

Market Feasibility Analysis

Broadstone Place
Southeast portion of the intersection of
East Liberty and Bluff streets
Marion, South Carolina 29571

Prepared For

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February 17, 2015

Job Reference Number

14-589 JW/PB



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TABLE OF CONTENTS

- A. Primary Market Area Analysis Summary (Exhibit S-2)
- B. Project Description
- C. Site Description and Evaluation
- D. Primary Market Area Delineation
- E. Market Area Economy
- F. Community Demographic Data
- G. Project-Specific Demand Analysis
- H. Rental Housing Analysis (Supply)
 - I. Interviews
 - J. Recommendations
- K. Signed Statement Requirement
- L. Qualifications
- M. Methodologies, Disclaimers & Sources
 - Addendum A – Field Survey of Conventional Rentals
 - Addendum B – NCHMA Member Certification & Checklist

2015 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Broadstone Place Total # Units: 48
 Location: East Liberty & Bluff streets, Marion, SC 29571 # LIHTC Units: 48
 PMA Boundary: Marion County Lines to the north, east & west, and various roads 10 miles south of Marion
 Development Type: X Family Older Persons Farthest Boundary Distance to Subject: 15.5 miles

RENTAL HOUSING STOCK (found on page H-10)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 12 | 862 | 0 | 100.0% |
| Market-Rate Housing | 3 | 14 | 0 | 100.0% |
| Assisted/Subsidized Housing not to include LIHTC | 6 | 746 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 3 | 102 | 0 | 100.0% |
| Stabilized Comps** | 3 | 102 | 0 | 100.0% |
| Non-stabilized Comps | 0 | N/A | N/A | N/A |

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

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

| Subject Development | | | | | Adjusted Market Rent | | | Highest Unadjusted Comp Rent | |
|--------------------------------------|------------|-------|-----------|----------------------|----------------------|--------|---------------|------------------------------|--------|
| # Units | # Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 4 | Two-Br. | 2.0 | 1,200 | \$400 | \$695 | \$0.58 | 42.45% | \$1,015 | \$0.90 |
| 20 | Two-Br. | 2.0 | 1,200 | \$450 | \$695 | \$0.58 | 35.25% | \$1,015 | \$0.90 |
| 6 | Three-Br. | 2.0 | 1,350 | \$475 | \$810 | \$0.60 | 41.36% | \$1,300 | \$1.01 |
| 18 | Three-Br. | 2.0 | 1,350 | \$575 | \$810 | \$0.60 | 29.01% | \$1,300 | \$1.01 |
| Gross Potential Rent Monthly* | | | | \$23,800 | \$36,120 | | 34.11% | | |

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

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

| | 2000 | | 2014 | | 2017 | |
|-------------------------------------|-----------------|-----|-------|-------|-------|-------|
| Renter Households | N/A | N/A | 4,075 | 34.4% | 4,027 | 34.3% |
| Income-Qualified Renter HHs (LIHTC) | N/A | N/A | 929 | 22.8% | 913 | 22.7% |
| Income-Qualified Renter HHs (MR) | (if applicable) | N/A | N/A | N/A | N/A | N/A |

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

| Type of Demand | 50% | 60% | Market-rate | Other:___ | Other:___ | Overall |
|---|------------|------------|-------------|-----------|-----------|------------|
| Renter Household Growth | -19 | -11 | | | | -16 |
| Existing Households (Overburd + Substand) | 151 | 133 | | | | 188 |
| Homeowner conversion (Seniors) | N/A | N/A | | | | N/A |
| Other: | N/A | N/A | | | | N/A |
| Less Comparable/Competitive Supply | 0 | 0 | | | | 0 |
| Net Income-qualified Renter HHs | 132 | 122 | | | | 172 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 50% | 60% | Market-rate | Other:___ | Other:___ | Overall |
|---------------------|------|-------|-------------|-----------|-----------|---------|
| Capture Rate | 7.6% | 31.1% | | | | 27.9% |

ABSORPTION RATE (found on page G-6)

Absorption Period: 6 months

2015 S-2 RENT CALCULATION WORKSHEET

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Proposed Tenant Rent by Bedroom | Adjusted Market Rent | Adjusted Market Rent by Bedroom | Tax Credit Gross Rent Advantage |
|---------|--------------|---------------------------|---------------------------------|----------------------|---------------------------------|---------------------------------|
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| 4 | 2 BR | \$400 | \$1,600 | \$695 | \$2,780 | |
| 20 | 2 BR | \$450 | \$9,000 | \$695 | \$13,900 | |
| | 2 BR | | \$0 | | \$0 | |
| 6 | 3 BR | \$475 | \$2,850 | \$810 | \$4,860 | |
| 18 | 3 BR | \$575 | \$10,350 | \$810 | \$14,580 | |
| | 3 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| Totals | 48 | | \$23,800 | | \$36,120 | 34.11% |

B. PROJECT DESCRIPTION

The proposed project involves the new construction of a 48-unit, family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) rental community to be located at the southeast portion of the intersection of East Liberty and Bluff streets in Marion, South Carolina. The proposed project, Broadstone Place, will be available to households with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of 24 two-bedroom/2.0-bath and 24 three-bedroom/2.0-bath units with proposed collected Tax Credit rents ranging from \$400 to \$575. The project is anticipated to be complete in 2017. Additional details regarding the project are as follows:

- a. Property Location:** Southeast portion of the intersection of East Liberty and Bluff streets
Marion, South Carolina 29571
(Marion County)

QCT: Yes DDA: No
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% AMHI
- e. Special Needs Population:** Not applicable
- f. and h. to j. Unit Configuration and Rents:**

| Total Units | Bedroom Type | Baths | Style | Square Feet | Percent of AMHI | Proposed Rents | | | 2015 Max Allowable LIHTC Rent |
|-------------|--------------|-------|--------|-------------|-----------------|----------------|-------------------|-------|-------------------------------|
| | | | | | | Collected | Utility Allowance | Gross | |
| 4 | Two-Br. | 2.0 | Garden | 1,200 | 50% | \$400 | \$157 | \$557 | \$608 |
| 20 | Two-Br. | 2.0 | Garden | 1,200 | 60% | \$450 | \$157 | \$607 | \$730 |
| 6 | Three-Br. | 2.0 | Garden | 1,350 | 50% | \$475 | \$194 | \$669 | \$703 |
| 18 | Three-Br. | 2.0 | Garden | 1,350 | 60% | \$575 | \$194 | \$769 | \$843 |
| 48 | Total | | | | | | | | |

Source: Herman & Kittle Properties, Inc.
AMHI – Area Median Household Income (Marion County, SC; 2015)

- g. Number Of Stories/Buildings:** 12 two-story, walk-up residential structures containing 48 garden-style units and one non-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
- Security Cameras
- Fitness Center
- Playground
- Business/Computer Center
- Picnic Area

m. Unit Amenities:

Each unit will include the following amenities:

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

n. Parking:

Open, paved lot parking will be included at the subject site.

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

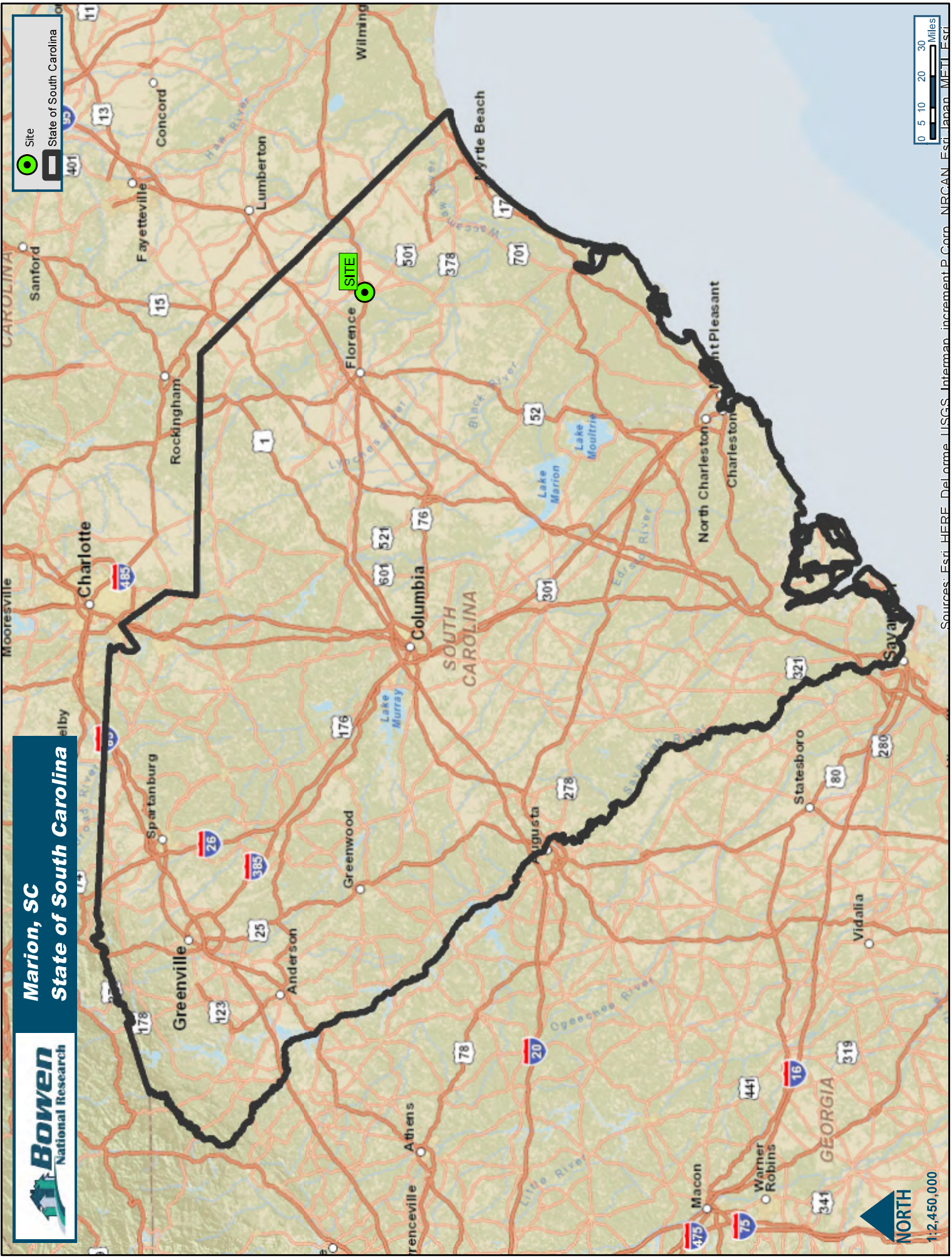
A state map and an area map are on the following pages.

Marion, SC State of South Carolina



Legend:

- Site (Green circle with black outline)
- State of South Carolina (Black outline)



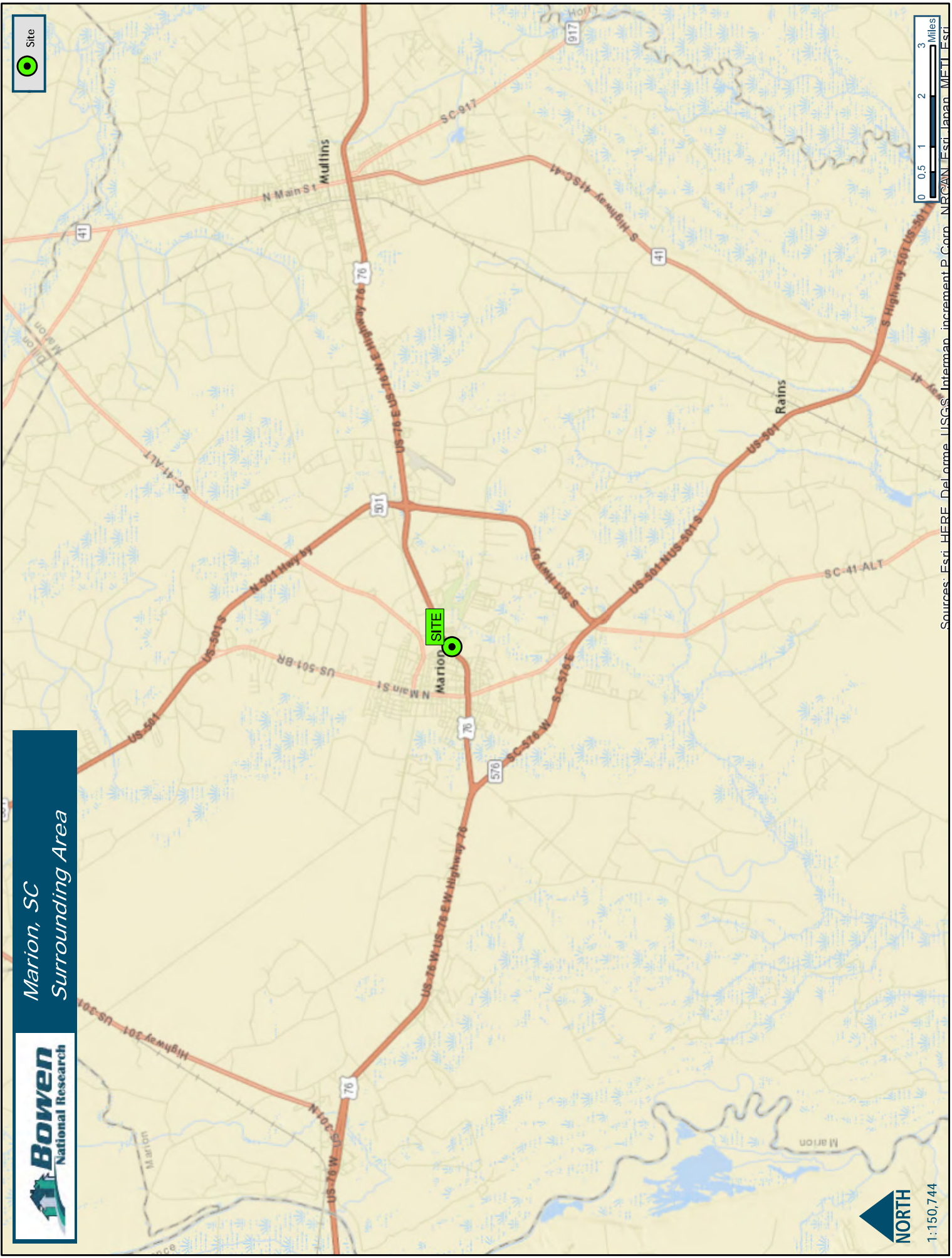
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri



1:2,450,000



Marion, SC
Surrounding Area



1:150,744



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of January 19, 2015. 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 project consists of undeveloped land located at the intersection of East Liberty and Bluff streets, in the southeast portion of Marion, South Carolina. Located within Marion County, Marion is approximately 22.0 miles east of Florence, South Carolina and approximately 57.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of the surrounding land uses:

| | |
|----------------|--|
| North - | Bluff Street borders the site to the north, followed by single-family homes in fair condition and a former church. The State Highway 76 commercial corridor continues north and acts as an arterial roadway through the area with numerous community services. The Marion Plaza shopping center is located beyond and offers multiple shopping and basic community services. |
| East - | Multifamily dwellings managed by the Marion Housing Authority border the site to the east. Undeveloped wooded land continues east, with single-family homes in fair to good condition extending beyond. |
| South - | Agricultural land borders the site directly to the south. Grice's Recreation Center complex and Johnakin Middle School continue south, along with single-family homes located along Strawberry Street. Additional agricultural land is located beyond. |
| West - | East Liberty Street borders the site to the west, followed by numerous local businesses. A residential neighborhood comprised primarily of single-family homes in fair to good condition is located beyond. |

The subject site is located within area conducive to multifamily housing, predominantly surrounded by residential dwellings and undeveloped land. The surrounding land uses are believed to positively contribute to the overall marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

| Community Services | Name | Driving Distance From Site (Miles) |
|--|---|--|
| Major Highways | U.S. Highway 76 State Route 576 U.S. Highway 501 | Adjacent North 2.4 West 2.5 Northeast |
| Public Bus Stop | Pee Dee Regional Transport Authority | 1.4 Northwest |
| Major Employers/ Employment Centers | Marion Plaza Marion County School District Beneteau Inc. Precision Southeast Inc. Walmart Supercenter | 0.2 North 0.4 Southwest 2.3 West 3.0 Northeast 3.0 Northeast |
| Convenience Store | Scotchman Store Kangaroo Express | 0.1 Northwest 0.1 Northeast |
| Grocery | Save-A-Lot Piggly Wiggly Walmart Supercenter | 0.2 North 0.5 Northeast 3.0 Northeast |
| Discount Department Store | Family Dollar Store Walmart Supercenter | 0.2 North 3.0 Northeast |
| Shopping Center/Mall | Marion Plaza Piggly Wiggly Shopping Center | 0.2 North 0.5 Northeast |
| Schools: Elementary Middle/Junior High High | Southside Elementary School Johnakin Middle School Marion High School | 0.4 Southwest 0.4 Southwest 0.9 West |
| Hospital | Marion County Medical Center | 3.7 East |
| Police | Marion Police Substation Marion Police Department | 0.5 Southeast 1.2 Southwest |
| Fire | Marion Fire Department | 0.8 West |
| Post Office | U.S. Post Office | 0.9 West |
| Bank | Pee Dee Federal Savings Bank First Citizens Bank & Trust Wells Fargo Bank | 0.7 West 0.9 West 1.0 Northwest |
| Recreational Facilities | Grice's Recreation Center Dusty Hill Golf Course | 0.9 South 1.0 East |
| Gas Station | Kangaroo Express Scotchman Gas EpcO 3-Way Food Mart | 0.1 Northwest 0.1 Northwest 0.2 Southwest |
| Pharmacy | Professional Pharmacy Bridgers Drugs Store | 0.8 West 0.9 West |
| Restaurant | E.D.J. BBQ Gore's Fresh Seafood No. 1 Restaurant Burger King | 0.1 West 0.1 North 0.2 Northwest 0.2 North |
| Library | Marion County Library | 0.7 West |

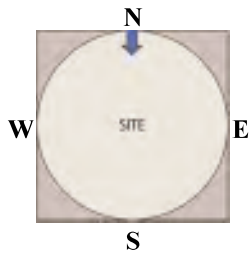
There are numerous community services within close proximity of the subject site, many of which can be found in the Marion Plaza shopping center. The shopping center contains a grocery store, restaurants, and additional retailers, all of which are considered beneficial to the targeted population at the subject site. Further, there are pharmacies, gas stations, convenience stores, and financial institutions all within close proximity of the site. The Pee Dee Regional Transport Authority offers a regional bus stop 1.4 miles northwest of the site and grants access to the surrounding community services and the surrounding area.

