



**A MARKET FEASIBILITY STUDY OF
PEACHTREE SENIOR VILLAGE
North Peachtree Street
Liberty, Pickens County, South Carolina 29657**

Effective Date: March 17, 2015

Report Date: March 25, 2015

Prepared For

**Prepared For
Mr. Max Elbe
Peachtree Housing Communities, LLC
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Atlanta, GA 30342**

Prepared By

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March 25, 2015

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

Re: Market Study for Peachtree Senior Village, Liberty, South Carolina

Dear Mr. Elbe:

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

The purpose of this market study is to assess the viability of Peachtree Senior Village, a proposed senior apartment development consisting of 40 units. The property will offer affordable rental units restricted to general households earning 50 and 60 percent or less of the Area Median Gross Income (AMI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Peachtree Senior Village, the Subject, is a proposed 40-unit apartment community for seniors age 55 and older that will be restricted to households earning 50 and 60 percent of the AMI, or less.

Targeted Tenancy: Seniors (age 55 and older)

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

PROPOSED RENTS

Unit Type	Square Feet	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent
<i>50% AMI</i>						
1BR/1BA	750	1	\$423	\$120	\$543	\$543
2BR/2BA	950	8	\$490	\$155	\$645	\$652
<i>60% AMI</i>						
1BR/1BA	750	3	\$475	\$120	\$595	\$652
2BR/2BA	950	28	\$505	\$155	\$660	\$783
Total		40				

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

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

OVERALL VACANCY ALL PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Companion At Horton Farms*	@50%, @60%	40	0	0.0%
Harmony Ridge Apartments*	@50%, @60%	40**	0	0.0%
Kingston Pointe Phase I & II*	@50%, @60%	92**	0	0.0%
Pope Field Terrace	@50%, @60%	56	0	0.0%
Timberland Crossing*	@60%	72	0	0.0%
Auston Woods Apartments	Market	194	6	3.1%
Heritage Pointe	Market	176	0	0.0%
Hunters Glen Apartments	Market	100	2	2.0%
Shadowbrook Apartments	Market	248	0	0.0%
Waterford Apartments	Market	128	0	0.0%
Total in PMA		1,014	8	0.8%
Total		1,146	8	0.7%

*Denotes senior properties

**Units at properties outside the PMA

OVERALL VACANCY - LIHTC PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Companion At Horton Farms*	@50%, @60%	40	0	0.0%
Harmony Ridge Apartments*	@50%, @60%	40**	0	0.0%
Kingston Pointe Phase I & II*	@50%, @60%	92**	0	0.0%
Pope Field Terrace	@50%, @60%	56	0	0.0%
Timberland Crossing*	@60%	<u>72</u>	<u>0</u>	<u>0.0%</u>
Total in PMA		168	0	0.0%
Total Senior in PMA		112	0	0.0%
Total		300	0	0.0%

*Denotes senior properties

**Units at properties outside the PMA

OVERALL VACANCY - MARKET RATE PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Auston Woods Apartments	Market	194	6	3.1%
Heritage Pointe	Market	176	0	0.0%
Hunters Glen Apartments	Market	100	2	2.0%
Shadowbrook Apartments	Market	248	0	0.0%
Waterford Apartments	Market	<u>128</u>	<u>0</u>	<u>0.0%</u>
Total in PMA		846	8	0.9%

Overall vacancy in the PMA among eight comparables is low at 0.8 percent, and among all ten comparables the vacancy rate is just 0.7 percent. The five surveyed comparable LIHTC properties from inside and outside the PMA have no vacancies, and all five maintain waiting lists, indicating very high demand for affordable housing, particularly senior housing.

Among the market rate properties in Central and Easley, the vacancy rate is also very low at 0.9 percent, indicating very strong support for conventional apartments within the PMA. Some of this is created by suburban sprawl from the Greenville market. None of the market rate comparable properties reported a vacancy rate greater than 3.1 percent.

Overall, the local rental market appears to be very healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand*	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	78	0	78	1	1.3%
1BR at 60% AMI	92	0	92	3	3.3%
2BR at 50% AMI	212	0	212	8	3.8%
2BR at 60% AMI	247	0	247	28	11.3%
Overall 50% AMI	290	0	290	9	3.1%
Overall 60% AMI	339	0	339	31	9.1%
Overall	423	0	423	40	9.5%

*Note the demand totals have been refined to only include size-appropriate households

As the analysis illustrates, the Subject’s capture rates vary from 1.3 to 11.3 percent with an overall capture rate of 9.5 percent. The Subject’s overall capture rates are all well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period:

The newest LIHTC property in the PMA, Pope Field Terrace, opened in 2013 and is a family project. Management at this property could not provide lease-up history. However, we were able to gather lease-up history for two senior properties built in 2006 and 2008. Companion at Horton Farms opened in 2008 and averaged an absorption rate of five units per month. Kingston Pointe Phase I & II averaged an absorption rate of 10 units per month when it opened in 2006. These are moderate to good lease-up rates for senior LIHTC apartments. With the growing demographic base of seniors in the PMA and the general limited supply of affordable senior housing, we believe the Subject should be able to experience an absorption rate within the range of what other LIHTC communities have experienced. The LIHTC comparables report no vacancies and most maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number of age and income-qualified households, we believe that the Subject could absorb approximately seven to eight units per month upon opening. This equals an absorption period of five months.

Market Conclusions:

Overall vacancy in the local market is very low at 0.7 percent among all ten surveyed properties and 0.8 percent among the eight “true” comparable properties surveyed in the PMA. The only properties in Liberty are rent assisted Rural Development properties that are not comparable to the Subject and target families. The Liberty area appears underserved by senior housing.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable and they are more than 25 percent on average below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 9.5 percent, which is well within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.3 to 11.3 percent, which are all considered achievable in the PMA, where senior renter households are growing. In addition, the Subject is in a community (Liberty) that has no current senior housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that seniors would utilize on a consistent basis.

There are no vacancies among LIHTC comparables and the market rate properties we surveyed are also performing very well, with a vacancy rate of less than one percent. The developer's rents represent greater than a 25 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in PMA:

The comparable LIHTC units have a zero percent vacancy rate and all the LIHTC comparables maintain waiting lists. There are three LIHTC properties we surveyed in the PMA, two of which are age-restricted and one is a relatively new family project. With only 112 senior LIHTC units in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

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

Development Name:	<u>Peachtree Senior Village</u>	Total # Units:	40
Location:	<u>Peachtree Street, Liberty, SC 29657</u>	# LIHTC Units:	40
PMA Boundary:	<u>Most of Pickens Co, part of Greenville & Anderson Cos.</u>		
Development Type: ____ Family	<u>X Older Persons</u>	Farthest Boundary Distance to Subject:	18.9_ miles

RENTAL HOUSING STOCK (found on pages 1, 2, 52)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,146	8	99.3 %
Market-Rate Housing	5	846	8	99.1 %
Assisted/Subsidized Housing not to include LIHTC	10	465	0	100 %
LIHTC (All that are stabilized)*	5	300	0	100 %
Stabilized Comps**	4	244	0	100 %
Non-stabilized Comps	0	0	0	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
1	1-BR	1	750	\$ 423	\$ 590	\$ 0.85	28.31%	\$ 645	\$ 0.79
8	2-BR	2	950	\$ 490	\$ 690	\$ 0.73	28.99%	\$ 760	\$ 0.74
3	1-BR	1	750	\$ 475	\$ 590	\$ 0.85	19.49%	\$ 645	\$ 0.79
28	2-BR	2	950	\$ 505	\$ 690	\$ 0.73	26.81%	\$ 760	\$ 0.74
				\$	\$	\$		\$	\$
Gross Potential Rent Monthly*				\$ 19,908	\$ 26,700		26.81%		

*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 35)

	2010		2014		2017	
Renter Households	4567	17.9%	4922	17.7%	5170	17.7%
Income-Qualified Renter HHs (LIHTC)	940	20.6%	1149	23.3%	1206	23.3%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 49)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	40	46				58
Existing Households (Overburd + Substand)	274	311				392
Homeowner conversion (Seniors)	53	72				85
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	367	429				535

CAPTURE RATES (found on page 49)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	3.1%	9.1%				9.5%

ABSORPTION RATE (found on page 50)

Absorption Period _____ 5 _____ months
--

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed	Adjusted Market Rent	Gross Adjusted	Tax Credit Gross Rent Advantage
			Tenant Rent by Bedroom Type		Market Rent by Bedroom Type	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
1	1 BR	\$423	\$423	\$590	\$590	
3	1 BR	\$475	\$1,425	\$590	\$1,770	
	1 BR		\$0		\$0	
8	2 BR	\$490	\$3,920	\$690	\$5,520	
28	2 BR	\$505	\$14,140	\$690	\$19,320	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$19,908		\$27,200	26.81%

Source: SCSHFDA

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location: The Subject site is located to the east of Peachtree Street in Liberty, Pickens County, South Carolina.

