	1	60%	\$435
8	Fremont School	7	710	1	50%	\$513
9	Companion at Lee's Crossing I	36	687	1	60%	\$515
8	Fremont School	16	710	1	60%	\$549
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Willow Crossing	8	1100	2	50%	\$460
27	Hidden Valley	36	920	1.5	60%	\$467 - \$572
10	Collins Park & Cottage Grove	24	1006	1	60%	\$470
5	Ridge at Southport	29	1006	1	60%	\$470
24	Monarch Place	13	985	1.5	50%	\$477
8	Fremont School	4	840	1	50%	\$499
1	Willow Crossing	8	1100	2	60%	\$500
31	Culpepper Landing I & II	14	988	2	50%	\$580
24	Monarch Place	19	985	1.5	60%	\$605
9	Companion at Lee's Crossing I	98	933	2	60%	\$610
8	Fremont School	9	840	1	60%	\$616
31	Culpepper Landing I & II	34	788	2	60%	\$625
7	Crescent Hill Apts.	36	871	1	60%	\$781

TAX CREDIT UNITS - SPARTANBURG, SOUTH CAROLINA

THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
24	Monarch Place	13	1190	2	50%	\$529
1	Willow Crossing	4	1200	2	50%	\$530
1	Willow Crossing	28	1200	2	60%	\$575
5	Ridge at Southport	8	1274 - 1452	1	60%	\$610
5	Ridge at Southport	11	1200	1	60%	\$610
10	Collins Park & Cottage Grove	22	1274 - 1452	1	60%	\$610
10	Collins Park & Cottage Grove	48	1274 - 1452	1	60%	\$610
24	Monarch Place	19	1190	2	60%	\$655
16	Summer Place	3	750	1	60%	\$660
16	Summer Place	14	761	1	50%	\$660
16	Summer Place	36	761	1	60%	\$660
5	Ridge at Southport	28	1274	1	60%	\$660
31	Culpepper Landing I & II	10	1128	2	50%	\$663
4	Canaan Pointe	8	1109	2	60%	\$680
9	Companion at Lee's Crossing I	58	1106	2	60%	\$700
4	Canaan Pointe	52	1216	2	60%	\$710
31	Culpepper Landing I & II	14	1128	2	60%	\$725
7	Crescent Hill Apts.	78	1039	1	60%	\$902
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Canaan Pointe	16	1309	2	60%	\$710
4	Canaan Pointe	44	1358	2	60%	\$725
7	Crescent Hill Apts.	36	1108	1	60%	\$1006

QUALITY RATING - SPARTANBURG, SOUTH CAROLINA

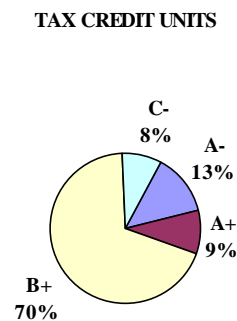
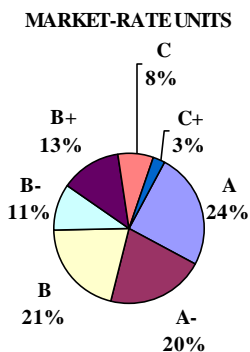
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	4	960	3.2%		\$905	\$1,130	\$1,333	
A-	3	799	7.0%	\$693	\$765	\$924	\$966	
B+	4	505	3.4%		\$785	\$845	\$965	
B	5	800	4.1%		\$685	\$840	\$911	
B-	4	416	4.1%		\$650	\$797	\$929	\$674
C+	1	100	4.0%		\$605	\$602	\$776	\$912
C	1	312	2.6%		\$650	\$704	\$831	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A+	1	48	0.0%			\$573	\$716	
A-	1	72	0.0%			\$738	\$866	
B+	3	376	0.0%		\$601	\$723	\$841	\$920
C-	1	46	8.7%	\$534	\$549	\$616		

DISTRIBUTION OF UNITS BY QUALITY RATING



YEAR BUILT - SPARTANBURG, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	8	1171	37	3.2%	1171	26.4%
1980 to 1989	4	624	24	3.8%	1795	14.1%
1990 to 1999	6	1259	62	4.9%	3054	28.4%
2000 to 2005	3	401	12	3.0%	3455	9.0%
2006	0	0	0	0.0%	3455	0.0%
2007	0	0	0	0.0%	3455	0.0%
2008	2	496	25	5.0%	3951	11.2%
2009	0	0	0	0.0%	3951	0.0%
2010	2	408	0	0.0%	4359	9.2%
2011	0	0	0	0.0%	4359	0.0%
2012	1	48	0	0.0%	4407	1.1%
2013	1	27	10	37.0%	4434	0.6%
2014**	0	0	0	0.0%	4434	0.0%
TOTAL	27	4434	170	3.8%	4434	100.0 %