The Marion County School District serves the site with all applicable schools of attendance within a short distance. Further, the site area is served by both the Marion Police and Fire departments, both of which are within 1.2 miles. The nearest, acute-care hospital is the Marion County Medical Center, 3.7 miles east of the site. Overall, the site's proximity to community services is believed to positively contribute to the marketability of the site.

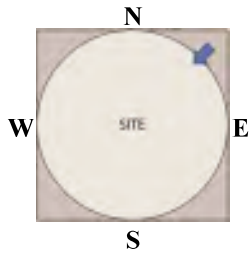
4. SITE PHOTOGRAPHS

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

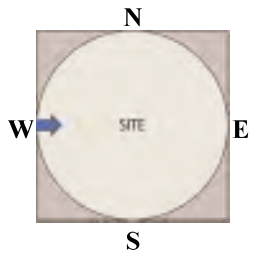
SITE PHOTOGRAPHS



View of site from the north



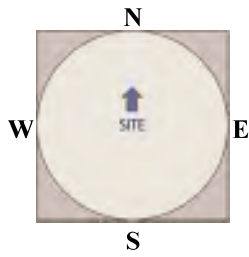
View of site from the northeast



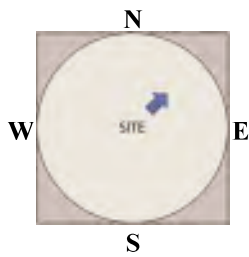
View of site from the west



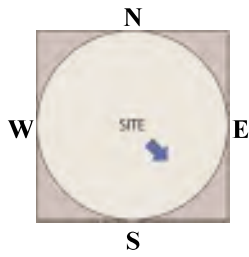
View of site from the northwest



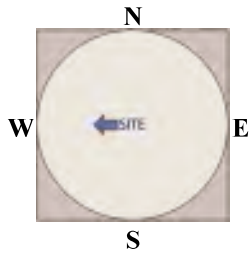
North view from site



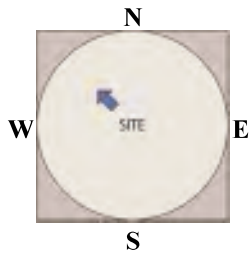
Northeast view from site



Southeast view from site



West view from site



Northwest view from site



Streetscape: West view of Wallace Circle



Streetscape: South view of East Liberty Street



Streetscape: North view of East Liberty Street



Streetscape: West view of Bluff Street



Streetscape: East view of Bluff Street



Streetscape: North view of Buncombe Street



Well adjacent site



Typical building adjacent site



View East of Site



Eastern border of site

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.





Marion, SC
Site Neighborhood

Legend
 Site Area

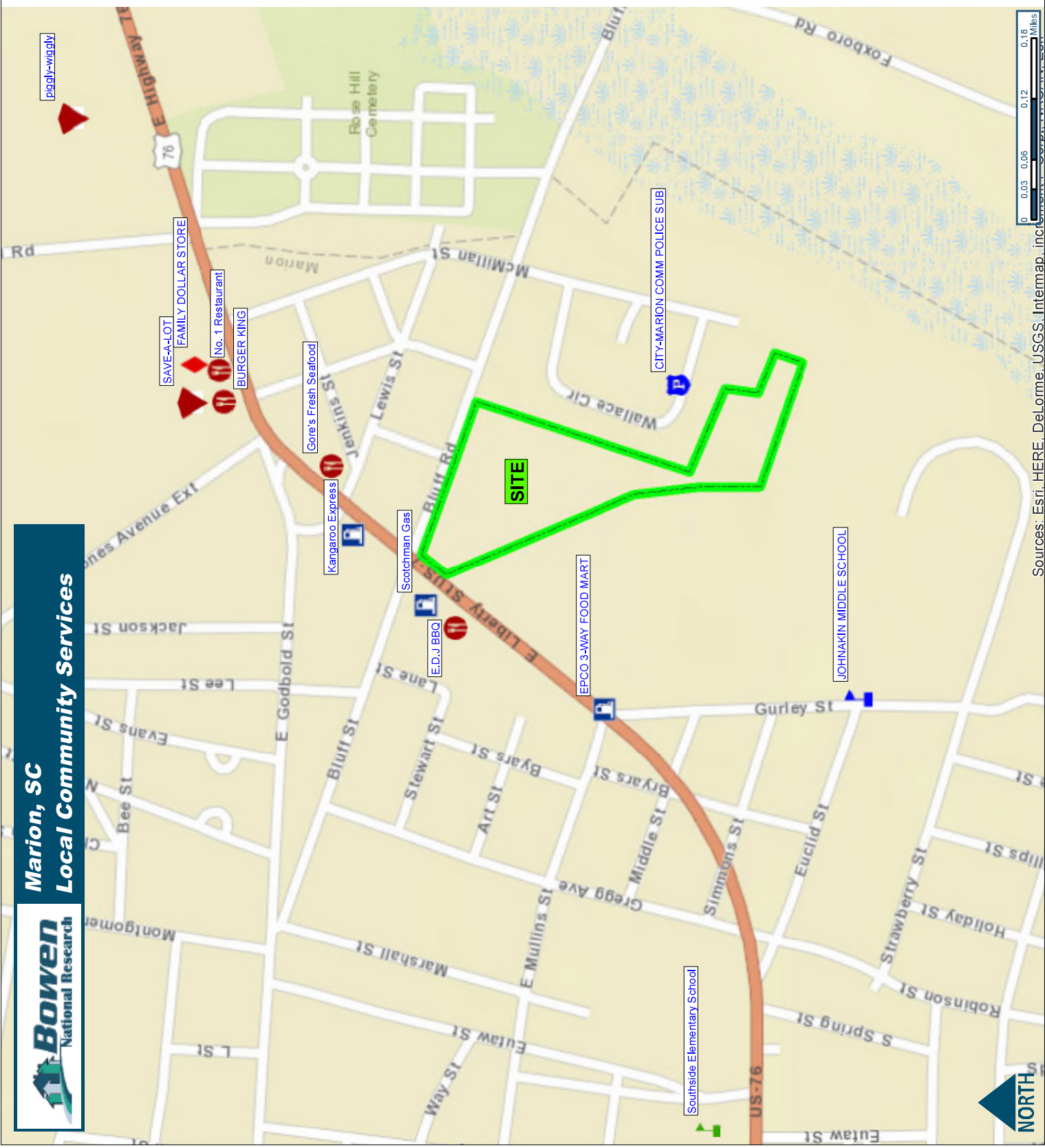


Source: Esri, DigitalGlobe, GeoEye, Earthstar, EarthstarGeo, AEX, Geomapping, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community



Legend

-  Site Area
-  bank
-  elementary school
-  gas
-  grocery
-  middle school
-  police
-  restaurant
-  shopping















Sources: Esri, HERE, DeLorme, USGS, Intermap, Inc., Swisstopo, © Mapbox, © OpenStreetMap contributors, © The Mapbox

Bowen
National Research

Marion, SC
Regional Community Services

Legend

-  Site
-  elementary school
-  fire
-  grocery
-  high school
-  hospital
-  library
-  middle school
-  police
-  post office
-  shopping
-  employers_1000_5000



0 0.175 0.35 0.7 1.05
Miles

NORTH

1:47,775

Sources: Esri, HERE, DeLorme, USGS, Intermap, inc.

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is adjacent to U.S. Highway 76. 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 (144) for the Site PMA is above the national average with an overall personal crime index of 196 and a property crime index of 124. Total crime risk (136) for Marion County is above the national average with indexes for personal and property crime of 181 and 121, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|---------------|
| | Site PMA | Marion County |
| Total Crime | 144 | 136 |
| Personal Crime | 196 | 181 |
| Murder | 174 | 165 |
| Rape | 119 | 117 |
| Robbery | 102 | 91 |
| Assault | 289 | 258 |
| Property Crime | 124 | 121 |
| Burglary | 135 | 135 |
| Larceny | 125 | 119 |
| Motor Vehicle Theft | 94 | 92 |

Source: Applied Geographic Solutions

Although the crime risk index for the Site PMA is above both the county and national averages, the proposed development will implement security features such as on-site management and security cameras which will add to the safety of its residents and mitigate any potential impact that crime may have on the neighborhood.

Further, as illustrated in Section H of this report, all rental properties identified and surveyed in the market are 100.0% occupied. This demonstrates that the perception of crime within the Site PMA has not had an adverse impact on the rental housing market. As such, we do not anticipate crime will have any significant impact on the proposed development's marketability.

A map illustrating crime risk is on the following page.



Marion, SC 2014 Crime Risk

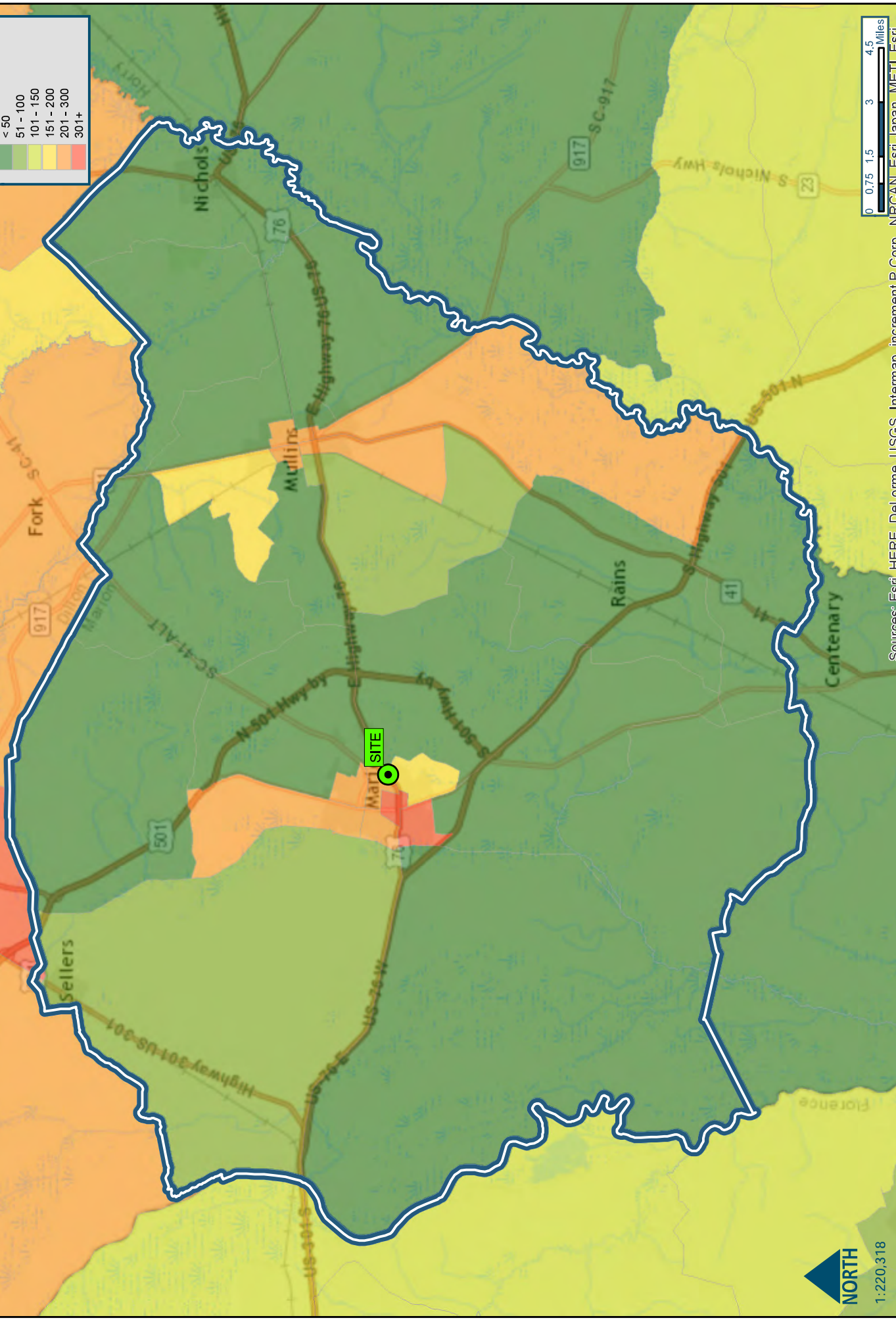
Site

Primary Market Area

Census Block Groups

2014 Total Crime Risk

| |
|-----------|
| < 50 |
| 51 - 100 |
| 101 - 150 |
| 151 - 200 |
| 201 - 300 |
| 301+ |



NORTH
1:220,318



Source: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

8. ACCESS AND VISIBILITY

The subject site is located in the southeast portion of the intersection of East Liberty and Bluff streets. East Liberty Street/U.S. Highway 76 is an arterial and commercial corridor through the Marion area and the site is clearly visible to vehicular traffic along this roadway. Visibility is considered excellent, as it is unobstructed from view by the surrounding land uses. Ingress and egress are considered excellent, as there is a traffic signal at the intersection of Bluff and East Liberty streets, which will ease the flow of traffic for residents entering or exiting the property. Further, ingress and egress are aided by clear lines of sight both north and south along East Liberty Street. Access to the site is further enhanced as East Liberty Street/U.S. Highway 76 is a primary highway through the Marion area and grants access to U.S. Highway 501, an arterial north/south highway. Overall, both access and visibility of the site are considered excellent.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues observed while conducting the on-site evaluation of the subject location.

10. OVERALL SITE CONCLUSIONS

The subject site is located within a partially developed area of Marion, situated at the southeast portion of the intersection of East Liberty and Bluff streets. Structures within the immediate site neighborhood are considered to be in fair to good condition and are conducive for multifamily housing. No visible or environmental issues were observed while conducting the on-site evaluation of the subject location. Notably, the site is within proximity of numerous community services and is within walking distance of grocery and convenience stores. The proximity of community and public safety services is considered beneficial to the marketability of the site. It is also of note that access to and from the site is considered excellent due to its proximity to numerous arterial roadways to the surrounding areas, such as U.S. Highways 76 and 501. Visibility is also considered excellent, as it is situated along an arterial roadway and is unobstructed from view by passerby traffic. Overall, the subject site is consistent with surrounding land uses, while its convenient accessibility and its proximity to community and public safety services should contribute to its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

The Marion Site PMA includes the towns of Marion, Mullins, Sellers, Nichols and the surrounding unincorporated areas of Marion County, South Carolina. Specifically, the Marion Site PMA consists of the Marion County line to the north, east and west, and several rural and country roads approximately ten miles south of downtown Marion on the south, which generally include Catfish Road, Terrell's Bay Road and Knife Island Court. The Site PMA comprises Census Tract numbers:

| | | | |
|------|-------|------|------|
| 9501 | 9502 | 9503 | 9504 |
| 9505 | 9506* | 9507 | 9508 |

*Subject site location

Christy Herring, Property Manager at Cedar Creek Apartments (Map I.D. 1), a 40-unit Tax Credit community in Marion, noted that nearly all of the residents at Cedar Creek previously resided in Marion or Mullins. Very rarely will she speak with potential tenants from Florence, thus confirming the Site PMA.

Louise Wellington, Property Manager at Southern Forest Apartments (Map I.D. 5), a 40-unit Tax Credit property in Marion, noted that the majority of the current residents are from within and around Marion or from within the outlying areas of Marion County.