Construction Type The Subject will involve the new construction of one-story apartments with brick veneer and cement fiberboard siding.

Occupancy Type: Older Persons (age 55+)

Target Income Group: The Subject will target households with incomes of 50 and 60 percent AMI, or less.

Special Population Target: None

Number of Units by Unit Type: The Subject will include four one-bedroom units and 36 two-bedroom units.

Number of Buildings And Stories: The Subject will be constructed in four one-story buildings and a separate community building.

Unit Size: One-bedroom units will be 750 square feet and two-bedroom units will be 950 square feet.

Structure Type/Design: The Subject will offer garden-style units in one-story buildings.

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

PROPOSED RENTS

Unit Type	Square Feet	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent
<i>50% AMI</i>						
1BR/1BA	750	1	\$423	\$120	\$543	\$543
2BR/2BA	950	8	\$490	\$155	\$645	\$652
<i>60% AMI</i>						
1BR/1BA	750	3	\$475	\$120	\$595	\$652
2BR/2BA	950	28	\$505	\$155	\$660	\$783
Total		40				

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

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$120 for one-bedroom units and \$155 for two-bedroom units.

Existing or Proposed Project Based Rental Assistance: The Subject is planned new construction and will not receive project-based rental assistance.

Community Amenities: See Subject Profile

Unit Amenities: See Subject Profile

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

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

Property Profile Report

Peachtree Senior Village

Comp # Subject
Effective Rent Date 3/18/2015

Location North Peachtree Street
 Liberty, SC 29657
 Pickens County
 (verified)

Units 40
Type One-story (age-restricted)
Year Built / Renovated 2017 / n/a
Tenant Characteristics Seniors age 55+
Contact Name Max Elbe



Market

Program @50%, @60%

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	One-story	1	750	\$423	\$0	@50%	N/A	N/A	N/A	N/A
1	1	One-story	3	750	\$475	\$0	@60%	N/A	N/A	N/A	N/A
2	2	One-story	8	950	\$490	\$0	@50%	N/A	N/A	N/A	N/A
2	2	One-story	28	950	\$505	\$0	@60%	N/A	N/A	N/A	N/A

Amenities

In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Parking spaces: 70 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Recreation Areas	Premium	none
Services	none	Other	Library, Crafts Room

Comments

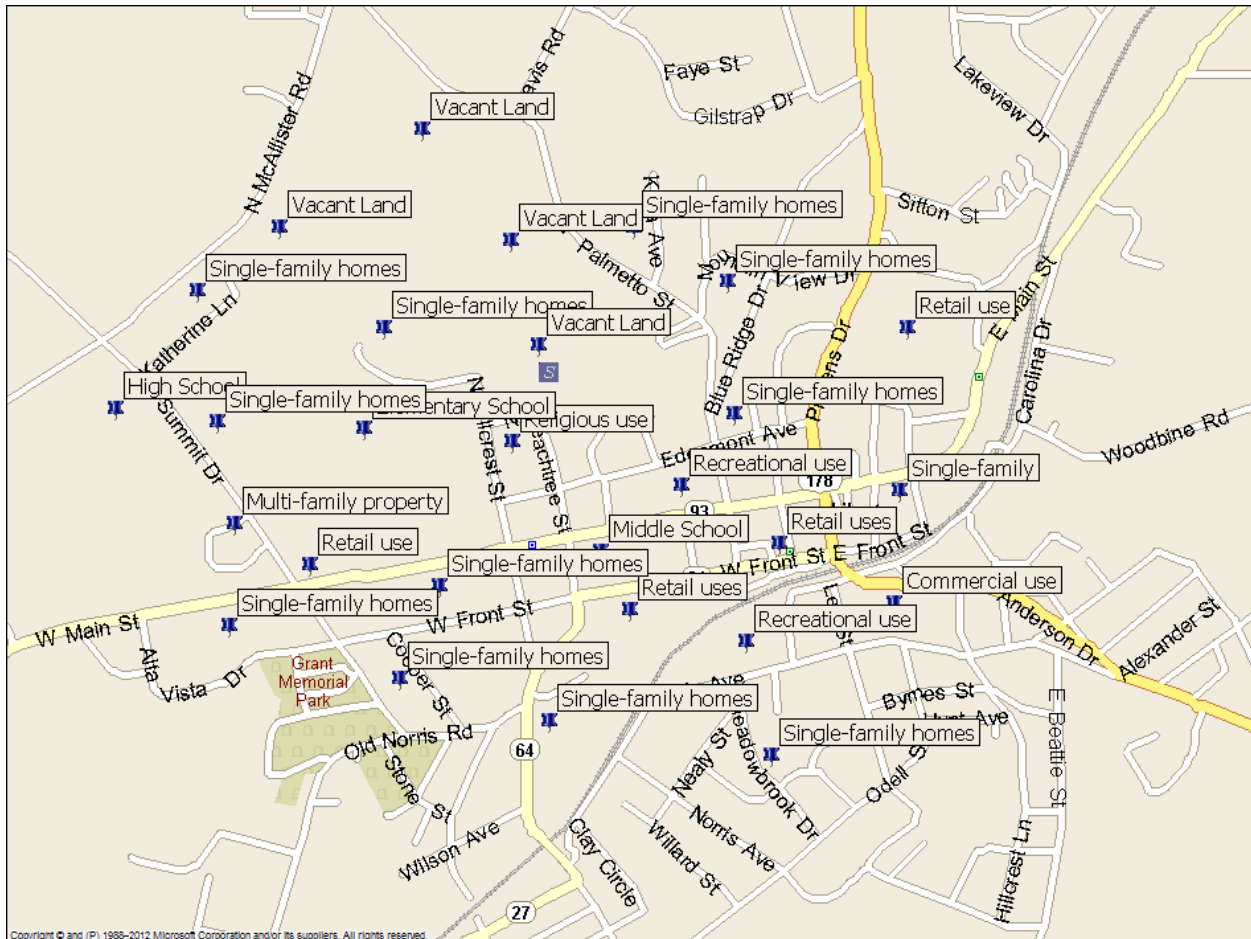
Anticipated opening February 2017. Senior age 55 and older. Four buildings with a separate community building.

B. SITE DESCRIPTION

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

Date of Site Visit: March 17, 2015

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



Physical Features of Site: The Subject site is located within Liberty, South Carolina and is undeveloped, forested land.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, park/recreational facilities, public schools, one house of worship, and retail/commercial developments. Forested land is located immediately north of the Subject site. The area east of the Subject is characterized by single family residential development, recreational uses, and retail uses in generally good condition. To the south, across Edgemont Avenue, is Liberty Middle School. Retail such as a CVS/Pharmacy, and Family Dollar are located approximately 0.2 miles south along

Front Street. Retail in the area is in generally average to good condition and appeared to be 90 percent occupied. Overall, the Subject site is considered a desirable building site for senior rental housing.

Pictures of Site and Surrounding Uses



Subject site



Subject site



View south along Peachtree Street



View north along Peachtree Street



View southeast along Edgemont Avenue



View southwest along Edgemont Avenue



Elementary school near Subject



House of worship near Subject



Single-family home near Subject



Single-family home near Subject



Single-family home near Subject



Single-family home near Subject



Pharmacy near Subject



Retail use near Subject



Retail use near Subject



Gas station near Subject



Library near Subject



Grocery store near Subject

Visibility/Views:

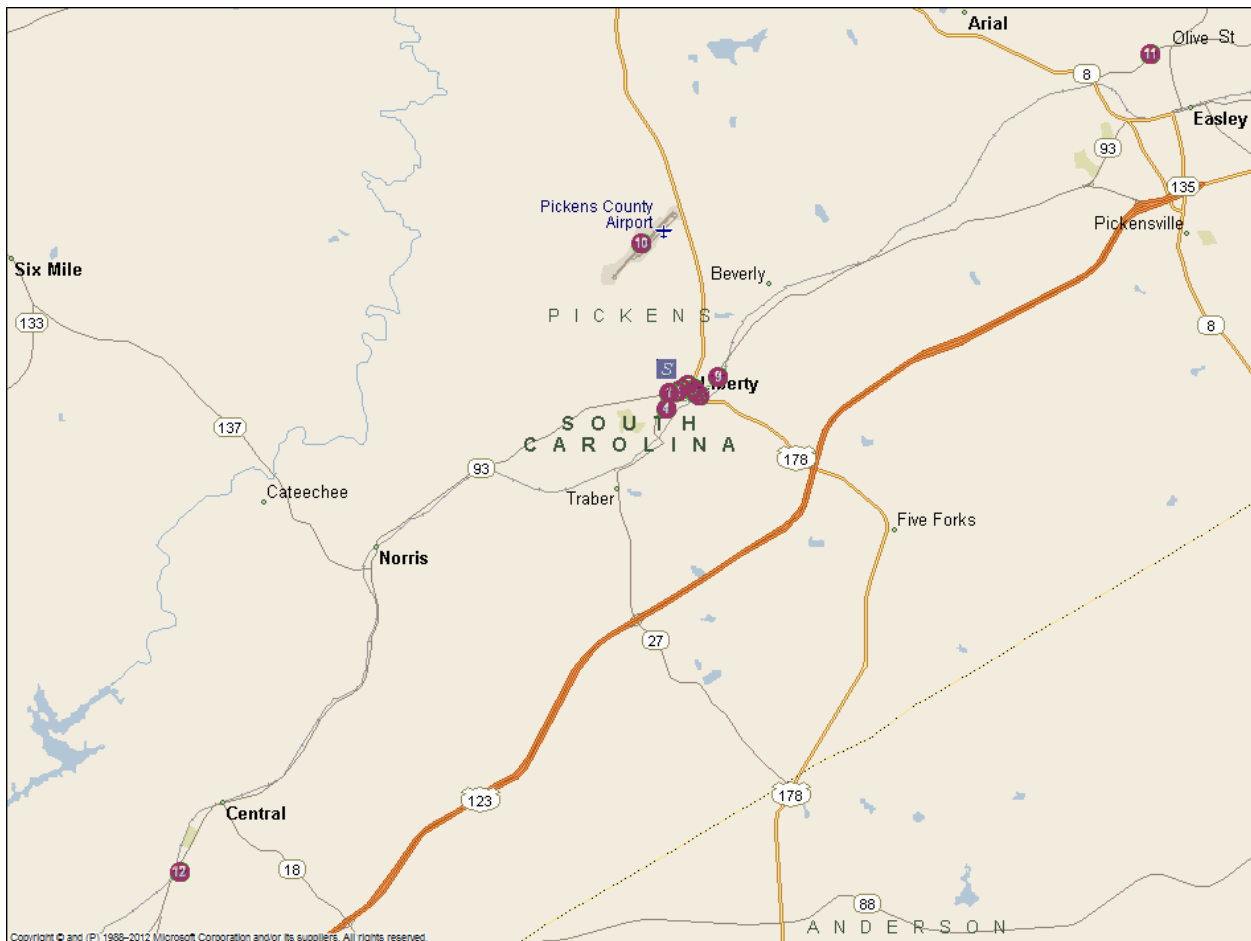
Views from the Subject site include forested land and Liberty Elementary School to the north and west, forested land, single-family homes in average condition and a house of worship to the south and east. Views from the site are considered good. The Subject will have good visibility from Peachtree Street to the north and Hillcrest Street on the west. Both streets adjacent streets have generally light traffic flow. Overall, visibility from the site is also considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

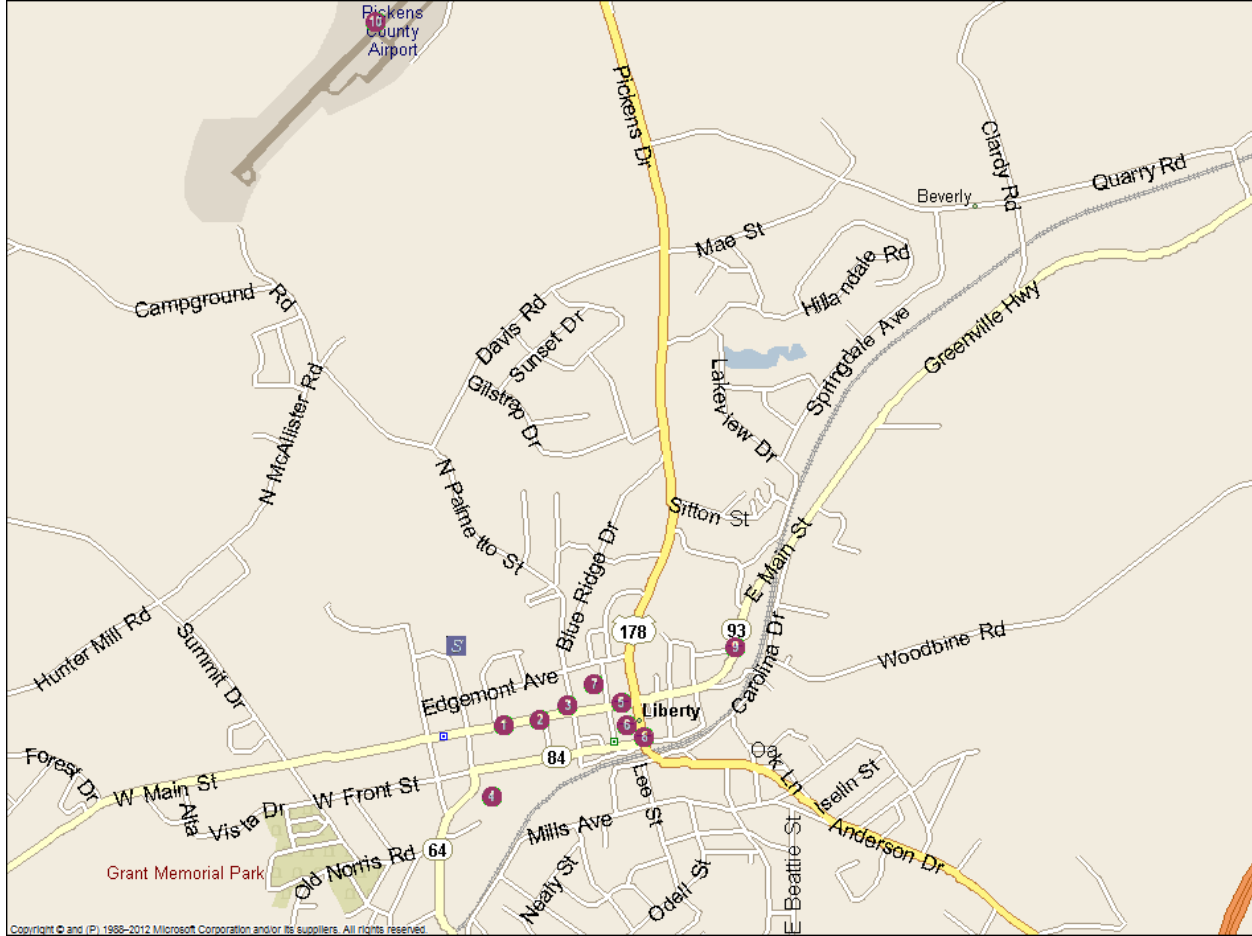
Detrimental Influences:

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

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including retail, banks and a library. The following table details the Subject’s distance from key locational amenities. Two *Locational Amenities Maps*, corresponding to the following table, are below.





LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	O'Reilly Auto Parts and Service	<0.1 miles
2	Family Dollar	<0.1 miles
3	CVS Pharmacy	0.3 miles
4	Fred's Grocery Store	0.4 miles
5	First Citizen's Bank	0.5 miles
6	Sarlin Branch Community Library	0.5 miles
7	Post-office, Liberty	0.6 miles
8	BP Gas Station	0.7 miles
9	Ingles Grocery Store	0.8 miles
10	Pickens County Airport	3.1 miles
11	Baptist Easley Hospital	7.6 miles
12	Pickens County Senior Center	8.1 miles

Availability of Public Transportation:

There is no public transportation service in Liberty, SC.

Road/Infrastructure

Proposed Improvements:

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

Crime Rates:

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

2014 CRIME RISK INDICES

	PMA	SMA
Total Crime*	87	126
Personal Crime*	102	157
Murder	78	130
Rape	97	126
Robbery	47	87
Assault	131	200
Property Crime*	91	124
Burglary	101	138
Larceny	94	133
Motor Vehicle Theft	63	80

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

*Unweighted aggregations

The total crime risk index in the PMA is lower than the MSA. Additionally, total personal crime risks and total property crime risks in the PMA are lower than in the MSA, and similar to the national average. Given its location in a small community in a somewhat rural setting, we do not anticipate crime will be a concern at the proposed Subject.