YEAR RENOVATED - SPARTANBURG, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	116	6	5.2%	116	25.3%
2000 to 2005	1	102	0	0.0%	218	22.2%
2006	0	0	0	0.0%	218	0.0%
2007	1	241	8	3.3%	459	52.5%
2008	0	0	0	0.0%	459	0.0%
2009	0	0	0	0.0%	459	0.0%
2010	0	0	0	0.0%	459	0.0%
2011	0	0	0	0.0%	459	0.0%
2012	0	0	0	0.0%	459	0.0%
2013	0	0	0	0.0%	459	0.0%
2014**	0	0	0	0.0%	459	0.0%
TOTAL	3	459	14	3.1%	459	100.0 %

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

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

** As of February 2013

APPLIANCES AND UNIT AMENITIES - SPARTANBURG, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	27	100.0%	4,434
REFRIGERATOR	27	100.0%	4,434
ICEMAKER	9	33.3%	1,798
DISHWASHER	26	96.3%	4,354
DISPOSAL	24	88.9%	4,184
MICROWAVE	11	40.7%	2,121
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	27	100.0%	4,434
AC - WINDOW	0	0.0%	
FLOOR COVERING	26	96.3%	4,327
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	24	88.9%	4,186
PATIO/DECK/BALCONY	21	77.8%	3,852
CEILING FAN	21	77.8%	3,807
FIREPLACE	7	25.9%	1,572
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	2	7.4%	380
WINDOW TREATMENTS	26	96.3%	4,327
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - SPARTANBURG, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	21	77.8%	4,069
ON-SITE MANAGEMENT	26	96.3%	4,407
LAUNDRY	24	88.9%	4,091
CLUB HOUSE	18	66.7%	3,422
MEETING ROOM	1	3.7%	192
FITNESS CENTER	17	63.0%	3,349
JACUZZI/SAUNA	1	3.7%	241
PLAYGROUND	19	70.4%	3,484
COMPUTER LAB	9	33.3%	1,973
SPORTS COURT	5	18.5%	1,775
STORAGE	1	3.7%	241
LAKE	1	3.7%	184
ELEVATOR	2	7.4%	134
SECURITY GATE	2	7.4%	448
BUSINESS CENTER	1	3.7%	183
CAR WASH AREA	9	33.3%	2,136
PICNIC AREA	17	63.0%	3,416
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	3.7%	48

DISTRIBUTION OF UTILITIES - SPARTANBURG, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	46	0.9%
GAS	2	200	3.9%
TENANT			
ELECTRIC	24	3,988	78.7%
GAS	7	835	16.5%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	46	0.9%
GAS	2	200	3.9%
TENANT			
ELECTRIC	28	4,435	87.5%
GAS	3	388	7.7%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	46	0.9%
GAS	2	200	3.9%
TENANT			
ELECTRIC	25	4,138	81.6%
GAS	6	685	13.5%
			100.0%
ELECTRIC			
LANDLORD	1	46	0.9%
TENANT	33	5,023	99.1%
			100.0%
WATER			
LANDLORD	13	1,385	27.3%
TENANT	21	3,684	72.7%
			100.0%
SEWER			
LANDLORD	13	1,385	27.3%
TENANT	21	3,684	72.7%
TRASH PICK-UP			
LANDLORD	23	2,580	50.9%
TENANT	11	2,489	49.1%
			100.0%

UTILITY ALLOWANCE - SPARTANBURG, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$15	\$14		\$6	\$11	\$15	\$14	\$7	\$38	\$20	\$32	\$13	\$20
1	GARDEN	\$17	\$17		\$7	\$12	\$18	\$14	\$8	\$43	\$21	\$35	\$13	\$20
1	TOWNHOUSE	\$40	\$25		\$11	\$12	\$18	\$14	\$8	\$53	\$21	\$35	\$13	\$20
2	GARDEN	\$20	\$22		\$10	\$17	\$25	\$16	\$10	\$56	\$26	\$43	\$13	\$20
2	TOWNHOUSE	\$40	\$31		\$14	\$17	\$25	\$16	\$10	\$68	\$26	\$43	\$13	\$20
3	GARDEN	\$23	\$27		\$12	\$22	\$32	\$17	\$12	\$70	\$30	\$52	\$13	\$20
3	TOWNHOUSE	\$41	\$38		\$17	\$22	\$32	\$17	\$12	\$83	\$30	\$52	\$13	\$20
4	GARDEN	\$25	\$33		\$14	\$25	\$37	\$18	\$14	\$83	\$35	\$61	\$13	\$20
4	TOWNHOUSE	\$41	\$45		\$20	\$25	\$37	\$18	\$14	\$99	\$35	\$61	\$13	\$20

SC-Upstate Region (12/2013)

Survey Date: February 2013

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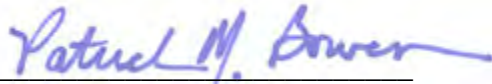


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

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

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

Certified:



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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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