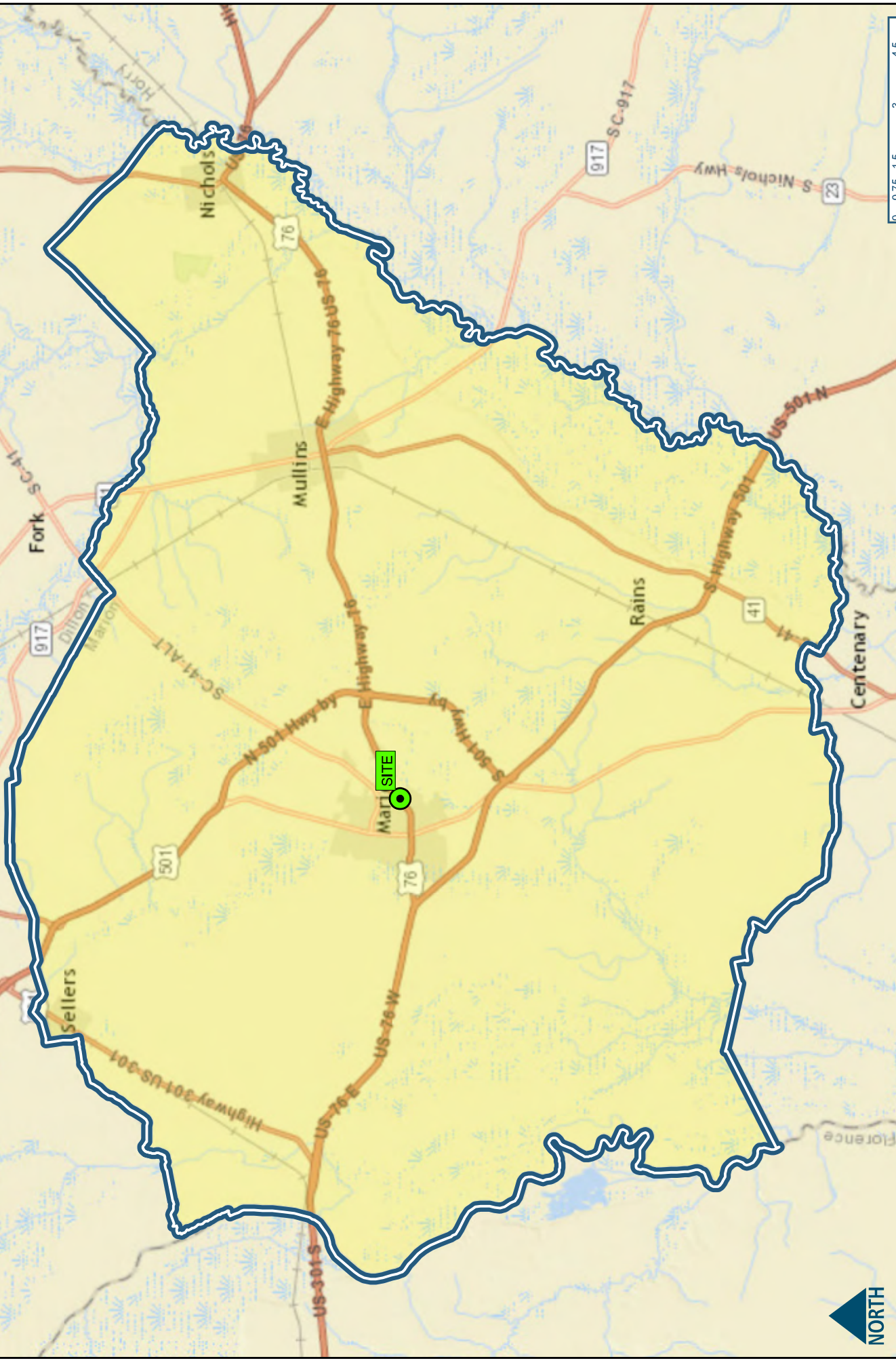
Though we expect a portion of prospective residents to originate from outside the delineated borders of the PMA, due to the rural nature of the surrounding area, we believe the majority of the prospective site population will come from the areas within the PMA. We have therefore not included a secondary market area for this study.

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



Marion, SC
Primary Market Area

Site
Primary Market Area



1:220,318



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

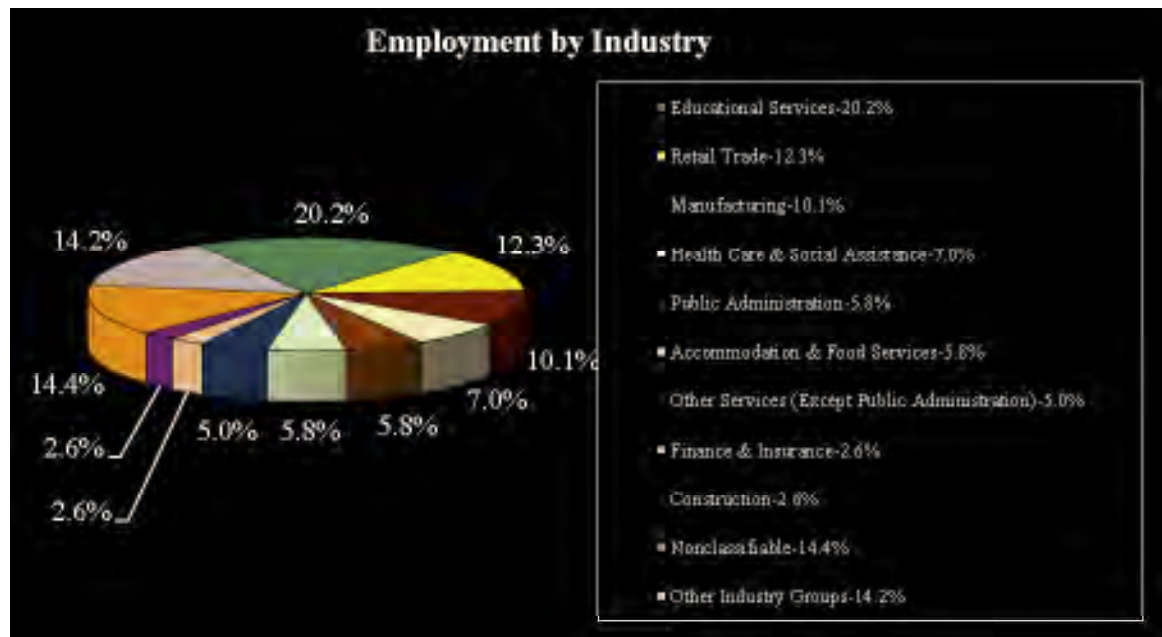
The labor force within the Marion Site PMA is based primarily in three sectors. Educational Services (which comprises 20.2%), Retail Trade and Manufacturing comprise nearly 43% of the Site PMA labor force. Non-classifiable jobs comprised over 14% of the labor force. Employment in the Marion Site PMA, as of 2014, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------|-----------|---------|--------|
| Agriculture, Forestry, Fishing & Hunting | 60 | 4.7% | 110 | 1.1% | 1.8 |
| Mining | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Utilities | 5 | 0.4% | 58 | 0.6% | 11.6 |
| Construction | 87 | 6.8% | 256 | 2.6% | 2.9 |
| Manufacturing | 43 | 3.4% | 994 | 10.1% | 23.1 |
| Wholesale Trade | 42 | 3.3% | 254 | 2.6% | 6.0 |
| Retail Trade | 193 | 15.1% | 1,212 | 12.3% | 6.3 |
| Transportation & Warehousing | 60 | 4.7% | 247 | 2.5% | 4.1 |
| Information | 18 | 1.4% | 203 | 2.1% | 11.3 |
| Finance & Insurance | 61 | 4.8% | 257 | 2.6% | 4.2 |
| Real Estate & Rental & Leasing | 43 | 3.4% | 119 | 1.2% | 2.8 |
| Professional, Scientific & Technical Services | 76 | 5.9% | 157 | 1.6% | 2.1 |
| Management of Companies & Enterprises | 1 | 0.1% | 2 | 0.0% | 2.0 |
| Administrative, Support, Waste Management & Remediation Services | 135 | 10.5% | 208 | 2.1% | 1.5 |
| Educational Services | 32 | 2.5% | 1,994 | 20.2% | 62.3 |
| Health Care & Social Assistance | 93 | 7.3% | 688 | 7.0% | 7.4 |
| Arts, Entertainment & Recreation | 14 | 1.1% | 45 | 0.5% | 3.2 |
| Accommodation & Food Services | 59 | 4.6% | 574 | 5.8% | 9.7 |
| Other Services (Except Public Administration) | 212 | 16.5% | 493 | 5.0% | 2.3 |
| Public Administration | 46 | 3.6% | 576 | 5.8% | 12.5 |
| Nonclassifiable | 2 | 0.2% | 1,420 | 14.4% | 710.0 |
| Total | 1,282 | 100.0% | 9,867 | 100.0% | 7.7 |

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

| Typical Wage by Occupation Type | | |
|--|---|----------------|
| Occupation Type | Pee Dee South Carolina Nonmetropolitan Area | South Carolina |
| Management Occupations | \$82,080 | \$94,400 |
| Business and Financial Occupations | \$54,680 | \$59,050 |
| Computer and Mathematical Occupations | \$54,790 | \$64,430 |
| Architecture and Engineering Occupations | \$73,560 | \$73,510 |
| Community and Social Service Occupations | \$33,360 | \$38,260 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$36,030 | \$41,730 |
| Healthcare Practitioners and Technical Occupations | \$59,880 | \$66,190 |
| Healthcare Support Occupations | \$21,870 | \$25,350 |
| Protective Service Occupations | \$31,860 | \$33,200 |
| Food Preparation and Serving Related Occupations | \$18,240 | \$19,650 |
| Building and Grounds Cleaning and Maintenance Occupations | \$22,080 | \$22,470 |
| Personal Care and Service Occupations | \$23,220 | \$22,220 |
| Sales and Related Occupations | \$25,730 | \$30,800 |
| Office and Administrative Support Occupations | \$29,130 | \$31,460 |
| Construction and Extraction Occupations | \$33,800 | \$37,050 |
| Installation, Maintenance and Repair Occupations | \$35,770 | \$40,660 |
| Production Occupations | \$33,910 | \$34,720 |
| Transportation and Moving Occupations | \$29,090 | \$30,290 |

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

Most annual blue-collar salaries range from \$18,240 to \$36,030 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,998. It is important to note that most occupational types within the nonmetropolitan have lower typical wages than the State of South Carolina's typical wages. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Marion County area comprise a total of 2,777 employees. These employers are summarized as follows:

| Employer Name | Business Type | Total Employed |
|---|------------------------------------|----------------|
| Marion County School District | Education | 850 |
| Marion County Regional Health Care System | Health Care | 575 |
| AVM Industries | Automotive Components Manufacturer | 362 |
| SoPakCo Packaging | Package Military Rations | 282 |
| Marion County | Government | 265 |
| Beneteau Inc. | Sailboat Builder | 175 |
| Coca Cola Bottling Company | Distribution Center | 147 |
| Precision Southeast Inc. | Injection Molding | 69 |
| Canfor Southern Pine | Wood Molding | 35 |
| Elite Lighting | Distribution | 17 |
| Total | | 2,777 |

Source: Marion County Economic Development Commission (November 2013)

Despite numerous attempts to contact local economic representatives, such individuals have not responded to our request for information. The following was obtained per our online research regarding Marion County:

- Harbor Freight Tools broke ground on its \$75-million distribution center expansion at the Tri-County Gateway Industrial Park in Dillon in 2013. The expansion doubled the size of Harbor Freights' current facility in Dillon, from one million to approximately two million square feet and the local workforce increased from the current 680 employees to approximately 900 employees. The expansion completed in early 2014. The Tri-County I-95 Gateway Industrial Park is jointly owned by Dillon, Marlboro and Marion counties. All three counties helped in bringing the project to the area. The tax revenues will be equally shared among the three counties.
- In June 2014, SoPakCo, a ready-to-serve food maker, announced plans to expand its Marion County facility, a \$3.4 million investment. The expansion will create more than 120 full-time jobs.

- In December 2014, Precision Southeast Incorporated, a manufacturer of injection molded plastic parts, announced that it will be expanding its facility, a \$16.6 million investment, and is expected to create 140 new jobs. Hiring is expected to begin in March 2015.
- In May 2015, an amphitheater is scheduled to reopen in Marion County after sitting stagnant for many years. It is estimated that the amphitheater will create nearly 272 permanent jobs over a five-year period.

WARN (layoff notices):

According to the South Carolina Works website, there have been no WARN notices of large-scale layoffs/closures reported for Marion County since 2013.

4. EMPLOYMENT TRENDS

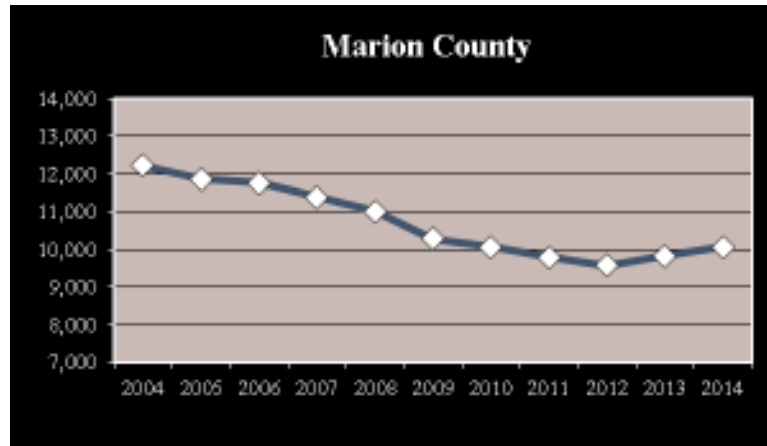
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2014, the employment base has declined by 4.5% over the past five years in Marion County, while the state of South Carolina increased by 5.5%. Total employment reflects the number of employed persons who live within the county.

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

| Year | Total Employment | | | | | |
|-------|------------------|----------------|----------------|----------------|---------------|----------------|
| | Marion County | | South Carolina | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2004 | 12,232 | - | 1,888,050 | - | 139,967,126 | - |
| 2005 | 11,862 | -3.0% | 1,922,367 | 1.8% | 142,299,506 | 1.7% |
| 2006 | 11,766 | -0.8% | 1,970,912 | 2.5% | 145,000,043 | 1.9% |
| 2007 | 11,398 | -3.1% | 2,010,252 | 2.0% | 146,388,369 | 1.0% |
| 2008 | 11,026 | -3.3% | 1,998,368 | -0.6% | 146,047,748 | -0.2% |
| 2009 | 10,292 | -6.7% | 1,911,658 | -4.3% | 140,696,560 | -3.7% |
| 2010 | 10,068 | -2.2% | 1,925,093 | 0.7% | 140,457,589 | -0.2% |
| 2011 | 9,803 | -2.6% | 1,954,726 | 1.5% | 141,727,933 | 0.9% |
| 2012 | 9,578 | -2.3% | 1,989,055 | 1.8% | 143,566,680 | 1.3% |
| 2013 | 9,824 | 2.6% | 2,016,188 | 1.4% | 144,950,662 | 1.0% |
| 2014* | 10,069 | 2.5% | 2,046,602 | 1.5% | 146,735,092 | 1.2% |

Source: Department of Labor; Bureau of Labor Statistics
*Through November



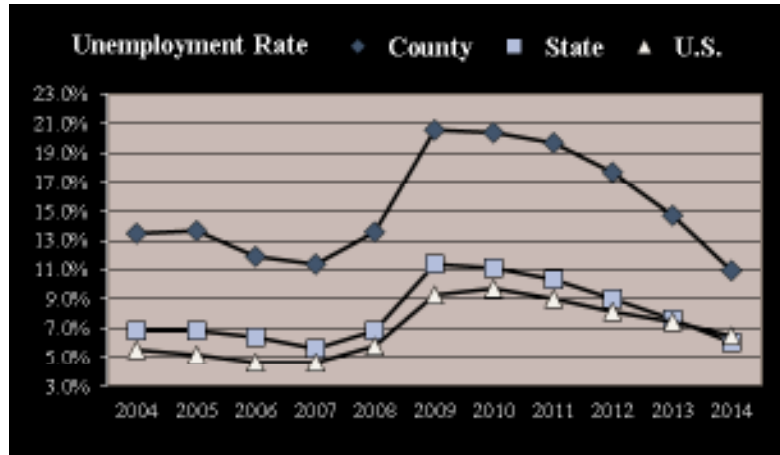
As the preceding illustrates, the Marion County employment base has declined by 2,408 employees since 2004. It is important to note, however, that much of this decline occurred between 2007 and 2009, similar to trends experienced by much of the country during the national recession. The employment base continued to decline through 2012; however, it did so at a slower rate. Since 2012, the employment base experienced growth for the first time in the past ten years, increasing by 491 employees, or 5.1% (through November 2014). In light of the recent expansion announcements, it is expected that the county's employment base will continue to increase in the foreseeable future.

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

| Year | Total Unemployment | | | | | |
|-------|--------------------|---------|----------------|---------|---------------|---------|
| | Marion County | | South Carolina | | United States | |
| | Number | Percent | Number | Percent | Number | Percent |
| 2004 | 1,910 | 13.5% | 139,169 | 6.8% | 8,261,839 | 5.6% |
| 2005 | 1,887 | 13.7% | 139,366 | 6.7% | 7,756,938 | 5.2% |
| 2006 | 1,590 | 11.9% | 135,760 | 6.4% | 7,118,073 | 4.7% |
| 2007 | 1,468 | 11.4% | 120,205 | 5.7% | 7,187,820 | 4.7% |
| 2008 | 1,737 | 13.6% | 145,823 | 6.8% | 9,048,051 | 5.8% |
| 2009 | 2,677 | 20.6% | 242,075 | 11.2% | 14,430,156 | 9.3% |
| 2010 | 2,582 | 20.4% | 240,623 | 11.2% | 15,068,747 | 9.7% |
| 2011 | 2,406 | 19.7% | 228,937 | 10.5% | 14,029,523 | 9.0% |
| 2012 | 2,063 | 17.7% | 199,830 | 9.2% | 12,688,021 | 8.1% |
| 2013 | 1,694 | 14.7% | 166,641 | 7.6% | 11,629,596 | 7.4% |
| 2014* | 1,240 | 11.0% | 141,451 | 6.4% | 10,261,373 | 6.5% |

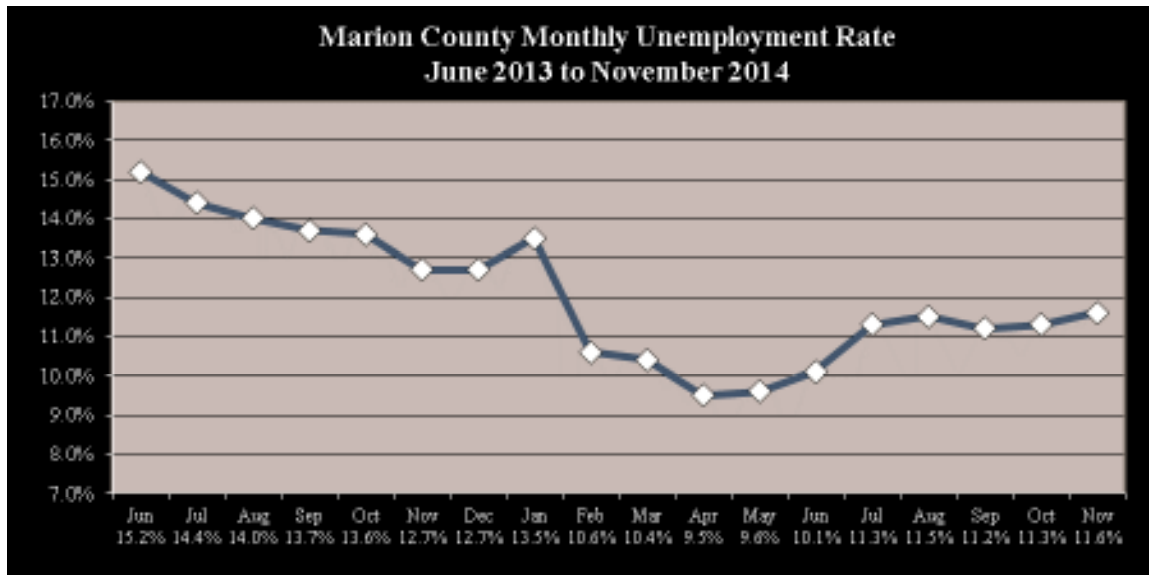
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Marion County has ranged between 11.0% and 20.6%, significantly above both state and national averages since 2004. Between 2007 and 2009, the unemployment rate increased by nine percentage points as a result of the national recession. On a positive note, the unemployment rate has consistently decreased over the preceding six-year period; however, it is still considered high at 11.0% (through November 2014).