Access and Traffic Flow:

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

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in Liberty, most of which are within less than 1.0 mile of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The proposed Subject will be a 40-unit senior new construction development in Liberty, South Carolina. The PMA is defined as the communities of Liberty, Norris, Central, Clemson, Six Mile, Pickens, Beverly, Easley, Pendleton and surrounding rural areas of Pickens and Anderson Counties. The PMA also includes a small portion of Greenville County located west of Interstate 85 and US Highway 25. Our interviews with area managers suggested that Pickens County affordable communities do receive support from renters seeking affordable housing when they cannot find housing in the Greenville area. The Subject will be among the first senior LIHTC properties in Pickens County, and as such will be able to draw from approximately a 20 to 25-minute drive time of the site. Based on interviews with local property managers, including management at Companion at Horton Farms and Timberland Crossing, most of the tenants would originate from Liberty and several other communities in Pickens County as well as some of the smaller communities in Anderson County to the south and Greenville County to the east. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA.

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

Census Tracts in PMA		
450070101.03	450770105.02	450770110.03
450070101.04	450770106.01	450770111.01
450070105.00	450770106.02	450770111.02
450070106.00	450770107.00	450770111.03
450070107.00	450770108.01	450770112.02
450070108.00	450770108.02	450770112.03
450070112.01	450770108.03	450770112.04
450770102.00	450770108.04	450770112.05
450770103.00	450770109.01	450070101.02
450770104.01	450770109.02	450450036.01
450770104.02	450770109.03	450450036.02
450770104.03	450770110.01	450450037.05
450770105.01	450770110.02	

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

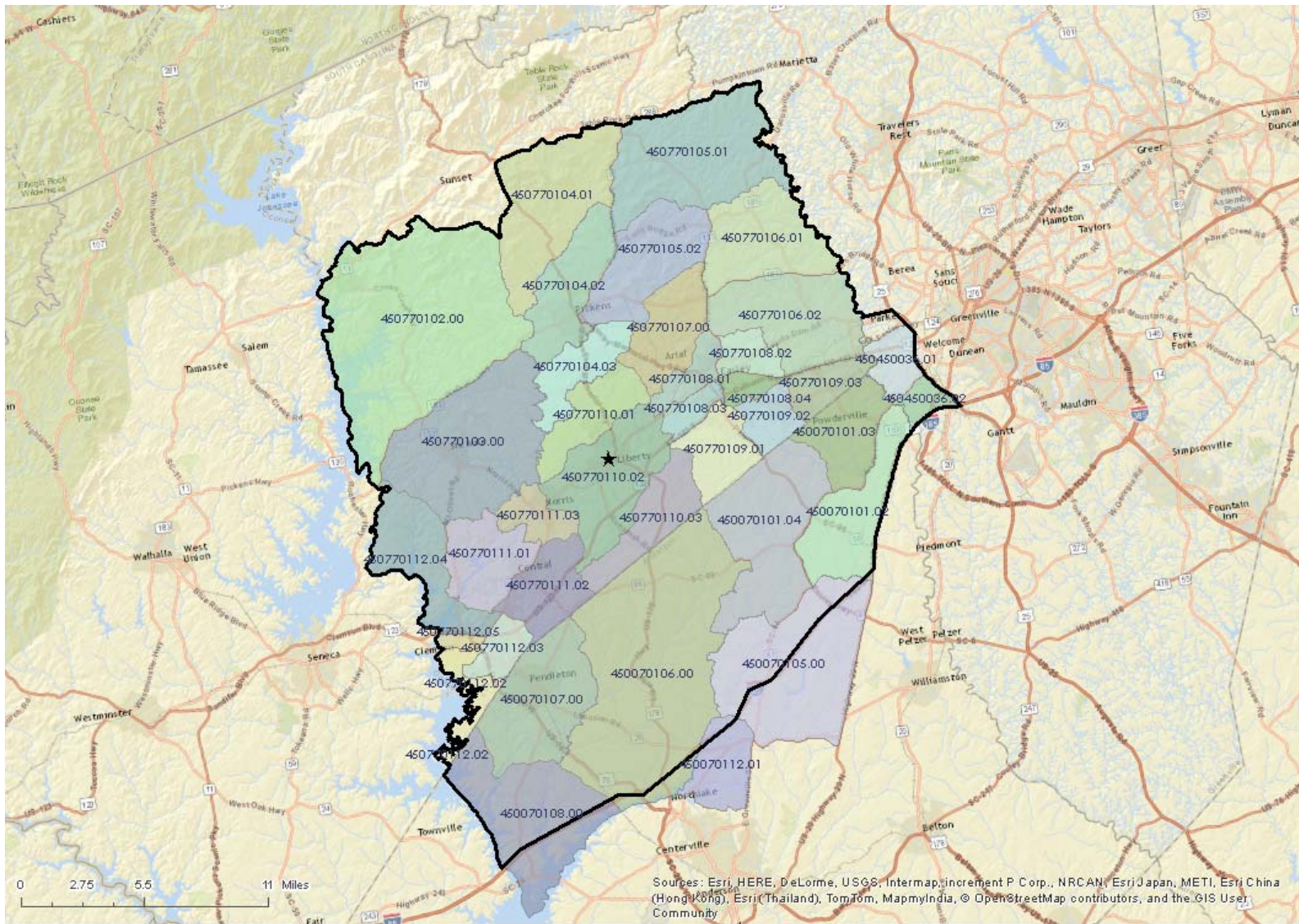
As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

2010 POPULATION BY RACE						
	PMA		SMA		USA	
Total	168,670	-	824,112	-	308,745,538	-
White	144,872	85.9%	635,497	77.1%	223,553,265	72.4%
Black	15,149	9.0%	136,304	16.5%	38,929,319	12.6%
American Indian	392	0.2%	2,262	0.3%	2,932,248	0.9%
Asian	2,333	1.4%	12,350	1.5%	14,674,252	4.8%
Pacific	31	0.0%	348	0.0%	540,013	0.2%
Other	3,310	2.0%	23,389	2.8%	19,107,368	6.2%
Two or More Races	2,583	1.5%	13,962	1.7%	9,009,073	2.9%
Total Hispanic	6,499	-	48,414	-	50,477,594	-
Hispanic: White	2,723	41.9%	21,080	43.5%	26,735,713	53.0%
Hispanic: Black	101	1.6%	1,325	2.7%	1,243,471	2.5%
Hispanic: American Indian	69	1.1%	580	1.2%	685,150	1.4%
Hispanic: Asian	15	0.2%	119	0.2%	209,128	0.4%
Hispanic: Pacific	1	0.0%	63	0.1%	58,437	0.1%
Hispanic: Other	3,124	48.1%	22,321	46.1%	18,503,103	36.7%
Hispanic: Two or More Races	466	7.2%	2,926	6.0%	3,042,592	6.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