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



The unemployment rate in Marion County has been high over the past 18 months. The rate, which has fluctuated generally between 9.0% and 15.0%, peaked at 15.2% in June 2013. Since June, the rate has generally decreased, although it remains high at 11.6%, as reported in November 2014.

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 Marion County.

| In-Place Employment Marion County | | | |
|-----------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2004 | 10,018 | - | - |
| 2005 | 9,363 | -655 | -6.5% |
| 2006 | 9,037 | -326 | -3.5% |
| 2007 | 8,717 | -320 | -3.5% |
| 2008 | 8,322 | -395 | -4.5% |
| 2009 | 7,483 | -839 | -10.1% |
| 2010 | 7,055 | -428 | -5.7% |
| 2011 | 6,880 | -175 | -2.5% |
| 2012 | 6,504 | -376 | -5.5% |
| 2013 | 6,437 | -67 | -1.0% |
| 2014* | 6,630 | 193 | 3.0% |

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2013, the most recent year that year-end figures are available, indicates in-place employment in Marion County to be 65.5% of the total Marion County employment. This means that Marion County has more employed persons staying in the county for daytime employment than those who work outside the county. This is anticipated to have a positive impact on the proposed development's marketability.

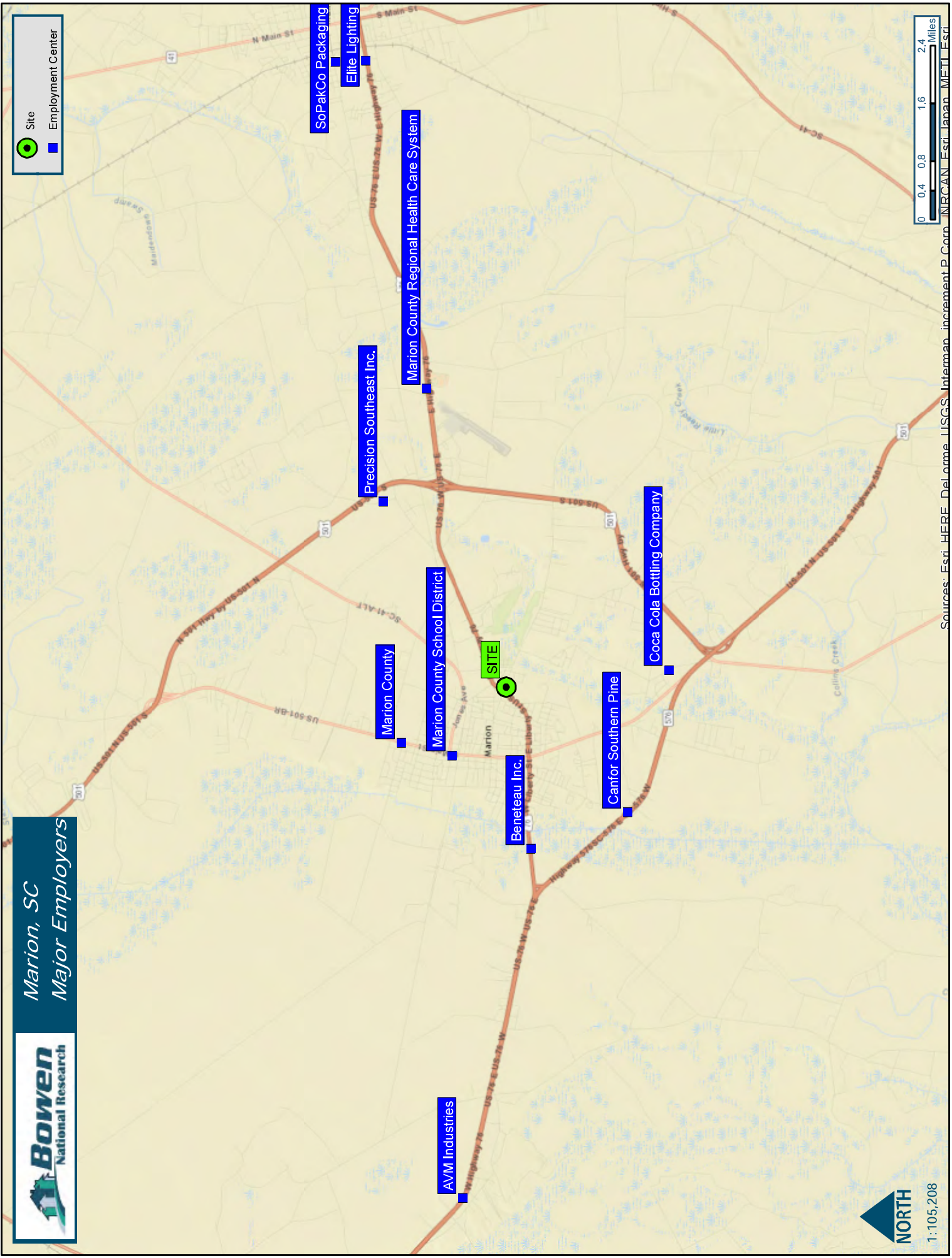
5. **EMPLOYMENT CENTERS MAP**

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



Marion, SC Major Employers

 Site
 Employment Center



1:105,208



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp, NRCAN, Esri, Japan, METI, Esri

6. COMMUTING PATTERNS

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

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 9,132 | 78.2% |
| Carpooled | 1,443 | 12.4% |
| Public Transit | 166 | 1.4% |
| Walked | 183 | 1.6% |
| Other Means | 186 | 1.6% |
| Worked at Home | 572 | 4.9% |
| Total | 11,683 | 100.0% |

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

Over 78% of all workers drove alone, 12.4% carpooled and only 1.4% used public transportation.

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

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 4,021 | 34.4% |
| 15 to 29 Minutes | 3,074 | 26.3% |
| 30 to 44 Minutes | 1,781 | 15.2% |
| 45 to 59 Minutes | 1,359 | 11.6% |
| 60 or More Minutes | 876 | 7.5% |
| Worked at Home | 572 | 4.9% |
| Total | 11,683 | 100.0% |

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

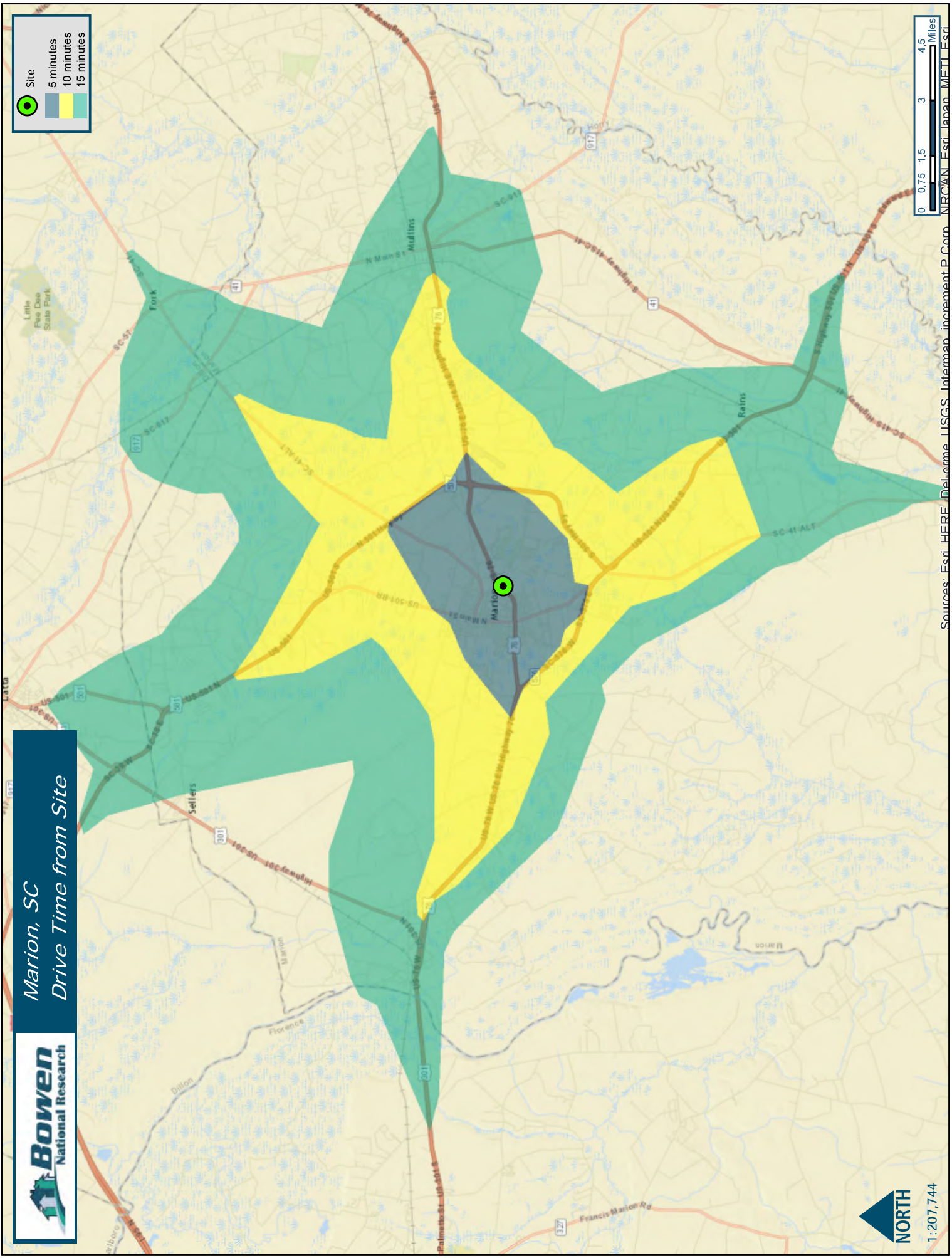
The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. At less than a 30-minute commute, the average drive time of the subject site to many large employers is considered reasonable and should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



*Marion, SC
Drive Time from Site*

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH

1:207,744

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp, NRCAN, Esri, Japan, METI, Esri

7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Marion County recently began showing signs of recovery from the impact of the national recession between 2007 and 2009. During this time period, the county's employment base declined by 1,106, or 9.7%, and the unemployment rate increased by nine percentage points. On a positive note, beginning in 2012, the employment base experienced growth for the first time in the past ten years, increasing by 5.1% through November 2014. Similarly, the unemployment rate has consistently declined during the preceding six-year period; however, it is still considered high at 11.0%, significantly above both state and national averages. Considering the recent investment announcements within the county, totaling approximately \$20 million since 2014, which is expected to create over 530 jobs over the next several years, it is anticipated that the local economy will continue to improve for the foreseeable future. Nonetheless, given the double-digit unemployment rate, the need for affordable housing is anticipated to remain strong. This is further evidenced by the combined 100.0% occupancy among all affordable units surveyed. A high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option to low-income households in an economy where lower-wage employees are most vulnerable.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2017 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2017 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2014 (estimated) and 2017 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2014 (Estimated) | 2017 (Projected) |
| Population | 31,988 | 29,832 | 29,454 | 29,017 |
| Population Change | - | -2,156 | -378 | -437 |
| Percent Change | - | -6.7% | -1.3% | -1.5% |

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

Since 2000, the market's population base has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2017.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.7% of the Site PMA population, as demonstrated in the following table:

| | Number | Percent |
|----------------------------------|--------|---------|
| Population in Group Quarters | 203 | 0.7% |
| Population not in Group Quarters | 29,629 | 99.3% |
| Total Population | 29,832 | 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) | | 2014 (Estimated) | | 2017 (Projected) | | Change 2014-2017 | |
|-------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 8,134 | 27.3% | 7,542 | 25.6% | 7,383 | 25.4% | -159 | -2.1% |
| 20 to 24 | 1,693 | 5.7% | 1,823 | 6.2% | 1,624 | 5.6% | -199 | -10.9% |
| 25 to 34 | 3,390 | 11.4% | 3,419 | 11.6% | 3,408 | 11.7% | -11 | -0.3% |
| 35 to 44 | 3,496 | 11.7% | 3,399 | 11.5% | 3,319 | 11.4% | -80 | -2.4% |
| 45 to 54 | 4,252 | 14.3% | 3,807 | 12.9% | 3,584 | 12.4% | -223 | -5.9% |
| 55 to 64 | 4,457 | 14.9% | 4,426 | 15.0% | 4,194 | 14.5% | -232 | -5.2% |
| 65 to 74 | 2,553 | 8.6% | 3,125 | 10.6% | 3,464 | 11.9% | 339 | 10.8% |
| 75 & Over | 1,857 | 6.2% | 1,913 | 6.5% | 2,041 | 7.0% | 128 | 6.7% |
| Total | 29,832 | 100.0% | 29,454 | 100.0% | 29,017 | 100.0% | -437 | -1.5% |

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

As the preceding table illustrates, over 51% of the population is expected to be between 25 and 64 years old in 2014. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all person 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.

e. Minority Concentrations

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract:

| Minority Group | Statewide Share | Equal To or Greater Than | Site Census Tract Share |
|--|-----------------|--------------------------|-------------------------|
| Total Minority Population | 33.8% | 33.8% + 20.0% = 53.8% | 71.1% |
| Black or African American | 27.9% | 27.9% + 20.0% = 47.9% | 68.6% |
| American Indian and Alaska Native | 0.4% | 0.4% + 20.0% = 20.4% | 0.4% |
| Asian | 1.3% | 1.3% + 20.0% = 21.3% | 0.5% |
| Native Hawaiian and Other Pacific Islander | 0.1% | 0.1% + 20.0% = 20.1% | 0.2% |
| Hispanic or Latino | 5.1% | 5.1% + 20.0% = 25.1% | 1.9% |

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2009-2013 5-year estimates, over 59% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable developments within the market are 100.0% occupied, most of which maintain wait lists, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The proposed development will be able to provide a high-quality, modern affordable rental housing option that is much needed within the Census Tract it will be located.

2. HOUSEHOLD TRENDS

a. Total Households

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

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2014 (Estimated) | 2017 (Projected) |
| Households | 12,084 | 11,843 | 11,862 | 11,730 |
| Household Change | - | -241 | 19 | -132 |
| Percent Change | - | -2.0% | 0.2% | -1.1% |
| Household Size | 2.65 | 2.52 | 2.47 | 2.46 |

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

Similar to population trends, the market's household base has been generally stable since 2000 and is projected to remain relatively stable through 2017.

b. Households by Tenure

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2014 (Estimated) | | 2017 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 8,006 | 67.6% | 7,787 | 65.6% | 7,703 | 65.7% |
| Renter-Occupied | 3,837 | 32.4% | 4,075 | 34.4% | 4,027 | 34.3% |
| Total | 11,843 | 100.0% | 11,862 | 100.0% | 11,730 | 100.0% |

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

In 2014, homeowners occupied 65.6% of all occupied housing units, while the remaining 34.4% were occupied by renters. The 4,075 renter households in 2014 represent a significant base of potential support in the market for the subject development.

c. Households by Income

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

| Household Income | 2010 (Census) | | 2014 (Estimated) | | 2017 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$10,000 | 1,699 | 14.3% | 1,863 | 15.7% | 1,794 | 15.3% |
| \$10,000 to \$19,999 | 2,249 | 19.0% | 2,327 | 19.6% | 2,240 | 19.1% |
| \$20,000 to \$29,999 | 1,824 | 15.4% | 1,835 | 15.5% | 1,807 | 15.4% |
| \$30,000 to \$39,999 | 1,160 | 9.8% | 1,058 | 8.9% | 1,055 | 9.0% |
| \$40,000 to \$49,999 | 1,116 | 9.4% | 1,086 | 9.2% | 1,046 | 8.9% |
| \$50,000 to \$59,999 | 1,009 | 8.5% | 1,010 | 8.5% | 978 | 8.3% |
| \$60,000 to \$74,999 | 911 | 7.7% | 849 | 7.2% | 887 | 7.6% |
| \$75,000 to \$99,999 | 915 | 7.7% | 913 | 7.7% | 921 | 7.9% |
| \$100,000 to \$124,999 | 506 | 4.3% | 438 | 3.7% | 468 | 4.0% |
| \$125,000 to \$149,999 | 227 | 1.9% | 237 | 2.0% | 250 | 2.1% |
| \$150,000 to \$199,999 | 126 | 1.1% | 155 | 1.3% | 181 | 1.5% |
| \$200,000 & Over | 100 | 0.8% | 92 | 0.8% | 102 | 0.9% |
| Total | 11,843 | 100.0% | 11,862 | 100.0% | 11,730 | 100.0% |
| Median Income | \$31,284 | | \$29,493 | | \$30,221 | |

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

In 2010, the median household income was \$31,284. This declined by 5.7% to \$29,493 in 2014. By 2017, it is projected that the median household income will be \$30,221, an increase of 2.5% from 2014.