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

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



Liberty, SC



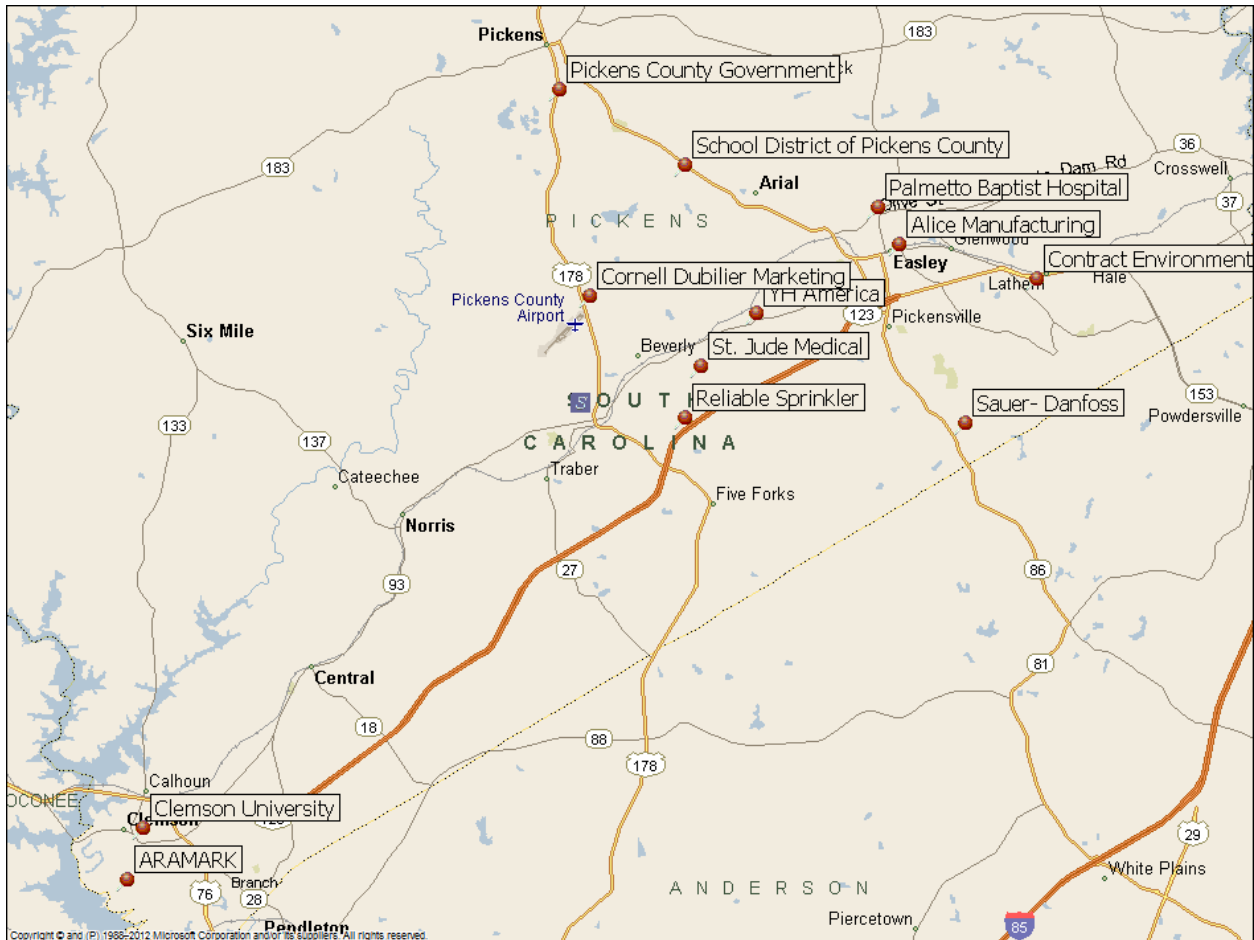
D. MARKET AREA ECONOMY

MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

The following map illustrates the Subject’s location compared to major employment centers in the surrounding areas.



Employment by Industry

The following table exhibits unemployment by industry for the PMA.

2014 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	13,409	18.5%	15,162,651	10.6%
Educational Services	9,471	13.1%	12,979,314	9.1%
Retail Trade	8,181	11.3%	16,592,605	11.6%
Health Care/Social Assistance	8,105	11.2%	20,080,547	14.0%
Construction	7,103	9.8%	8,291,595	5.8%
Accommodation/Food Services	3,994	5.5%	10,849,114	7.6%
Other Services (excl Publ Adm)	3,049	4.2%	7,850,739	5.5%
Prof/Scientific/Tech Services	2,830	3.9%	9,808,289	6.8%
Admin/Support/Waste Mgmt Svcs	2,812	3.9%	6,316,579	4.4%
Finance/Insurance	2,381	3.3%	6,884,133	4.8%
Public Administration	2,128	2.9%	6,713,073	4.7%
Transportation/Warehousing	1,888	2.6%	5,898,791	4.1%
Wholesale Trade	1,791	2.5%	3,628,118	2.5%
Information	1,425	2.0%	2,577,845	1.8%
Real Estate/Rental/Leasing	1,274	1.8%	2,627,562	1.8%
Utilities	1,133	1.6%	1,107,105	0.8%
Arts/Entertainment/Recreation	874	1.2%	3,151,821	2.2%
Agric/Forestry/Fishing/Hunting	468	0.6%	1,800,354	1.3%
Mgmt of Companies/Enterprises	45	0.1%	97,762	0.1%
Mining	44	0.1%	868,282	0.6%
Total Employment	72,405	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2015

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

The following table illustrates the changes in employment by industry from 2000 to 2014, in the Subject’s PMA.

2000-2014 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2014		2000-2014	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Manufacturing	17,963	24.4%	13,409	18.5%	-325	-1.8%
Educational Services	8,982	12.2%	9,471	13.1%	35	0.4%
Retail Trade	8,137	11.1%	8,181	11.3%	3	0.0%
Construction	6,696	9.1%	7,103	9.8%	29	0.4%
Health Care/Social Assistance	6,520	8.9%	8,105	11.2%	113	1.7%
Accommodation/Food Services	4,286	5.8%	3,994	5.5%	-21	-0.5%
Other Services (excl Publ Adm)	3,336	4.5%	3,049	4.2%	-21	-0.6%
Prof/Scientific/Tech Services	2,236	3.0%	2,830	3.9%	42	1.9%
Admin/Support/Waste Mgmt Svcs	2,211	3.0%	2,812	3.9%	43	1.9%
Wholesale Trade	2,142	2.9%	1,791	2.5%	-25	-1.2%
Finance/Insurance	2,135	2.9%	2,381	3.3%	18	0.8%
Transportation/Warehousing	1,963	2.7%	1,888	2.6%	-5	-0.3%
Public Administration	1,871	2.5%	2,128	2.9%	18	1.0%
Information	1,340	1.8%	1,425	2.0%	6	0.5%
Utilities	1,306	1.8%	1,133	1.6%	-12	-0.9%
Real Estate/Rental/Leasing	1,172	1.6%	1,274	1.8%	7	0.6%
Arts/Entertainment/Recreation	785	1.1%	874	1.2%	6	0.8%
Agric/Forestry/Fishing/Hunting	466	0.6%	468	0.6%	0	0.0%
Mining	44	0.1%	44	0.1%	0	0.0%
Mgmt of Companies/Enterprises	10	0.0%	45	0.1%	3	25.0%
Total Employment	73,601	100.0%	72,405	100.0%	-85	-0.1%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2015

* Change in percentage is calculated as a rate of change by industry.

*Industry data current as of 2010. Other projections current as of 2014.

As illustrated, six of the industries in the table above experienced a decrease in employment from 2000 to 2014. The largest decreases were among the manufacturing and wholesale trade sectors. The smallest decreases were in the transportation/warehousing and utilities sectors. The largest decrease based on percentages was in the manufacturing industry, as the sector experienced an annualized loss of 325 jobs over the 14 year period of analysis. The health care/social assistance sector experienced the largest annualized employment increase over the past 14 years, recording an increase of approximately 113 employees, or approximately 1.7 percent each year.

The large percentage of manufacturing employment in Pickens County has led to some economic volatility in recent years. A number of manufacturing businesses have experienced significant layoffs and closures due to the national recession. Liberty experienced a significant number of employment losses during the recession. Richmond Gear, a car parts manufacturer, laid off 53 employees in early 2012. This followed the closure of the Liberty Denim plant in December 2011, which cost the region 185 manufacturing jobs.

Major Employers

The table below shows the largest employers in the area.

MAJOR EMPLOYERS Pickens County, SC

Employer	Industry	Number Employed
State of South Carolina	Government	4,881
Clemson University	Educational Services	3,529
School District of Pickens County	Educational Services	1,893
Contract Environmental Services	Professional Services	1,200
ARAMARK Services	Food Services	800
Palmetto Baptist Easley	Health Services	656
YH America, South Carolina	Manufacturing	619
Pickens County	Government	592
Wal-Mart	Retail Trade	544
Milliken & Co.	Broadwoven Fabrics	400
St. Jude Medical, Inc.	Health Services	400
Reliable Automatic Sprinkler Company	Fire Sprinklers and System Components	390
Sauer-Danfoss Company	Hydraulic Pumps and Motors	335
Cornell Dubilier Marketing, Inc.	Mita Capacitors	308
Shaw Industries Group, Inc.	Nylon 6 Polymer Fibers	300
Cannon Memorial Hospital	Health Services	300
Bi-Lo	Retail Trade	250
City of Clemson	Government	250
Alice Manufacturing Co	Manufacturing	250
Champion Aerospace	Aviation Products	250

Source: Alliance Pickens Economic Development Organization, 3/2015

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

Expansions/Contractions

The following table illustrates the contractions to the Greenville MSA economies provided by the South Carolina Department of Employment and Workforce between 2012 and 2014.

2012-2014 WARN NOTICES: Greenville, SC MSA

Employer	Industry	Jobs Affected	Date
Ryan's	Food Services	80	1/19/2012
Precision Value	Manufacturing	14	1/20/2012
Staff Track	Professional Services	90	2/15/2012
Food Lion	Retail	70	2/15/2012
First American Cash Advance	Professional Services	2	3/9/2012
Panalpina	Manufacturing	4	3/31/2012
Varicon Solutions	Manufacturing	45	4/15/2012
Computer Dynamics	Manufacturing	46	5/11/2012
Steel Heedle	Manufacturing	80	6/1/2012
Timken	Manufacturing	22	9/28/2012
Seagrass Linen	Manufacturing	15	10/25/2012
Wolf Camera	Retail	7	10/31/2012
Hostess Brands	Manufacturing	14	11/21/2012
Bi-Lo	Retail	130	4/17/2013
Sunland Logistics Solutions	Professional Services	47	7/1/2013
Sunland Staffing	Professional Services	52	7/1/2013
Capitol Management Services, LP	Professional Services	36	7/29/2013
First Center, LLC	Professional Services	85	7/29/2013
General Nutrition Companies, Inc.	Retail	50	10/11/2013
International Automotive Components, LLC	Manufacturing	164	12/20/2013
Gannett Publishing Services	Professional Services	117	5/5/2014
Total		1,170	-

Source: SC Department of Employment and Workforce, Novogradac & Company, LLP 3/2015

As the table depicts, there were 1,170 layoffs/closures in Greenville MSA that took effect between 2012 and 2014. The majority of these layoffs were in the manufacturing and professional services industries.

The following table illustrates business expansions in the Greenville MSA in 2014.

2014 Greenville MSA Business Expansions

Employer	Industry	Job Openings
Toray Industries	Manufacturing	500
BMW	Manufacturing	300
Orian	Manufacturing	125
Clinton Factory	Manufacturing	98
General Electric	Manufacturing	80
VF Outdoor	Retail	70
PackIQ	Professional Services	50
RPA Development LLC	Manufacturing	43
Precorp Inc.	Manufacturing	29
KI Logistics	Information	20
Solar Atmospheres	Utilities	11
Glen Raven Inc	Manufacturing	10
Metrocon Inc.	Manufacturing	9

Source: Greenville Chamber of Commerce, Novogradac & Company, LLP 3/2015

The majority of the above listed jobs created are in the manufacturing industry, which is the largest industry in the PMA. A total of 1,345 new jobs were announced in the Greenville MSA in 2014. These expansions will help to counteract the effects of the 1,170 layoffs/closures that occurred in the MSA between 2012 and 2014.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Greenville-Anderson-Mauldin, SC MSA. As such, the following table details employment and unemployment trends for the Greenville-Anderson-Mauldin, SC MSA from 2004 to 2014 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	<u>Greenville-Anderson-Mauldin, SC MSA</u>					<u>USA</u>			
	Total Employment	% Change	Unemployment Rate	% Change	Total Employment	% Change	Unemployment Rate	% Change	
2004	277,022	-	6.2%	-	139,252,000	-	5.5%	-	
2005	281,773	1.7%	5.9%	-0.3%	141,730,000	1.8%	5.1%	-0.4%	
2006	289,118	2.6%	5.7%	-0.2%	144,427,000	1.9%	4.6%	-0.5%	
2007	297,308	2.8%	5.0%	-0.7%	146,047,000	1.1%	4.6%	0.0%	
2008	296,926	-0.1%	5.8%	0.8%	145,362,000	-0.5%	5.8%	1.2%	
2009	280,800	-5.4%	10.3%	4.5%	139,877,000	-3.8%	9.3%	3.5%	
2010	283,727	1.0%	9.6%	-0.7%	139,064,000	-0.6%	9.6%	0.3%	
2011	291,594	2.8%	8.5%	-1.1%	139,869,000	0.6%	8.9%	-0.7%	
2012	292,927	0.5%	7.5%	-1.0%	142,469,000	1.9%	8.1%	-0.8%	
2013	297,235	1.5%	6.2%	-1.2%	143,929,000	1.0%	7.0%	-1.1%	
2014 YTD Average*	302,658	3.3%	5.1%	-2.4%	146,305,333	2.7%	6.2%	-1.9%	
Dec-2013	298,609	-	5.0%	-	144,423,000	-	6.5%	-	
Dec-2014	303,936	1.8%	5.2%	0.2%	147,190,000	1.9%	5.4%	-1.1%	

Source: U.S. Bureau of Labor Statistics March 2015

*2014 data is through Dec

Total employment in the MSA increased from 2004 to 2007. In 2008, the employment levels remained relatively stable, and then decreased at a rate higher than the nation in 2009. Between 2008 and 2009, total employment decreased 5.4 percent, which can be attributed to the national recession. Since 2009, employment in the MSA has experienced growth in every year, and total employment numbers in December 2014 were greater than pre-recession totals. This indicates that the economy has recovered from the national recession and is continuing to experience growth. Some of this recovery in the MSA is attributed to an increasingly diversified economy that continues to evolve and is less and less reliant on the manufacturing sector, improving the area’s economic stability.

Unemployment in the MSA increased 4.5 percentage points in 2009, a greater increase than the nation. However, since 2009, the unemployment rate in the MSA has decreased steadily, and the year-to-date unemployment rate reflects a 2.4 percent decline. The December 2014 unemployment rate in the MSA was 20 basis points less than the national unemployment rate. Overall, the local economy appears to have recovered from the recession.

Housing and Economy

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

The most recent national recession has impacted Liberty’s single-family housing market. According to RealtyTrac’s January 2015 estimates, the city experienced a high foreclosure rate of one in every 505 housing units. The local area experienced a much higher foreclosure rate than the nation, which experienced a foreclosure rate of one in every 1,150 housing units in January 2015. The state of South Carolina had a foreclosure rate of one in every 1,208 housing units, a rate lower than the Liberty, Pickens County, and the nation. Note that since the Subject will target senior seeking a maintenance-free lifestyle, foreclosure rates and home sales and rentals in the area will have minimal impact on the Subject project and its potential residents.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 23.8 minutes. Approximately 46 percent of households have commute times of less than 24 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	2,382	3.38%
Travel Time 5-9 min	7,801	11.06%
Travel Time 10-14 min	10,707	15.18%
Travel Time 15-19 min	11,166	15.83%
Travel Time 20-24 min	10,821	15.34%
Travel Time 25-29 min	4,943	7.01%
Travel Time 30-34 min	10,600	15.02%
Travel Time 35-39 min	1,734	2.46%
Travel Time 40-44 min	2,062	2.92%
Travel Time 45-59 min	5,040	7.14%
Travel Time 60-89 min	1,892	2.68%
Travel Time 90+ min	1,402	1.99%
Average Travel Time	23.8	-

Source: US Census 2000, Novogradac & Company, LLP, March 2015

Conclusions

Overall, it appears the area was impacted moderately by the national recession, but has now recovered and is in an expansion mode, despite the continued and long-term decline in the manufacturing sector. As of December 2014, the employment in the MSA was above pre-recession level. Between December 2013 and December 2014, total employment in the MSA increased 1.8 percent, while unemployment from the same period a year prior remained relatively steady. The MSA’s year-to-date unemployment rate as was 1.1 percentage points below the nation’s unemployment rate. However, with its reliance on the manufacturing and retail trade industries, the local economy will remain susceptible to employment losses and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

TOTAL POPULATION

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	151,679	-	725,678	-	281,421,906	-
2010	168,670	1.1%	824,112	1.4%	308,745,538	1.0%
2014	171,853	0.4%	854,141	0.9%	314,467,933	0.4%
Projected Mkt Entry February 2017	173,699	0.4%	875,693	1.0%	320,345,451	0.7%
2019	175,425	0.4%	895,854	1.0%	325,843,774	0.7%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

Since the Subject is age-restricted to seniors age 55 and older, we have provided demographic data in this section that specifically details numbers and percentages for seniors age 55 and older.