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, 2014 and 2017 for the Marion Site PMA:

| Renter Households | 2010 (Census) | | | | | Total |
|------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | |
| Less Than \$10,000 | 458 | 139 | 115 | 136 | 109 | 958 |
| \$10,000 to \$19,999 | 442 | 189 | 168 | 141 | 42 | 982 |
| \$20,000 to \$29,999 | 142 | 152 | 151 | 78 | 116 | 640 |
| \$30,000 to \$39,999 | 70 | 144 | 124 | 49 | 18 | 405 |
| \$40,000 to \$49,999 | 34 | 49 | 36 | 0 | 11 | 131 |
| \$50,000 to \$59,999 | 34 | 92 | 61 | 31 | 5 | 224 |
| \$60,000 to \$74,999 | 20 | 46 | 16 | 20 | 77 | 180 |
| \$75,000 to \$99,999 | 35 | 78 | 3 | 6 | 6 | 130 |
| \$100,000 to \$124,999 | 7 | 5 | 1 | 19 | 81 | 115 |
| \$125,000 to \$149,999 | 9 | 5 | 6 | 2 | 5 | 28 |
| \$150,000 to \$199,999 | 12 | 7 | 3 | 0 | 4 | 27 |
| \$200,000 & Over | 3 | 4 | 4 | 3 | 4 | 19 |
| Total | 1,268 | 912 | 690 | 487 | 480 | 3,837 |

Source: Ribbon Demographics; ESRI; Urban Decision Group

| Renter Households | 2014 (Estimated) | | | | | Total |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | |
| Less Than \$10,000 | 549 | 170 | 126 | 147 | 122 | 1,115 |
| \$10,000 to \$19,999 | 442 | 217 | 173 | 152 | 51 | 1,037 |
| \$20,000 to \$29,999 | 152 | 159 | 165 | 78 | 118 | 671 |
| \$30,000 to \$39,999 | 56 | 153 | 121 | 42 | 17 | 389 |
| \$40,000 to \$49,999 | 41 | 51 | 56 | 1 | 13 | 162 |
| \$50,000 to \$59,999 | 40 | 75 | 61 | 33 | 5 | 214 |
| \$60,000 to \$74,999 | 18 | 41 | 12 | 21 | 67 | 160 |
| \$75,000 to \$99,999 | 41 | 77 | 3 | 5 | 7 | 134 |
| \$100,000 to \$124,999 | 12 | 7 | 0 | 16 | 73 | 108 |
| \$125,000 to \$149,999 | 11 | 5 | 7 | 2 | 12 | 37 |
| \$150,000 to \$199,999 | 13 | 9 | 2 | 4 | 5 | 33 |
| \$200,000 & Over | 2 | 2 | 2 | 5 | 3 | 15 |
| Total | 1,376 | 967 | 729 | 508 | 495 | 4,075 |

Source: Ribbon Demographics; ESRI; Urban Decision Group

| Renter Households | 2017 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 542 | 160 | 123 | 141 | 116 | 1,082 |
| \$10,000 to \$19,999 | 423 | 206 | 169 | 149 | 46 | 993 |
| \$20,000 to \$29,999 | 162 | 156 | 158 | 66 | 111 | 653 |
| \$30,000 to \$39,999 | 59 | 156 | 121 | 45 | 18 | 399 |
| \$40,000 to \$49,999 | 43 | 53 | 55 | 0 | 11 | 163 |
| \$50,000 to \$59,999 | 37 | 73 | 59 | 37 | 5 | 211 |
| \$60,000 to \$74,999 | 22 | 42 | 13 | 24 | 70 | 171 |
| \$75,000 to \$99,999 | 43 | 82 | 3 | 5 | 7 | 140 |
| \$100,000 to \$124,999 | 15 | 9 | 1 | 16 | 75 | 116 |
| \$125,000 to \$149,999 | 12 | 7 | 7 | 3 | 11 | 40 |
| \$150,000 to \$199,999 | 16 | 8 | 7 | 5 | 5 | 41 |
| \$200,000 & Over | 3 | 3 | 4 | 4 | 4 | 17 |
| Total | 1,378 | 954 | 720 | 496 | 479 | 4,027 |

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Over one-third of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain stable through 2017. Regardless, the 4,075 renter households in 2014 represent a significant base of potential support in the market for the subject development. As discussed later in Section H of this report, all LIHTC communities are 100.0% occupied. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within Marion County, South Carolina, which has a four-person median household income of \$41,300 for 2015. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$54,100 in 2015. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

| Household Size | Maximum Allowable Income | |
|----------------|--------------------------|----------|
| | 50% | 60% |
| One-Person | \$18,950 | \$22,740 |
| Two-Person | \$21,650 | \$25,980 |
| Three-Person | \$24,350 | \$29,220 |
| Four-Person | \$27,050 | \$32,460 |
| Five-Person | \$29,200 | \$35,040 |

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 \$35,040.

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 \$557 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,684. 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 \$19,097.

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) | \$19,097 | \$29,200 |
| Tax Credit (Limited To 60% Of AMHI) | \$20,811 | \$35,040 |
| Overall Project | \$19,097 | \$35,040 |

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 2014 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2017) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 10.6% to 16.0% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2010 ACS 5-Year Estimates Table B25016, 6.2% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*

The subject project is not age-restricted, thus we have not considered elderly homeowner conversion in our demand estimates.

- 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 2014 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2014 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2014 to current). We did not identify any projects that were placed in service prior to 2014 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

| Demand Component | Percent Of Median Household Income | | |
|---|------------------------------------|---------------------------------|--------------------------------|
| | 50% AMHI (\$19,406-\$29,200) | 60% AMHI (\$21,120-\$35,040) | Overall (\$19,406-\$35,040) |
| Demand From New Renter Households (Age- And Income-Appropriate) | 660 - 679 = -19 | 781 - 792 = -11 | 913 - 929 = -16 |
| + | | | |
| Demand From Existing Households (Rent Overburdened) | 679 X 16.0% = 109 | 792 X 10.6% = 84 | 929 X 14.0% = 130 |
| + | | | |
| Demand From Existing Households (Renters In Substandard Housing) | 679 X 6.2% = 42 | 792 X 6.2% = 49 | 929 X 6.2% = 58 |
| + | | | |
| Demand From Existing Households (Senior Homeowner Conversion) | N/A | N/A | N/A |
| = | | | |
| Total Demand | 132 | 122 | 172 |
| - | | | |
| Supply (Directly Comparable Units Built And/Or Funded Since 2014) | 0 | 0 | 0 |
| = | | | |
| Net Demand | 132 | 122 | 172 |
| | | | |
| Proposed Units | 10 | 38 | 48 |
| | | | |
| Proposed Units/ Net Demand | 10 / 132 | 38 / 122 | 48 / 172 |
| | | | |
| Capture Rate | 7.6% | 31.1% | 27.9% |

The capture rate for units targeting households at 50% and 60% of AMHI, ranging from 7.6% to 31.1%, are considered low to moderate, yet easily achievable. This is especially true, considering the lack of available affordable units within the Site PMA. The overall capture rate for the subject project is also achievable at 27.9%, demonstrating that there is a sufficient base of income-qualified renter households that will be able to support the subject project.

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

| Estimated Demand By Bedroom | |
|-----------------------------|---------|
| Bedroom Type | Percent |
| One-Bedroom | 15.0% |
| Two-Bedroom | 50.0% |
| Three-Bedroom | 35.0% |
| 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 (132 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 (15%) | 20 | 0 | 20 | - | - |
| Two-Bedroom (50%) | 66 | 0 | 66 | 4 | 6.1% |
| Three-Bedroom (35%) | 46 | 0 | 46 | 6 | 13.0% |

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

| Units Targeting 60% Of AMHI (122 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 (15%) | 18 | 0 | 18 | - | - |
| Two-Bedroom (50%) | 61 | 0 | 61 | 20 | 32.8% |
| Three-Bedroom (35%) | 43 | 0 | 43 | 18 | 41.9% |

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 6.1% to 41.9%. These capture rates are considered low to moderate, yet achievable, especially when considering the existing non-subsidized Tax Credit units in the Marion Site PMA are 100.0% occupied.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2017 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2017. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 48 LIHTC units at the subject site will experience an average initial absorption rate of approximately seven units per month and reach a stabilized occupancy of 93.0% within approximately six months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified three Low-Income Housing Tax Credit (LIHTC) properties within the Marion Site PMA. These properties target households with incomes of up to 50% and/or 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties.

These three LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility for properties inside the Site PMA are included in the Field Survey of Conventional Rentals.

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|-------------------------|-------------|-------------|-----------|------------------|--------------|-------------------------------------|
| Site | Broadstone Place | 2017 | 48 | - | - | - | Families; 50% & 60% AMHI |
| 1 | Cedar Creek Apts. | 2000 | 40 | 100.0% | 1.8 Miles | 6 H.H. | Families; 50% & 60% AMHI |
| 5 | Southern Forest Apts. | 1997 | 40 | 100.0% | 2.0 Miles | 10 H.H. | Families; 60% AMHI |
| 6 | Anderson Center | 2001 | 22 | 100.0% | 8.0 Miles | None | Families; 50% & 60% AMHI |

OCC. – Occupancy

H.H. - Households

The three LIHTC projects have a combined occupancy rate of 100.0%, two of which maintain wait lists. This demonstrates that pent-up demand exists for additional affordable housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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 | Broadstone Place | - | \$557/50% (4) \$607/60% (20) | \$669/50% (6) \$769/60% (18) | - |
| 1 | Cedar Creek Apts. | - | \$552/50% (22/0) \$570/60% (2/0) | \$646/50% (14/0) \$688/60% (2/0) | None |
| 5 | Southern Forest Apts. | - | \$574/60% (24/0) | \$722/60% (16/0) | None |
| 6 | Anderson Center | \$456/50% (8/0) \$458/60% (8/0) | \$547/50% (3/0) \$549/60% (3/0) | - | None |

The proposed gross subject rents, ranging from \$557 and \$769, will be slightly higher (\$5 to \$47) than the rents offered at the competitive LIHTC projects in the market. Considering that all LIHTC developments in the market are 100.0% occupied, it is likely that higher rents can be charged while maintaining stabilized occupancy levels. Further, considering that the subject project will be at least 16 years newer than the competitive LIHTC projects, offering larger unit sizes and a superior amenities package as illustrated later in this section of the report, this will further enable the subject development to achieve higher rents. Overall, the proposed subject rents are considered appropriate for the market.

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 | Cedar Creek Apts. | 40 | 20 | 50.0% |
| 5 | Southern Forest Apts. | 40 | 8 | 20.0% |
| 6 | Anderson Center | 22 | 3 | 13.6% |
| Total | | 102 | 31 | 30.4% |

As the preceding table illustrates, there are a total of approximately 31 voucher holders residing at the comparable properties within the market. This comprises 30.4% of the 102 total non-subsidized LIHTC units. Therefore, nearly 70% of the comparable units are occupied by tenants who are currently not receiving rental assistance. As such, it can be concluded that the gross rents at these properties are achievable as evidenced by the overall 100.0% occupancy.

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

| | | |
|----------|--------------------------|-------------------|
| 1 | Cedar Creek Apts. | 1.8 miles to site |
|----------|--------------------------|-------------------|



| | |
|--|---|
| Address 1510 Mill St. Marion, SC 29571 | |
| Phone (843) 423-1111 | Contact Christy |
| Total Units 40 | Vacancies 0 Percent Occupied 100.0% |
| Project Type Tax Credit | |
| Year Open 2000 | Floors 2 |
| Concessions No Rent Specials | |
| Age Restrictions NONE | |
| Waiting List 6 households | |
| Ratings: Quality B | Neighborhood C Access/Visibility B |
| Remarks 50% & 60% AMHI; HCV (20 units); HOME Funds (40 units) | |

FEATURES AND UTILITIES

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

UNIT CONFIGURATION

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|------------|----------------|------|
| 2 | 1 | G | 2 | 0 | 959 | \$0.42 | \$399 | 60% |
| 2 | 1 | G | 22 | 0 | 959 | \$0.40 | \$381 | 50% |
| 3 | 2 | G | 2 | 0 | 1183 | \$0.40 | \$479 | 60% |
| 3 | 2 | G | 14 | 0 | 1183 | \$0.37 | \$437 | 50% |

5 Southern Forest Apts.

2.0 miles to site



| | | | |
|-------------------------|---|-------------------------|----------------------------|
| Address | 132 Luther Rogers Rd. Marion, SC 29571 | | |
| Phone | (843) 423-4441 | Contact | Louise |
| Total Units | 40 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 1997 | Floors | 2 |
| Concessions | No Rent Specials | | |
| Age Restrictions | NONE | | |
| Waiting List | 10 households | | |
| Ratings: | Quality B- | Neighborhood C | Access/Visibility C |
| Remarks | 60% AMHI; HCV (8 units); HOME Funds (8 units) | | |

FEATURES AND UTILITIES

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

UNIT CONFIGURATION

| BRs | BA | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 2 | 1 | G | 24 | 0 | 770 | \$0.51 | \$390 | 60% |
| 3 | 1.5 | G | 16 | 0 | 995 | \$0.50 | \$500 | 60% |

6 Anderson Center

8.0 miles to site



| | | | |
|-------------------------|---|-------------------------|----------------------------|
| Address | 135-151 N. Main St. Mullins, SC 29574 | | |
| Phone | (843) 464-6789 | Contact | Mary |
| Total Units | 22 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 2001 | Floors | 2 |
| Concessions | No Rent Specials | | |
| Age Restrictions | NONE | | |
| Waiting List | NONE | | |
| Ratings: | Quality C | Neighborhood C | Access/Visibility B |
| Remarks | 50% & 60% AMHI; HCV (3 units); Historic theater renovated into apartments; Square footage estimated | | |

FEATURES AND UTILITIES

| | |
|--------------------------|--|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Ceiling Fan, Blinds |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Fitness Center |
| Parking | Surface Parking |

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 8 | 0 | 600 | \$0.61 | \$368 | 60% |
| 1 | 1 | G | 8 | 0 | 600 | \$0.61 | \$366 | 50% |
| 2 | 1 | G | 3 | 0 | 800 | \$0.54 | \$428 | 60% |
| 2 | 1 | G | 3 | 0 | 800 | \$0.53 | \$426 | 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 | Broadstone Place | - | 1,200 | 1,350 |
| 1 | Cedar Creek Apts. | - | 959 | 1,183 |
| 5 | Southern Forest Apts. | - | 770 | 995 |
| 6 | Anderson Center | 600 | 800 | - |

| Map I.D. | Project Name | Number of Baths | | |
|-------------|-------------------------|-----------------|------------|------------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Broadstone Place | - | 2.0 | 2.0 |
| 1 | Cedar Creek Apts. | - | 1.0 | 2.0 |
| 5 | Southern Forest Apts. | - | 1.0 | 1.5 |
| 6 | Anderson Center | 1.0 | 1.0 | - |

The proposed development will offer the largest unit sizes, in terms of square footage and number of bathrooms offered, in the market. As such, this will provide the subject with a competitive advantage and will allow it to achieve a premium in the Site PMA.

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



COMPARABLE PROPERTIES AMENITIES - MARION, SOUTH CAROLINA

| MAP ID | APPLIANCES | | | | | | | UNIT AMENITIES | | | | | | | | | | | | |
|--------|------------|--------------|----------|------------|----------|-----------|------------|----------------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------------------|----------------|---------|---------|
| | RANGE | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING | OTHER |
| SITE | X | X | X | X | | X | X | | C | | X | X | | | | | B | | S | Storage |
| 1 | X | X | | | | | X | | C | | X | | | | | | B | | S | Storage |
| 5 | X | X | | X | X | | X | | C | X | X | | | | | | B | | S | |
| 6 | X | X | | X | X | | X | | C | | | 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 |
| 1 | | X | X | | X | | | X | | | | | | | | | | | |
| 5 | | X | X | | X | | | X | | | | | | | | X | | | |
| 6 | | X | X | | X | X | | | | | | | | | | | | | |

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

| |
|----------------|
| X - All Units |
| S - Some Units |
| O - Optional |

| | |
|-------------------|--------------|
| Window Treatments | |
| B - Blinds | C - Curtains |
| D - Drapes | |

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

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

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

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

As the preceding table illustrates, the proposed unit amenities are comprehensive and will be superior to those offered at the comparable Tax Credit rental alternatives in the market. The fact that the proposed development will be one of few properties offering washer/dryer hookups, and will be the only project to offer microwave ovens in each kitchen will provide the project with a competitive advantage. The subject project will also offer a comprehensive property amenities package that will also be superior to the comparable LIHTC properties, as the proposed development will be one of few properties to offer a fitness center and picnic area, and the only community to offer a computer center. This will also provide the proposed development with a competitive advantage.

Based on our analysis of the 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. Although the proposed subject rents will be slightly higher than the rents offered at the competitive LIHTC projects, the subject project will be at least 16 years newer, will offer the largest unit sizes and a superior amenities package relative to the competitive LIHTC projects. These factors will allow the proposed development to achieve a significant premium in the market.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

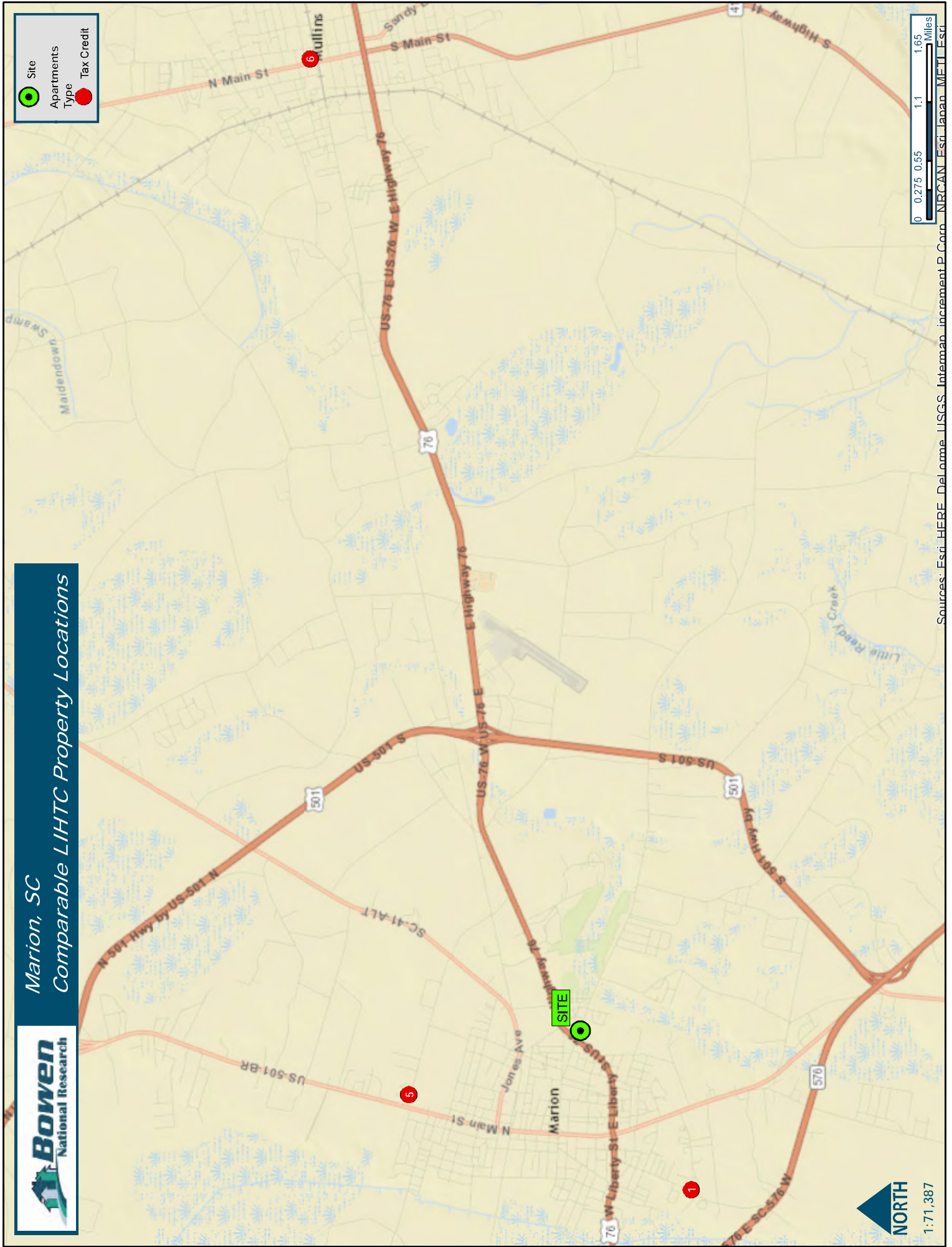
A map illustrating the location of the comparable properties we surveyed is on the following page.



Marion, SC Comparable LIHTC Property Locations

Site
Apartment Type
Tax Credit

- Site: Green circle with a white center
- Apartment Type: Red circle with a white center
- Tax Credit: Red circle with a white center



3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Marion Site PMA in 2010 and 2014 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2014 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 11,843 | 87.8% | 11,862 | 86.9% |
| Owner-Occupied | 8,006 | 67.6% | 7,787 | 65.6% |
| Renter-Occupied | 3,837 | 32.4% | 4,075 | 34.4% |
| Vacant | 1,651 | 12.2% | 1,795 | 13.1% |
| Total | 13,494 | 100.0% | 13,657 | 100.0% |

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

Based on a 2014 update of the 2010 Census, of the 13,657 total housing units in the market, 13.1% were vacant. In 2014, it was estimated that homeowners occupied 65.6% of all occupied housing units, while the remaining 34.4% were occupied by renters. The share of renters is considered typical for a rural market and the 4,075 renter households in 2014 represent a significant base of potential support in the market for the proposed development.

We identified and personally surveyed 12 conventional housing projects containing a total of 862 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 100.0%, an extremely high rate for rental housing. Among these projects, six are non-subsidized (market-rate and Tax Credit) projects containing 116 units. The remaining six projects contain 746 government-subsidized units.

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

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|-----------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 3 | 14 | 0 | 100.0% |
| Tax Credit | 3 | 102 | 0 | 100.0% |
| Government-Subsidized | 6 | 746 | 0 | 100.0% |
| Total | 12 | 862 | 0 | 100.0% |

As the preceding table illustrates, all properties identified and surveyed in the Marion Site PMA are 100.0% occupied, most of which maintain wait lists. This illustrates that pent-up demand exists for all types of rental housing within the market. The proposed development will be able to accommodate a portion of this unmet demand.

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

| Market-rate | | | | | | |
|----------------------------|-------|------------|---------------|----------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 4 | 28.6% | 0 | 0.0% | \$544 |
| Two-Bedroom | 1.0 | 6 | 42.9% | 0 | 0.0% | \$699 |
| Two-Bedroom | 1.5 | 4 | 28.6% | 0 | 0.0% | \$743 |
| Total Market-rate | | 14 | 100.0% | 0 | 0.0% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 16 | 15.7% | 0 | 0.0% | \$456 |
| Two-Bedroom | 1.0 | 54 | 52.9% | 0 | 0.0% | \$552 |
| Three-Bedroom | 1.5 | 16 | 15.7% | 0 | 0.0% | \$722 |
| Three-Bedroom | 2.0 | 16 | 15.7% | 0 | 0.0% | \$646 |
| Total Tax Credit | | 102 | 100.0% | 0 | 0.0% | - |

As the preceding table illustrates, the median gross Tax Credit rents are lower than their corresponding median gross market-rate rents. As such, Tax Credit product likely represents a value to low-income residents, as illustrated by the 100.0% occupancy maintained at all LIHTC projects in the market.

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

4. RENTAL HOUSING INVENTORY MAP

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

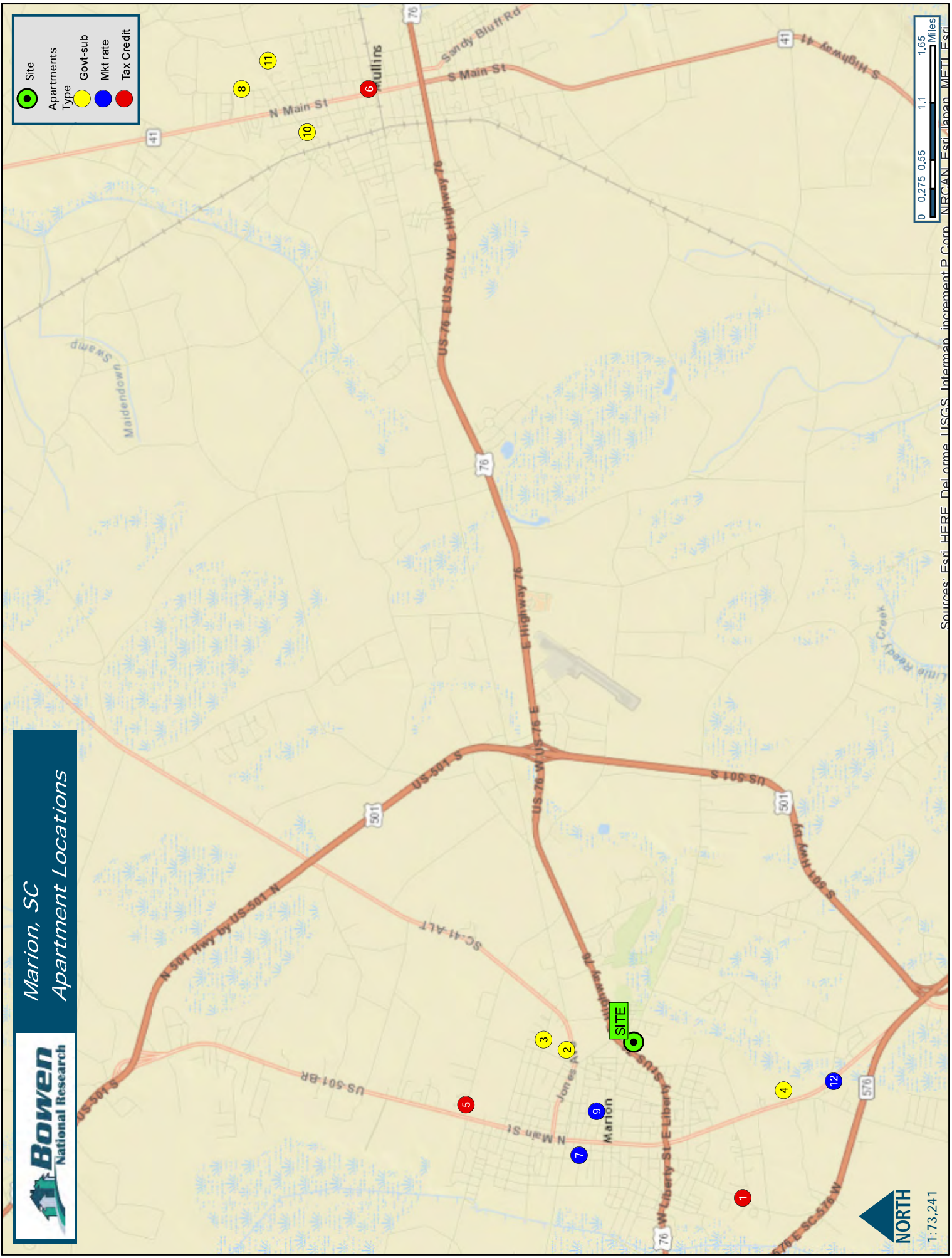


Marion, SC Apartment Locations

Site (Green circle with 'SITE' label)

Apartment Type

- Govt-sub (Yellow circle)
- Mkt rate (Blue circle)
- Tax Credit (Red circle)



NORTH

1:73,241

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp, NRCAN, Esri, Japan, METI, Esri

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

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

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

As discussed earlier in this analysis, we identified a total of three comparable LIHTC projects within the Site PMA that have received Tax Credit funding. In addition, we identified a total of three projects offering market-rate units of which none are considered to be both economically and conceptually comparable. The three stabilized comparable Tax Credit projects identified in the Site PMA are detailed in the table on the following page.

| Stabilized Comparable Tax Credit and Market-Rate Projects | | | | | |
|---|----------------------------|-------------|--------------|-------------|----------------|
| Map I.D. | Project Name | Year Built | Project Type | Total Units | Occupancy Rate |
| Site | Broadstone Place | 2017 | TC | 48 | - |
| 1 | Cedar Creek Apartments | 2000 | TC | 40 | 100.0% |
| 5 | Southern Forest Apartments | 1997 | TC | 40 | 100.0% |
| 6 | Anderson Center | 2001 | TC | 22 | 100.0% |
| Total | | | | 102 | 100.0% |

TC – Tax Credit

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

8. MARKET RENT ADVANTAGE

We identified three market-rate properties within the Marion Site PMA that we consider most comparable to the subject development. Due to the lack of market-rate product in the Site PMA, we identified and surveyed four additional market-rate properties located outside of the Site PMA in the city of Florence that we consider comparable to the subject development based on their modern design and age. Note, adjustments for the differences between the Marion market and Florence market have been made. 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 seven selected properties include the following:

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | |
|-------------|-------------------------|-------------|-------------|-----------|---------------------------|-------------|---------------|---------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Broadstone Place | 2017 | 48 | - | - | - | 24 (-) | 24 (-) |
| 7 | Westwood Apts. | 1972 | 4 | 100.0% | - | - | 4 (100.0%) | - |
| 9 | 309-315 Oak St. | 1976 | 6 | 100.0% | - | 4 (100.0%) | 2 (100.0%) | - |
| 12 | 1130 S. Main St. | 2002 | 4 | 100.0% | - | - | 4 (100.0%) | - |
| 901 | Reserve at Mill Creek | 2008 | 268 | 98.5% | - | 122 (96.7%) | 122 (100.0%) | 24 (100.0%) |
| 902 | Patriot Place | 1978 | 168 | 92.3% | 72 (83.3%) | 45 (97.8%) | 35 (100.0%) | 16 (100.0%) |
| 903 | Sedgefield | 1980 | 272 | 98.5% | - | 67 (98.5%) | 160 (98.8%) | 45 (97.8%) |
| 904 | Charles Pointe Apts. | 2001 | 168 | 99.4% | - | 42 (100.0%) | 114 (100.0%) | 12 (91.7%) |

Occ. - Occupancy
 900 series Map IDs located outside of Site PMA

The seven selected market-rate projects have a combined total of 890 units with an overall occupancy rate of 97.5%, a strong rate for housing. This demonstrates that these comparable properties have been well received within their respective markets and will serve as accurate benchmarks with which to compare to the proposed subject development.

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



Rent Comparability Grid

Unit Type →

TWO BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|------------------------------|------------------------------------|--------------------|---------------|---------------------------------|---------------|------------------|---------------|-----------------------|---------------|----------------------|---------------|
| Broadstone Place | | Westwood Apts. | | 309-315 Oak St. | | 1130 S. Main St. | | Reserve at Mill Creek | | Charles Pointe Apts. | |
| East Liberty St. & Bluff St. | | 211 W. Fairlee St. | | 309-315 Oak St. | | 1130 S. Main St. | | 2350 Freedom Blvd. | | 201 Millstone Rd. | |
| Marion, SC | | Marion, SC | | Marion, SC | | Marion, SC | | Florence, SC | | Florence, SC | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$500 | | \$450 | | \$550 | | \$1,015 | | \$820 | |
| 2 | Date Surveyed | Jan-15 | | Jan-15 | | Jan-15 | | Jan-15 | | Jan-15 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$500 | 0.57 | \$450 | 0.50 | \$550 | 0.61 | \$1,015 | 0.90 | \$820 | 0.82 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2 | | TH/1,2 | | TH/2 | | WU/3 | | WU/3 | |
| 7 | Yr. Built/Yr. Renovated | 2017 | | 1972 | \$45 | 1976 | \$41 | 2002 | \$15 | 2008 | \$9 |
| 8 | Condition /Street Appeal | E | | G | \$15 | G | \$15 | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | G | | F | \$10 | E | (\$10) |
| 10 | Same Market? | | | Yes | | Yes | | No | (\$254) | No | (\$205) |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 1 | \$30 | 1 | \$30 | 1.5 | \$15 | 2 | |
| 13 | Unit Interior Sq. Ft. | 1,200 | | 875 | \$56 | 900 | \$52 | 900 | \$52 | 1130 | \$12 |
| 14 | Balcony/ Patio | Y | | Y | | N | \$5 | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | | N/N | \$15 | N/N | \$15 | N/Y | \$5 | Y/Y | |
| 18 | Washer/Dryer | HU/L | | W/D | (\$25) | HU | \$5 | HU | \$5 | HU/L | |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Storage | Y | | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 22 | Garbage Disposal | N | | N | | N | | Y | (\$5) | Y | (\$5) |
| 23 | Ceiling Fans | Y | | N | \$5 | N | \$5 | N | \$5 | Y | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | N | \$5 | N | \$5 | N | \$5 | Y | |
| 26 | Security Cameras | Y | | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 27 | Clubhouse/ Meeting Rooms | Y/N | | N/N | \$5 | N/N | \$5 | N/N | \$5 | Y/N | |
| 28 | Pool/ Recreation Areas | F | | N | \$5 | N | \$5 | N | \$5 | P/F | (\$10) |
| 29 | Computer Center | Y | | N | \$3 | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area | Y | | N | \$3 | N | \$3 | N | \$3 | Y | |
| 31 | Playground | Y | | N | \$3 | N | \$3 | N | \$3 | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash /Recycling | Y/N | | N/N | \$13 | N/N | \$13 | N/N | \$13 | N/N | \$13 |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 14 | 1 | 16 | | 16 | | 4 | 4 | 8 | 4 |
| 41 | Sum Adjustments B to D | \$200 | (\$25) | \$202 | | \$156 | | \$31 | (\$279) | \$89 | (\$230) |
| 42 | Sum Utility Adjustments | \$13 | | \$13 | | \$13 | | \$13 | | \$13 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$188 | \$238 | \$215 | \$215 | \$169 | \$169 | (\$235) | \$323 | (\$141) | \$319 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$688 | | \$665 | | \$719 | | \$780 | | \$679 | |
| 45 | Adj Rent/Last rent | | 138% | | 148% | | 131% | | 77% | | 83% |
| 46 | Estimated Market Rent | \$695 | \$0.58 | ← Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|------------------------------|-------------------------------|------------------|--------|---------------------------------|---------|------------------|---------|---------------------|---------|----------------------|---------|
| Broadstone Place | | 1130 S. Main St. | | Reserve at Mill Creek | | Patriot Place | | Sedgefield | | Charles Pointe Apts. | |
| East Liberty St. & Bluff St. | | 1130 S. Main St. | | 2350 Freedom Blvd. | | 4711 Patriot Ln. | | 1300 Valparaiso Dr. | | 201 Millstone Rd. | |
| Marion, SC | | Marion, SC | | Florence, SC | | Florence, SC | | Florence, SC | | Florence, SC | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$550 | | \$1,300 | | \$965 | | \$720 | | \$975 | |
| 2 | Date Surveyed | Jan-15 | | Jan-15 | | Jan-15 | | Jan-15 | | Jan-15 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | 98% | | 92% | |
| 5 | Effective Rent & Rent/ sq. ft | \$550 | 0.61 | \$1,300 | 1.01 | \$965 | 0.80 | \$720 | 0.66 | \$975 | 0.79 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/2 | | WU/3 | | WU/2 | | WU/2 | | WU/3 | |
| 7 | Yr. Built/Yr. Renovated | 2017 | \$15 | 2008 | \$9 | 1978 | \$39 | 1980 | \$37 | 2001 | \$16 |
| 8 | Condition /Street Appeal | E | \$15 | E | | G | \$15 | F | \$30 | G | \$15 |
| 9 | Neighborhood | G | \$10 | E | (\$10) | G | | G | | E | (\$10) |
| 10 | Same Market? | Yes | | No | (\$325) | No | (\$241) | No | (\$180) | No | (\$244) |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | \$50 | 3 | | 3 | | 3 | | 3 | |
| 12 | # Baths | 2 | \$15 | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1,350 | \$89 | 1285 | \$13 | 1200 | \$30 | 1085 | \$52 | 1230 | \$24 |
| 14 | Balcony/ Patio | Y | | Y | | Y | | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | \$5 | Y/Y | | N/Y | \$5 | N/Y | \$5 | Y/Y | |
| 18 | Washer/Dryer | HU/L | \$5 | HU/L | | HU/L | | HU/L | | HU | \$5 |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Storage | Y | \$5 | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 22 | Garbage Disposal | N | | Y | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 23 | Ceiling Fans | Y | \$5 | Y | | N | \$5 | Y | | Y | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | \$5 | Y | | Y | | Y | | Y | |
| 26 | Security Cameras | Y | \$5 | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 27 | Clubhouse/ Meeting Rooms | Y/N | \$5 | Y/N | | Y/N | | N/N | \$5 | N/N | \$5 |
| 28 | Pool/ Recreation Areas | F | \$5 | P/F | (\$10) | P/F/S | (\$13) | P/T | (\$8) | P/F | (\$10) |
| 29 | Computer Center | Y | \$3 | Y | | Y | | N | \$3 | N | \$3 |
| 30 | Picnic Area | Y | \$3 | Y | | Y | | N | \$3 | Y | |
| 31 | Playground | Y | \$3 | Y | | N | \$3 | Y | | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash /Recycling | Y/N | \$13 | N/N | \$13 | N/N | \$13 | Y/N | | Y/N | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 17 | | 4 | 4 | 8 | 3 | 9 | 3 | 8 | 4 |
| 41 | Sum Adjustments B to D | \$243 | | \$32 | (\$350) | \$107 | (\$259) | \$145 | (\$193) | \$78 | (\$269) |
| 42 | Sum Utility Adjustments | \$13 | | \$13 | | \$13 | | | | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$256 | \$256 | (\$305) | \$395 | (\$139) | \$379 | (\$48) | \$338 | (\$191) | \$347 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$806 | | \$995 | | \$826 | | \$672 | | \$784 | |
| 45 | Adj Rent/Last rent | | 147% | | 77% | | 86% | | 93% | | 80% |
| 46 | Estimated Market Rent | \$810 | \$0.60 | ← 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 \$695 for a two-bedroom unit and \$810 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%) | \$695 | 42.45% |
| | \$450 (60%) | | 35.25% |
| Three-Bedroom | \$475 (50%) | \$810 | 41.36% |
| | \$575 (60%) | | 29.01% |
| Weighted Average | | | 34.11% |