TOTAL SENIOR POPULATION (55+)

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	31,147	-	157,231	-	59,266,437	-
2010	42,350	3.6%	211,778	3.5%	83,352,075	4.1%
2014	46,668	2.4%	236,392	2.7%	83,352,075	0.0%
Projected Mkt Entry February 2017	49,415	2.3%	252,300	2.6%	88,748,837	2.5%
2019	51,984	2.3%	267,182	2.6%	93,797,421	2.5%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2014	Projected Mkt Entry February 2017	2019
0-4	9,375	9,665	9,385	9,470	9,549
5-9	9,857	9,999	9,894	9,834	9,778
10-14	10,226	10,597	10,118	10,215	10,306
15-19	12,961	14,851	14,211	14,166	14,124
20-24	15,347	17,580	17,736	17,157	16,615
25-29	10,045	9,827	11,277	11,222	11,171
30-34	10,180	9,399	9,759	10,120	10,457
35-39	11,534	10,108	9,483	9,802	10,101
40-44	11,213	10,740	10,430	10,056	9,707
45-49	10,274	11,979	10,961	10,776	10,603
50-54	9,521	11,575	11,932	11,466	11,031
55-59	7,774	10,390	11,361	11,586	11,797
60-64	6,293	9,587	10,125	10,599	11,042
65-69	5,137	7,533	8,921	9,333	9,718
70-74	4,212	5,547	6,384	7,210	7,982
75-79	3,524	4,058	4,361	4,866	5,339
80-84	2,333	2,792	2,878	3,038	3,188
85+	1,874	2,443	2,638	2,783	2,918
Total	151,680	168,670	171,854	173,700	175,426

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

The total population in the PMA increased at an annual rate of 0.4 percent from 2010 to 2014, a slower rate than the SMA and a similar rate to the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2019 at 0.4 percent per annum, a rate that will remain lower than the SMA and nation. The total senior population in the PMA increased at an annual rate of 2.4 percent from 2010 to 2014, a slightly slower rate than the SMA and a rate faster than the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2019 at 2.3 percent per annum, a rate that will lag just behind the growth rate for the SMA.

The population in the PMA in 2014 was concentrated most heavily in the age groups of 15 to 29 and 50 to 59, with these ages representing 38.7 percent of the total population in the PMA. Through market entry these age groups will still have the highest representation in the PMA.

Household Trends

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

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	57,490	-	284,133	-	105,991,193	-
2010	64,128	1.2%	321,113	1.3%	116,716,292	1.0%
2014	65,542	0.5%	333,452	0.9%	118,979,182	0.5%
Projected Mkt Entry February 2017	66,269	0.4%	341,950	1.0%	121,296,800	0.8%
2019	66,950	0.4%	349,899	1.0%	123,464,895	0.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

TOTAL NUMBER OF HOUSEHOLDS 55+

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	19,675	-	99,600	-	36,970,817	-
2010	25,508	3.0%	127,325	2.8%	45,892,687	2.4%
2014	27,784	2.1%	142,081	2.7%	50,249,306	2.2%
Projected Mkt Entry February 2017	29,134	1.9%	151,510	2.6%	53,519,362	2.5%
2019	30,397	1.9%	160,330	2.6%	56,578,447	2.5%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.51	-	2.47	-	2.58	-
2010	2.52	0.0%	2.49	0.1%	2.58	0.0%
2014	2.51	-0.1%	2.49	0.0%	2.58	0.0%
Projected Mkt Entry February 2017	2.52	0.0%	2.49	0.0%	2.57	0.0%
2019	2.52	0.0%	2.49	0.0%	2.57	0.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

POPULATION IN GROUP QUARTERS

Year	PMA	Annual Change	Greenville-Anderson-Mauldin, SC MSA	Annual Change
2000	7,452		23,538	
2014	7,019	-0.4%	24,073	0.2%
2019	7,019	0.0%	24,073	0.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

The total number of households in the PMA increased at 0.5 percent per annum between 2010 and 2014, a slower rate than the SMA and a similar rate to the nation over the same time period. Through market entry date and 2019, the total number of households in the PMA is expected to increase by 0.4 percent annually, which is below the growth rate of the SMA and below that of the nation. The senior households age 55 and older increased by 2.1 percent annually in the PMA between 2010 and 2014, and this growth in the PMA is expected to be 1.9 percent annually over the next five years. The senior household growth occurring in the PMA is happening at a slower annual rate than the growth in the SMA or nationwide. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters decreased in the PMA between 2000 and 2014 and increased in the MSA over the same time period; however, no growth is expected in these categories from 2014 through 2019.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2019.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	42,928	74.7%	14,562	25.3%
2010	45,442	70.9%	18,686	29.1%
2014	45,185	68.9%	20,357	31.1%
Projected Mkt Entry February 2017	45,645	68.88%	20,624	31.12%
2019	46,076	68.8%	20,874	31.2%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	16,904	85.9%	2,771	14.1%
2010	20,941	82.1%	4,567	17.9%
2014	22,862	82.3%	4,922	17.7%
Projected Mkt Entry February 2017	23,964	82.26%	5,170	17.74%
2019	24,995	82.2%	5,402	17.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

The PMA is dominated by owner-occupied housing units. In 2014, there were approximately 20,357 renter-occupied households in the PMA, equaling 31.1 percent of households in the PMA. In 2014, approximately 82.3 percent of senior households were owner-occupied, while 17.7 percent were renter-occupied. Through market entry and 2019, the percentage of renter households is expected to generally remain stable among seniors and households of all ages.

Household Income

The following table depicts senior household income in the PMA from 2010 to 2019.

HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2014		Projected Mkt Entry February 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,942	7.6%	2,582	9.3%	2,896	9.9%	3,189	10.5%
\$10,000-19,999	4,482	17.6%	5,637	20.3%	6,005	20.6%	6,349	20.9%
\$20,000-29,999	3,624	14.2%	4,386	15.8%	4,666	16.0%	4,928	16.2%
\$30,000-39,999	3,080	12.1%	3,252	11.7%	3,420	11.7%	3,577	11.8%
\$40,000-49,999	2,525	9.9%	2,672	9.6%	2,762	9.5%	2,847	9.4%
\$50,000-59,999	1,764	6.9%	1,938	7.0%	2,011	6.9%	2,079	6.8%
\$60,000-74,999	2,246	8.8%	2,254	8.1%	2,310	7.9%	2,363	7.8%
\$75,000-99,999	2,730	10.7%	2,474	8.9%	2,512	8.6%	2,547	8.4%
\$100,000-	1,332	5.2%	1,202	4.3%	1,197	4.1%	1,193	3.9%
\$125,000-	658	2.6%	529	1.9%	509	1.7%	490	1.6%
\$150,000-	655	2.6%	523	1.9%	513	1.8%	504	1.7%
\$200,000+	471	1.8%	335	1.2%	332	1.1%	330	1.1%
Total	25,508	100.0%	27,784	100.0%	29,134	100.0%	30,397	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

The Subject will target households earning between \$16,290 and \$27,840. As the table above depicts, approximately 36.1 percent of households in the PMA earned between \$10,000 and \$29,999 in 2014. Some households within these income cohorts will provide support for the Subject.

Household Income by Tenure

The following tables depict senior renter household incomes in the PMA in 2010, 2014, market entry, and 2019.

RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2014		Projected Mkt Entry February 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	647	14.2%	833	16.9%	914	17.7%	989	18.3%
\$10,000-19,999	1,195	26.2%	1,507	30.6%	1,595	30.9%	1,678	31.1%
\$20,000-29,999	634	13.9%	748	15.2%	783	15.1%	815	15.1%
\$30,000-39,999	602	13.2%	630	12.8%	664	12.8%	697	12.9%
\$40,000-49,999	327	7.2%	292	5.9%	289	5.6%	287	5.3%
\$50,000-59,999	201	4.4%	172	3.5%	176	3.4%	179	3.3%
\$60,000-74,999	263	5.7%	216	4.4%	223	4.3%	229	4.2%
\$75,000-99,999	249	5.5%	233	4.7%	233	4.5%	232	4.3%
\$100,000-	167	3.7%	123	2.5%	130	2.5%	136	2.5%
\$125,000-	118	2.6%	68	1.4%	70	1.3%	71	1.3%
\$150,000-	90	2.0%	58	1.2%	53	1.0%	49	0.9%
\$200,000+	74	1.6%	43	0.9%	41	0.8%	40	0.7%
Total	4,567	100.0%	4,922	100.0%	5,170	100.0%	5,402	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

Senior renter households with incomes between \$10,000 and \$29,999 represent almost 46 percent of the senior renter households in the PMA in 2014, and this share is expected to remain near this level through market entry.

Renter Households by Number of Persons in the Household

The following table illustrates household size for senior renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA

	2010		2014		Projected Mkt Entry February 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,404	52.7%	2,638	53.6%	2,783	53.8%	2,918	54.0%
With 2 Persons	1,143	25.0%	1,249	25.4%	1,303	25.2%	1,354	25.1%
With 3 Persons	329	7.2%	338	6.9%	365	7.1%	391	7.2%
With 4 Persons	371	8.1%	342	6.9%	344	6.7%	346	6.4%
With 5+ Persons	320	7.0%	356	7.2%	375	7.3%	393	7.3%
Total Renter	4,567	100.0%	4,922	100.0%	5,170	100.0%	5,402	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

Approximately 79 percent of senior renter households resided in a one to two-person household in the PMA in 2014. Over the next five years, this percentage is projected to remain relatively stable.