The proposed collected Tax Credit rents represent market rent advantages between 29.01% and 42.45%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA.

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.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1972 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.



8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. Three of the seven properties are located in neighborhoods with different qualities compared to the subject site. As such, we have adjusted the rents at these properties to account for the neighborhood difference.
10. As previously stated, four of the seven selected properties are located outside of the Marion Site PMA in Florence, which is approximately 22.0 miles west of Marion. The Florence market is significantly larger than Marion in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Marion market. Therefore, we have adjusted each collected rent at these four comparable projects by approximately 25.0% to account for this market difference.
11. All of the selected properties have two-bedroom units. For those projects lacking three-bedroom units, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package generally similar to the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a generally superior project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

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

9. AFFORDABLE HOUSING IMPACT

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

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2017 |
|----------|----------------------------|------------------------|---|
| 1 | Cedar Creek Apartments | 100.0% | 95.0%+ |
| 5 | Southern Forest Apartments | 100.0% | 95.0%+ |
| 6 | Anderson Center | 100.0% | 95.0%+ |

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are all 100.0% occupied. Given the high occupancies, we expect all Tax Credit projects to operate at or above 95.0%. Given the achievable overall capture rate for the proposed subject project, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on existing Tax Credit projects within the market should the subject project receive Tax Credit allocations and be developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$101,178. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$101,178 home is \$609, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|-----------|
| Median Home Price - ESRI | \$101,178 |
| Mortgaged Value = 95% of Median Home Price | \$96,119 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$487 |
| Estimated Taxes and Insurance* | \$122 |
| Estimated Monthly Mortgage Payment | \$609 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$400 to \$575 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$34 greater than the cost of renting at the proposed subject development, depending on unit size and targeted income. Although, it is likely that some of the subject site's potential residents would be able to afford the monthly payments required to own a home, those who would be able to afford a 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, there are three competitive Tax Credit projects located within the Marion Site PMA. These projects have an overall occupancy rate of 100.0%, two of which maintain a wait list, indicating that pent-up demand exists for additional affordable rental housing in the market. The proposed subject project will include a total of 48 general-occupancy units targeting households up to 50% and 60% of AMHI. As such, the proposed development will be able to accommodate a portion of the unmet demand for additional affordable units in the market.

As outlined previously in this section of the report, there is a general lack of modern, non-subsidized rental product within the Marion Site PMA. Even though over 91.0% of all non-subsidized projects surveyed were built after 1990, over 79.0% of all housing units within the market were constructed prior to 1990, as reported in the 2006-2010 ACS. It is our opinion that the development of the subject project will add much needed modern units to a market that is generally aging and in need of updating. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the market that is currently being unmet.

I. INTERVIEWS

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

- According to Christie Graham, Section 8 Coordinator with the Housing Authority of Marion County, there are approximately 86 Housing Choice Voucher holders within the housing authority's jurisdiction and 48 households currently on the waiting list for additional Vouchers. The waiting list is open. Annual turnover of households in the Voucher program is estimated at 10 households. This reflects the continuing need for Housing Choice Voucher assistance.
- Joyce Smith, Property Manager of the Silver Trace Court Apartments (Map I.D. 4), a subsidized community in Marion, stated that there is a need for more affordable housing in Marion County. Ms. Smith receives requests quite frequently for three-bedroom units because there are many larger family households in the area and there are not enough affordable three-bedroom units.
- Louise Wellington, Property Manager of the Southern Forest Apartments (Map I.D. 5), a LIHTC community in Marion, also explained that there is a definite need for additional affordable housing within Marion. This is further evidenced by her property's 100.0% occupancy and waitlist. Ms. Wellington also receives numerous inquiries for three-bedroom units.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 48 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.

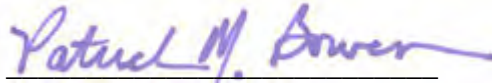
The three Tax Credit properties located within the Marion Site PMA are all 100.0% occupied, two of which maintain wait lists. The high occupancies among Tax Credit product, along with the waiting lists, are indications that pent-up demand exists for additional rental housing targeting low- and moderate-income households within the Marion Site PMA.

The subject project will offer the largest unit sizes and will provide an amenities package that is superior to the existing LIHTC projects within the market. Although the proposed rents are slightly higher than the rents offered at the competitive LIHTC projects in the market, the aforementioned project characteristics, along with the fact that all LIHTC units are 100.0% occupied and the subject project will be at least 16 years newer, will allow the proposed development to achieve a premium in the market. As such, we believe the proposed rents are appropriately positioned within the marketplace and we have no recommendations at this time.

K. SIGNED STATEMENT REQUIREMENT

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for 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.

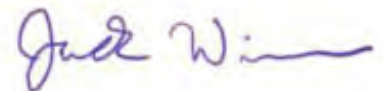
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L. Qualifications

The Company

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

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. 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, Vice President and Market Analyst, has conducted market research since 2006 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.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. 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, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Stephanie Viren is the Field 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.

Christine Atkins, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, 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.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties 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. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

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.

Adam Bowen, Market Analyst, has researched various rental housing alternatives, both conventional and non-conventional in markets throughout the United States. In addition, he has conducted on-site inspection for existing properties and vacant parcels of land. This experience allows him to evaluate a project's ability to operate successfully within a market and compare it to surrounding comparable properties

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. 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.

Heather Moore, Marketing Director, 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.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

In-House Researchers – Bowen National Research employs a staff of seven in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

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

MARION, 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.

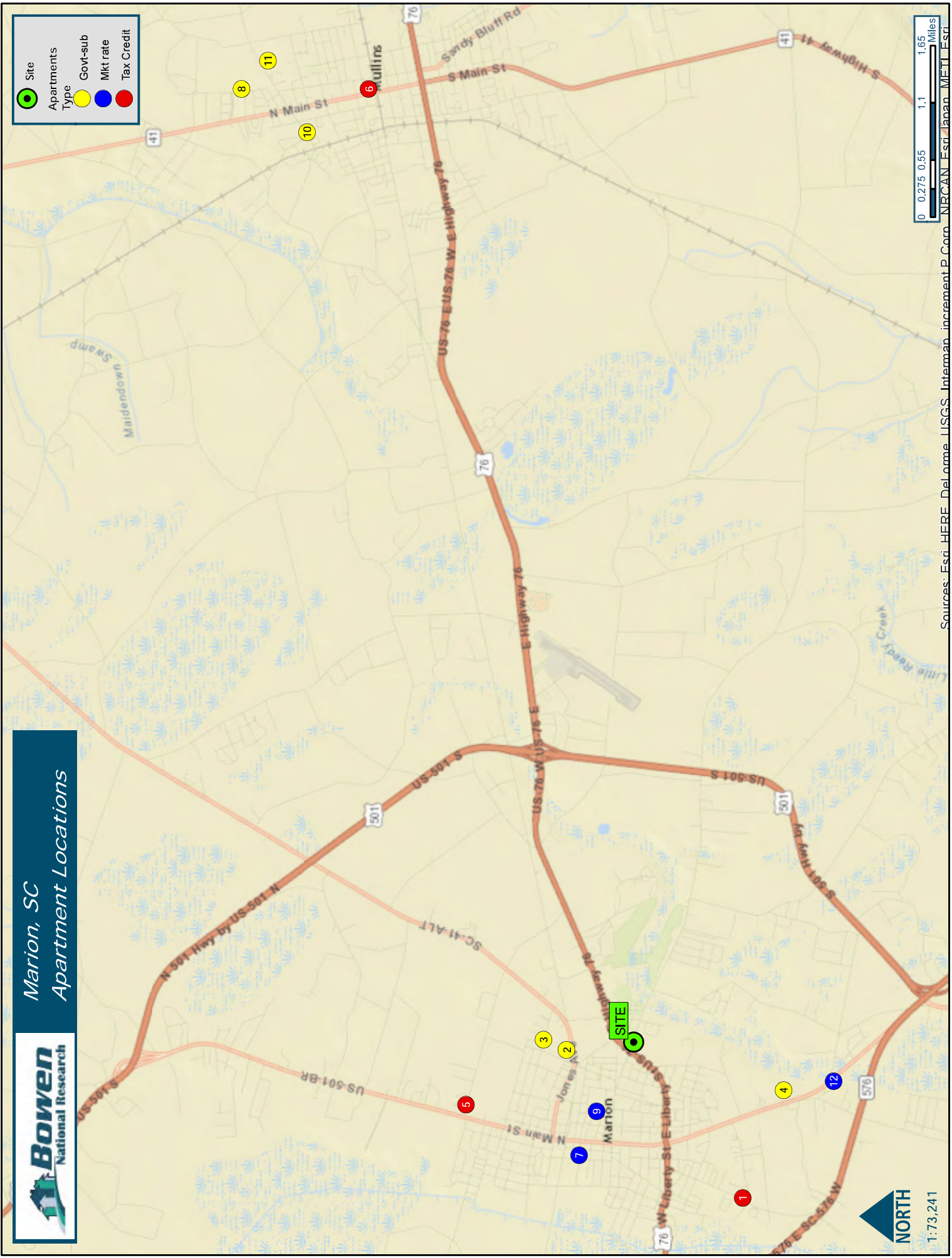


Marion, SC Apartment Locations

Site (Green circle with 'SITE' label)

Apartment Type

- Govt-sub (Yellow circle)
- Mkt rate (Blue circle)
- Tax Credit (Red circle)



NORTH
1:73,241

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp, NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - MARION, SOUTH CAROLINA

| MAP ID | PROJECT NAME | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|---------------------------|------------|----------------|------------|-------------|--------|-----------|-------------------|
| 1 | Cedar Creek Apts. | TAX | B | 2000 | 40 | 0 | 100.0% | 1.8 |
| 2 | Marion Public Housing | GSS | C | 1961 | 375 | 0 | 100.0% | 0.8 |
| 3 | Northside Place | GSS | B+ | 1981 | 56 | 0 | 100.0% | 1.0 |
| 4 | Silver Trace Apts. | GSS | B | 1988 | 44 | 0 | 100.0% | 1.7 |
| 5 | Southern Forest Apts. | TAX | B- | 1997 | 40 | 0 | 100.0% | 2.0 |
| 6 | Anderson Center | TAX | C | 2001 | 22 | 0 | 100.0% | 8.0 |
| 7 | Westwood Apts. | MRR | B | 1972 | 4 | 0 | 100.0% | 1.2 |
| 8 | Greenfield Manor | GSS | B | 1970 | 21 | 0 | 100.0% | 8.9 |
| 9 | 309-315 Oak St. | MRR | B- | 1976 | 6 | 0 | 100.0% | 0.7 |
| 10 | Meadow Park Apts. | GSS | B | 1985 | 56 | 0 | 100.0% | 8.1 |
| 11 | Mullins Housing Authority | GSS | C | 1976 | 194 | 0 | 100.0% | 8.8 |
| 12 | 1130 S. Main St. | MRR | B+ | 2002 | 4 | 0 | 100.0% | 2.1 |

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR | 3 | 14 | 0 | 100.0% | 0 |
| TAX | 3 | 102 | 0 | 100.0% | 0 |
| GSS | 6 | 746 | 0 | 100.0% | 0 |

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

* - Drive Distance (Miles)

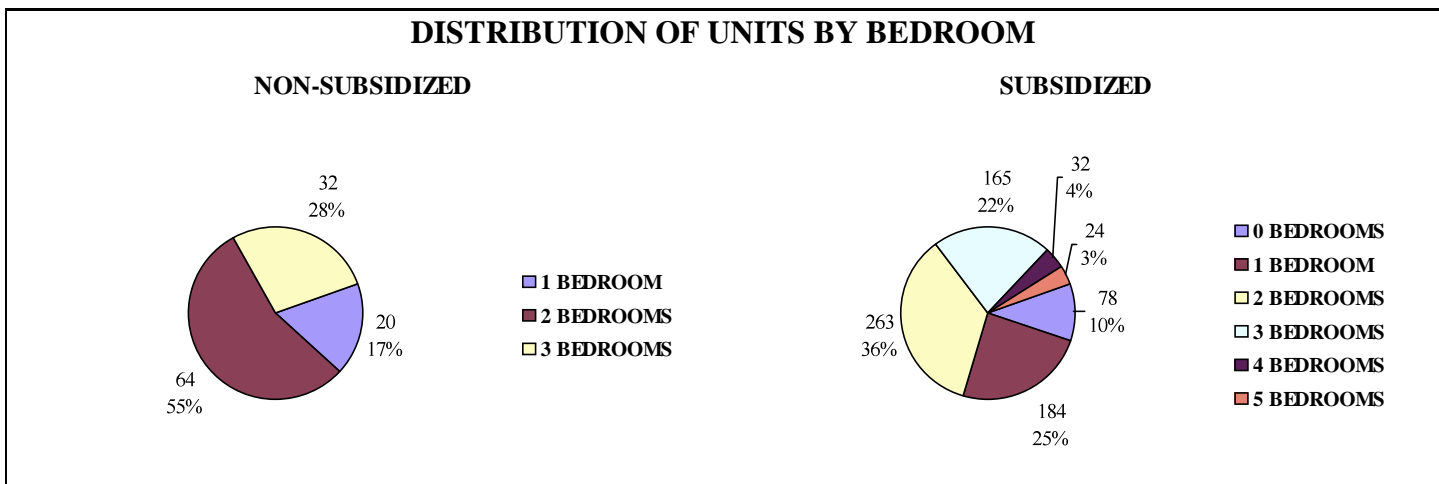
Survey Date: January 2015

DISTRIBUTION OF UNITS - MARION, SOUTH CAROLINA

| MARKET-RATE | | | | | | |
|--------------|-------|-----------|---------------|----------|-------------|-------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 4 | 28.6% | 0 | 0.0% | \$544 |
| 2 | 1 | 6 | 42.9% | 0 | 0.0% | \$699 |
| 2 | 1.5 | 4 | 28.6% | 0 | 0.0% | \$743 |
| TOTAL | | 14 | 100.0% | 0 | 0.0% | |

| TAX CREDIT, NON-SUBSIDIZED | | | | | | |
|----------------------------|-------|------------|---------------|----------|-------------|-------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 16 | 15.7% | 0 | 0.0% | \$456 |
| 2 | 1 | 54 | 52.9% | 0 | 0.0% | \$552 |
| 3 | 1.5 | 16 | 15.7% | 0 | 0.0% | \$722 |
| 3 | 2 | 16 | 15.7% | 0 | 0.0% | \$646 |
| TOTAL | | 102 | 100.0% | 0 | 0.0% | |

| GOVERNMENT-SUBSIDIZED | | | | | | |
|-----------------------|-------|------------|---------------|----------|-------------|------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | |
| 0 | 1 | 78 | 10.5% | 0 | 0.0% | N.A. |
| 1 | 1 | 184 | 24.7% | 0 | 0.0% | N.A. |
| 2 | 1 | 263 | 35.3% | 0 | 0.0% | N.A. |
| 3 | 1 | 149 | 20.0% | 0 | 0.0% | N.A. |
| 3 | 1.5 | 16 | 2.1% | 0 | 0.0% | N.A. |
| 4 | 2 | 32 | 4.3% | 0 | 0.0% | N.A. |
| 5 | 2 | 24 | 3.2% | 0 | 0.0% | N.A. |
| TOTAL | | 746 | 100.0% | 0 | 0.0% | |
| GRAND TOTAL | | 862 | - | 0 | 0.0% | |



SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA

| 1 Cedar Creek Apts. | | | |
|--|---|--|--------------------------------------|
|  | Address 1510 Mill St. Marion, SC 29571 | Phone (843) 423-1111 (Contact in person) | Total Units 40 |
| | Year Built 2000 | Contact Christy | Vacancies 0 |
| | Comments 50% & 60% AMHI; HCV (20 units); HOME Funds (40 units) | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B |
| | | | Waiting List 6 households |
| 2 Marion Public Housing | | | |
|  | Address 826 Walnut St. Marion, SC 29571 | Phone (843) 423-5242 (Contact in person) | Total Units 375 |
| | Year Built 1961 | Contact Shirley | Vacancies 0 |
| | Comments Public Housing; Unit mix & square footage estimated | | Occupied 100.0% |
| | | | Floors 1, 2 |
| | | | Quality Rating C |
| | | | Waiting List 85 households |
| 3 Northside Place | | | |
|  | Address 1002 Mason Ct. Marion, SC 29571 | Phone (843) 423-7739 (Contact in person) | Total Units 56 |
| | Year Built 1981 Renovated 2013 | Contact Angie | Vacancies 0 |
| | Comments RD 515, has RA (56 units) | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B+ |
| | | | Waiting List 19 households |
| 4 Silver Trace Apts. | | | |
|  | Address 106 B Silver Trace Ct. Marion, SC 29571 | Phone (919) 275-9600 (Contact in person) | Total Units 44 |
| | Year Built 1988 | Contact Joyce | Vacancies 0 |
| | Comments RD 515, has RA (26 units); HCV (1 unit); Square footage estimated | | Occupied 100.0% |
| | | | Floors 1,2 |
| | | | Quality Rating B |
| | | | Waiting List 3 households |
| 5 Southern Forest Apts. | | | |
|  | Address 132 Luther Rogers Rd. Marion, SC 29571 | Phone (843) 423-4441 (Contact in person) | Total Units 40 |
| | Year Built 1997 | Contact Louise | Vacancies 0 |
| | Comments 60% AMHI; HCV (8 units); HOME Funds (8 units) | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B- |
| | | | Waiting List 10 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: January 2015

SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA



| 6 Anderson Center | | | |
|--|---|--|--------------------------------------|
|  | Address 135-151 N. Main St. Mullins, SC 29574 | Phone (843) 464-6789 (Contact in person) | Total Units 22 |
| | Year Built 2001 | Contact Mary | Vacancies 0 |
| | Comments 50% & 60% AMHI; HCV (3 units); Historic theater renovated into apartments; Square footage estimated | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating C |
| | | | Waiting List None |
| 7 Westwood Apts. | | | |
|  | Address 211 W. Fairlee St. Marion, SC 29571 | Phone (843) 430-2492 (Contact in person) | Total Units 4 |
| | Year Built 1972 | Contact John | Vacancies 0 |
| | Comments Does not accept HCV; Square footage estimated | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 8 Greenfield Manor | | | |
|  | Address 105 Greenfield Ct. Mullins, SC 29574 | Phone (843) 464-0725 (Contact in person) | Total Units 21 |
| | Year Built 1970 | Contact Ms. Wood | Vacancies 0 |
| | Comments RD 515, has RA (21 units); One 2-br manager unit not included in total; Year built & square footage estimated | | Occupied 100.0% |
| | | | Floors 1 |
| | | | Quality Rating B |
| | | | Waiting List 5 households |
| 9 309-315 Oak St. | | | |
|  | Address 309-315 Oak St. Marion, SC 29571 | Phone (843) 423-1212 (Contact in person) | Total Units 6 |
| | Year Built 1976 | Contact Abby | Vacancies 0 |
| | Comments Does not accept HCV | | Occupied 100.0% |
| | | | Floors 1,2 |
| | | | Quality Rating B- |
| | | | Waiting List 1 household |
| 10 Meadow Park Apts. | | | |
|  | Address 301 W. Dogwood Dr. Mullins, SC 29574 | Phone (843) 464-6780 (Contact in person) | Total Units 56 |
| | Year Built 1985 | Contact Sheila | Vacancies 0 |
| | Comments RD 515, has RA (56 units) | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating B |
| | | | Waiting List 14 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: January 2015

SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA

| 11 Mullins Housing Authority | | | |
|--|---|--|---|
|  | Address 244 Blanton Ct. Mullins, SC 29574 | Phone (843) 464-9822 (Contact in person) | Total Units 194 Vacancies 0 Occupied 100.0% |
| | Year Built 1976 Comments Public Housing; Scattered sites; Square footage estimated | Contact Beverly | Floors 1 Quality Rating C Waiting List 150 households |
| 12 1130 S. Main St. | | | |
|  | Address 1130 S. Main St. Marion, SC 29571 | Phone (843) 742-0888 (Contact in person) | Total Units 4 Vacancies 0 Occupied 100.0% |
| | Year Built 2002 Comments Square footage estimated | Contact Beatrice | 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: January 2015

COLLECTED RENTS - MARION, 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 | | | \$381 to \$399 | \$437 to \$479 | | | | | |
| 5 | | | \$390 | \$500 | | | | | |
| 6 | | \$366 to \$368 | \$426 to \$428 | | | | | | |
| 7 | | | | | | | \$500 | | |
| 9 | | \$400 | | | | | \$450 | | |
| 12 | | | | | | | \$550 | | |

| | |
|---|--|
| ◆ | 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: January 2015

PRICE PER SQUARE FOOT - MARION, SOUTH CAROLINA

| ONE-BEDROOM UNITS | | | | | |
|---------------------|-----------------------|-------|-----------|----------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 9 | 309-315 Oak St. | 1 | 800 | \$544 | \$0.68 |
| 6 | Anderson Center | 1 | 600 | \$456 to \$458 | \$0.76 to \$0.76 |
| TWO-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 7 | Westwood Apts. | 1 | 875 | \$699 | \$0.80 |
| 9 | 309-315 Oak St. | 1 | 900 | \$643 | \$0.71 |
| 12 | 1130 S. Main St. | 1.5 | 900 | \$743 | \$0.83 |
| 1 | Cedar Creek Apts. | 1 | 959 | \$552 to \$570 | \$0.58 to \$0.59 |
| 5 | Southern Forest Apts. | 1 | 770 | \$574 | \$0.75 |
| 6 | Anderson Center | 1 | 800 | \$547 to \$549 | \$0.68 to \$0.69 |
| THREE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 1 | Cedar Creek Apts. | 2 | 1183 | \$646 to \$688 | \$0.55 to \$0.58 |
| 5 | Southern Forest Apts. | 1.5 | 995 | \$722 | \$0.73 |

| | |
|---|--|
| ◆ | 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: January 2015

AVERAGE GROSS RENT PER SQUARE FOOT - MARION, SOUTH CAROLINA

| MARKET-RATE | | | |
|--------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.68 | \$0.00 | \$0.00 |
| TOWNHOUSE | \$0.00 | \$0.79 | \$0.00 |

| TAX CREDIT (NON-SUBSIDIZED) | | | |
|------------------------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.76 | \$0.66 | \$0.64 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

| COMBINED | | | |
|------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.75 | \$0.66 | \$0.64 |
| TOWNHOUSE | \$0.00 | \$0.79 | \$0.00 |

TAX CREDIT UNITS - MARION, SOUTH CAROLINA

| ONE-BEDROOM UNITS | | | | | | |
|----------------------------|-----------------------|--------------|--------------------|-------------------|---------------|-----------------------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 6 | Anderson Center | 8 | 600 | 1 | 50% | \$366 |
| 6 | Anderson Center | 8 | 600 | 1 | 60% | \$368 |
| TWO-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 1 | Cedar Creek Apts. | 22 | 959 | 1 | 50% | \$381 |
| 5 | Southern Forest Apts. | 24 | 770 | 1 | 60% | \$390 |
| 1 | Cedar Creek Apts. | 2 | 959 | 1 | 60% | \$399 |
| 6 | Anderson Center | 3 | 800 | 1 | 50% | \$426 |
| 6 | Anderson Center | 3 | 800 | 1 | 60% | \$428 |
| THREE-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 1 | Cedar Creek Apts. | 14 | 1183 | 2 | 50% | \$437 |
| 1 | Cedar Creek Apts. | 2 | 1183 | 2 | 60% | \$479 |
| 5 | Southern Forest Apts. | 16 | 995 | 1.5 | 60% | \$500 |

QUALITY RATING - MARION, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

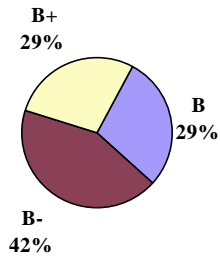
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B+ | 1 | 4 | 0.0% | | | \$743 | | |
| B | 1 | 4 | 0.0% | | | \$699 | | |
| B- | 1 | 6 | 0.0% | | \$544 | \$643 | | |

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

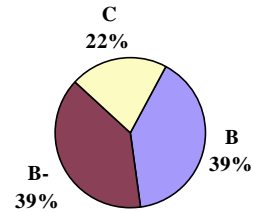
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B | 1 | 40 | 0.0% | | | \$552 | \$646 | |
| B- | 1 | 40 | 0.0% | | | \$574 | \$722 | |
| C | 1 | 22 | 0.0% | | \$456 | \$547 | | |

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - MARION, SOUTH CAROLINA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1970 to 1979 | 2 | 10 | 0 | 0.0% | 10 | 8.6% |
| 1980 to 1989 | 0 | 0 | 0 | 0.0% | 10 | 0.0% |
| 1990 to 1999 | 1 | 40 | 0 | 0.0% | 50 | 34.5% |
| 2000 to 2005 | 3 | 66 | 0 | 0.0% | 116 | 56.9% |
| 2006 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2007 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2008 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2009 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2010 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2011 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2012 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| 2015** | 0 | 0 | 0 | 0.0% | 116 | 0.0% |
| TOTAL | 6 | 116 | 0 | 0.0% | 116 | 100.0 % |

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

** As of January 2015

Survey Date: January 2015

A-14



APPLIANCES AND UNIT AMENITIES - MARION, SOUTH CAROLINA

| APPLIANCES | | | |
|-----------------------|-----------------|----------------|---------------|
| APPLIANCE | PROJECTS | PERCENT | UNITS* |
| RANGE | 6 | 100.0% | 116 |
| REFRIGERATOR | 6 | 100.0% | 116 |
| ICEMAKER | 0 | 0.0% | |
| DISHWASHER | 3 | 50.0% | 66 |
| DISPOSAL | 2 | 33.3% | 62 |
| MICROWAVE | 0 | 0.0% | |
| UNIT AMENITIES | | | |
| AMENITY | PROJECTS | PERCENT | UNITS* |
| AC - CENTRAL | 6 | 100.0% | 116 |
| AC - WINDOW | 0 | 0.0% | |
| FLOOR COVERING | 6 | 100.0% | 116 |
| WASHER/DRYER | 1 | 16.7% | 4 |
| WASHER/DRYER HOOK-UP | 4 | 66.7% | 54 |
| PATIO/DECK/BALCONY | 4 | 66.7% | 88 |
| CEILING FAN | 1 | 16.7% | 22 |
| FIREPLACE | 0 | 0.0% | |
| BASEMENT | 0 | 0.0% | |
| INTERCOM SYSTEM | 0 | 0.0% | |
| SECURITY SYSTEM | 0 | 0.0% | |
| WINDOW TREATMENTS | 6 | 100.0% | 116 |
| 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 - MARION, SOUTH CAROLINA

| PROJECT AMENITIES | | | |
|--------------------------|-----------------|----------------|--------------|
| AMENITY | PROJECTS | PERCENT | UNITS |
| POOL | 0 | 0.0% | |
| ON-SITE MANAGEMENT | 3 | 50.0% | 102 |
| LAUNDRY | 3 | 50.0% | 102 |
| CLUB HOUSE | 0 | 0.0% | |
| MEETING ROOM | 3 | 50.0% | 102 |
| FITNESS CENTER | 1 | 16.7% | 22 |
| JACUZZI/SAUNA | 0 | 0.0% | |
| PLAYGROUND | 2 | 33.3% | 80 |
| COMPUTER LAB | 0 | 0.0% | |
| SPORTS COURT | 0 | 0.0% | |
| STORAGE | 0 | 0.0% | |
| LAKE | 0 | 0.0% | |
| ELEVATOR | 0 | 0.0% | |
| SECURITY GATE | 0 | 0.0% | |
| BUSINESS CENTER | 0 | 0.0% | |
| CAR WASH AREA | 0 | 0.0% | |
| PICNIC AREA | 1 | 16.7% | 40 |
| CONCIERGE SERVICE | 0 | 0.0% | |
| SOCIAL SERVICE PACKAGE | 0 | 0.0% | |

DISTRIBUTION OF UTILITIES - MARION, SOUTH CAROLINA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| HEAT | | | |
| TENANT | | | |
| ELECTRIC | 11 | 858 | 99.5% |
| GAS | 1 | 4 | 0.5% |
| | | | 100.0% |
| COOKING FUEL | | | |
| TENANT | | | |
| ELECTRIC | 11 | 858 | 99.5% |
| GAS | 1 | 4 | 0.5% |
| | | | 100.0% |
| HOT WATER | | | |
| TENANT | | | |
| ELECTRIC | 11 | 858 | 99.5% |
| GAS | 1 | 4 | 0.5% |
| | | | 100.0% |
| ELECTRIC | | | |
| TENANT | 12 | 862 | 100.0% |
| | | | 100.0% |
| WATER | | | |
| LANDLORD | 5 | 668 | 77.5% |
| TENANT | 7 | 194 | 22.5% |
| | | | 100.0% |
| SEWER | | | |
| LANDLORD | 5 | 668 | 77.5% |
| TENANT | 7 | 194 | 22.5% |
| TRASH PICK-UP | | | |
| LANDLORD | 6 | 708 | 82.1% |
| TENANT | 6 | 154 | 17.9% |
| | | | 100.0% |

UTILITY ALLOWANCE - MARION, SOUTH CAROLINA

| BR | UNIT TYPE | HEATING | | | | HOT WATER | | COOKING | | ELEC | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|-------|-------|-------|-------|-------|
| | | GAS | ELEC | STEAM | OTHER | GAS | ELEC | GAS | ELEC | | | | | |
| 0 | GARDEN | \$21 | \$16 | | \$7 | \$10 | \$14 | \$16 | \$7 | \$42 | \$17 | \$22 | \$13 | \$20 |
| 1 | GARDEN | \$24 | \$19 | | \$8 | \$11 | \$16 | \$16 | \$8 | \$47 | \$18 | \$23 | \$13 | \$20 |
| 1 | TOWNHOUSE | \$28 | \$19 | | \$8 | \$11 | \$16 | \$16 | \$8 | \$58 | \$18 | \$23 | \$13 | \$20 |
| 2 | GARDEN | \$27 | \$23 | | \$9 | \$16 | \$23 | \$17 | \$10 | \$65 | \$21 | \$29 | \$13 | \$20 |
| 2 | TOWNHOUSE | \$29 | \$23 | | \$9 | \$16 | \$23 | \$17 | \$10 | \$74 | \$21 | \$29 | \$13 | \$20 |
| 3 | GARDEN | \$29 | \$26 | | \$11 | \$20 | \$29 | \$18 | \$12 | \$83 | \$25 | \$34 | \$13 | \$20 |
| 3 | TOWNHOUSE | \$29 | \$26 | | \$11 | \$20 | \$29 | \$18 | \$12 | \$91 | \$25 | \$34 | \$13 | \$20 |
| 4 | GARDEN | \$32 | \$30 | | \$12 | \$23 | \$33 | \$20 | \$13 | \$101 | \$29 | \$40 | \$13 | \$20 |
| 4 | TOWNHOUSE | \$29 | \$30 | | \$12 | \$23 | \$33 | \$20 | \$13 | \$108 | \$29 | \$40 | \$13 | \$20 |

SC-Midlands Region (1/2015)

Survey Date: January 2015

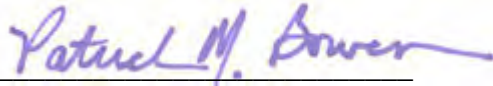


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

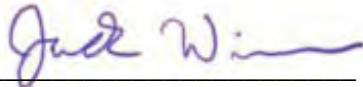
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Date: February 17, 2015

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 |