Conclusion

The senior population in the PMA increased at an annual rate of 2.4 percent from 2010 to 2014, and is expected to increase at a 2.3 percent annually, a rate that will lag just behind the growth rate nationally and in the SMA. The senior population growth occurring in the PMA is significantly outpacing total population growth. The same trend is the case for the senior population in the SMA. Between 2014 and market entry, senior households are expected to increase by 1.9 percent annually in the PMA. Senior renter households with incomes between \$10,000 and \$29,999 represent almost 46 percent of the senior renter households in the PMA in 2014, and this share is expected to remain near this level through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates.

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

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

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

2. Affordability

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

3. Minimum and Maximum Income Levels

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

Income Cohorts		
Unit Type	Minimum Income	Maximum Income
1BR 50%	\$16,290	\$23,200
2BR 50%	\$19,350	\$23,200
1BR 60%	\$17,850	\$27,840
2BR 60%	\$19,800	\$27,840
Overall	\$16,290	\$27,840

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2014 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2017. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. The Subject is rural and generally could typically attract as much as five percent or more of its support from homeowners seeking to downsize into a rental unit. We have considered the typical shares of support from homeowners in our calculations, while also being conservative in our projection so as not to overstate demand. We have used 1.8 percent as the support figure from senior homeowners in our demand calculation, which limits this component to less than 20 percent of the overall demand for the Subject in all calculations. A higher percentage of support from homeowners may be possible for the Subject, given the limited supply of LIHTC Senior options in the PMA. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2014 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to SCSHFDA, there are no recently opened senior LIHTC properties in the PMA and no senior properties are currently proposed or under construction in the PMA. Therefore, we have not removed any supply units from our demand analysis.

4 and 5. Method - Capture Rates

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

Renter Household Income Distribution 2014-2019							
Peachtree Senior Village							
PMA							
	2014		Projected Mkt Entry July 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	833	16.9%	927	17.8%	989	18.3%	15.7%
\$10,000-19,999	1,507	30.6%	1,610	30.9%	1,678	31.1%	10.2%
\$20,000-29,999	748	15.2%	788	15.1%	815	15.1%	8.2%
\$30,000-39,999	630	12.8%	670	12.9%	697	12.9%	9.6%
\$40,000-49,999	292	5.9%	289	5.5%	287	5.3%	-1.7%
\$50,000-59,999	172	3.5%	176	3.4%	179	3.3%	4.4%
\$60,000-74,999	216	4.4%	224	4.3%	229	4.2%	5.5%
\$75,000-99,999	233	4.7%	233	4.5%	232	4.3%	-0.5%
\$100,000-124,999	123	2.5%	131	2.5%	136	2.5%	10.0%
\$125,000-149,999	68	1.4%	70	1.3%	71	1.3%	3.6%
\$150,000-199,999	58	1.2%	52	1.0%	49	0.9%	-18.5%
\$200,000+	43	0.9%	41	0.8%	40	0.7%	-6.3%
Total	4,922	100.0%	5,210	100.0%	5,402	100.0%	8.9%

Households by Tenure Projected Mkt Entry July 2017		
	Number	Percentage
Renter	5,210	17.8%
Owner	24,142	82.2%
Total	29,352	100.0%

Renter Household Size for Projected Mkt Entry July 2017		
Size	Number	Percentage
1	2,806	53.86%
2	1,312	25.18%
3	369	7.09%
4	345	6.61%
5+	378	7.25%
Total	5,210	100%

50% AMI Demand

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

Percent of AMI Level		50%			
Minimum Income Limit		\$16,290			
Maximum Income Limit		\$23,200		2	
Income Category	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry February 2017			Renter Households within Bracket	
		Income Brackets	Percent within Cohort	Income Brackets	Percent within Cohort
\$0-9,999	43.78	17.7%		0.0%	0
\$10,000-19,999	76.43	30.9%	3,710	37.1%	28
\$20,000-29,999	37.49	15.1%	3,200	32.0%	12
\$30,000-39,999	31.83	12.8%		0.0%	0
\$40,000-49,999	13.87	5.6%		0.0%	0
\$50,000-59,999	8.41	3.4%		0.0%	0
\$60,000-74,999	10.68	4.3%		0.0%	0
\$75,000-99,999	11.15	4.5%		0.0%	0
\$100,000-124,999	6.21	2.5%		0.0%	0
\$125,000-149,999	3.33	1.3%		0.0%	0
\$150,000-199,999	2.53	1.0%		0.0%	0
\$200,000+	1.98	0.8%		0.0%	0
	248	100.0%			40
Percent of renter households within limits versus total number of renter households					16.29%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$16,290			
Maximum Income Limit		\$23,200		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry February 2017			Households within Bracket	
		Income Brackets	Percent within Cohort	Income Brackets	Percent within Cohort
\$0-9,999	914	17.7%		0.0%	0
\$10,000-19,999	1,595	30.9%	\$3,710	37.1%	592
\$20,000-29,999	783	15.1%	\$3,200	32.0%	250
\$30,000-39,999	664	12.8%		0.0%	0
\$40,000-49,999	289	5.6%		0.0%	0
\$50,000-59,999	176	3.4%		0.0%	0
\$60,000-74,999	223	4.3%		0.0%	0
\$75,000-99,999	233	4.5%		0.0%	0
\$100,000-124,999	130	2.5%		0.0%	0
\$125,000-149,999	70	1.3%		0.0%	0
\$150,000-199,999	53	1.0%		0.0%	0
\$200,000+	41	0.8%		0.0%	0
	5,170	100.0%			842
Percent of renter households within limits versus total number of renter households					16.29%

Does the Project Benefit from Rent Subsidy? (Y/N)
 Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2014 Median Income
 Change from 2014 to Prj Mrkt Entry February 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Rural
40%
\$37,468
\$42,978
\$5,510
14.7%
2.5%
2.5%
Two year adjustment
1.0000
\$23,200
\$23,200
2
50%
\$543
\$543.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	35%	65%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry February 2017

Income Target Population		50%
New Renter Households PMA		248
Percent Income Qualified		16.3%
New Renter Income Qualified Households		40

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

Demand from Existing Households 2014

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		5,170
Income Qualified		16.3%
Income Qualified Renter Households		842
Percent Rent Overburdened Prj Mrkt Entry February 2017		32.0%
Rent Overburdened Households		270

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		842
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		4

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		2919
Rural Versus Urban	1.8%	
Senior Demand Converting from Homeownership		53

Total Demand

Total Demand from Existing Households		327
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		327
Total New Demand		40
Total Demand (New Plus Existing Households)		367

Demand from Seniors Who Convert from Homeownership		53
Percent of Total Demand From Homeownership Conversion		14.3%
Is this Demand Over 2 percent of Total Demand?		Yes

By Bedroom Demand

One Person	53.8%	198
Two Persons	25.2%	93
Three Persons	7.1%	26
Four Persons	6.7%	24
Five Persons	7.3%	27
Total	100.0%	367

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	35%	69
Of two-person households in 1BR units	10%	9
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	65%	128
Of two-person households in 2BR units	90%	83
Of three-person households in 2BR units	60%	16
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	10
Of four-person households in 3BR units	80%	20
Of five-person households in 3BR units	70%	19
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	8
Total Demand		367

Total Demand by Bedroom	50%
1 BR	78
2 BR	212
Total Demand	290

Additions To Supply 2014 to Proj Mrkt Entry February 2017	50%
1 BR	0
2 BR	0
3 BR	0
4 BR	0
Total	0

Net Demand	50%
1 BR	78
2 BR	212
Total	290

Developer's Unit Mix	50%
1 BR	1
2 BR	8
Total	9

Capture Rate Analysis	50%
1 BR	1.3%
2 BR	3.8%
Total	3.1%

60% AMI Demand

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,850			
Maximum Income Limit		\$27,840		2	
Income Category	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry February 2017	Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	43.78		17.7%	0.0%	0
\$10,000-19,999	76.43	2,150	30.9%	21.5%	16
\$20,000-29,999	37.49	7,840	15.1%	78.4%	29
\$30,000-39,999	31.83		12.8%	0.0%	0
\$40,000-49,999	13.87		5.6%	0.0%	0
\$50,000-59,999	8.41		3.4%	0.0%	0
\$60,000-74,999	10.68		4.3%	0.0%	0
\$75,000-99,999	11.15		4.5%	0.0%	0
\$100,000-124,999	6.21		2.5%	0.0%	0
\$125,000-149,999	3.33		1.3%	0.0%	0
\$150,000-199,999	2.53		1.0%	0.0%	0
\$200,000+	1.98		0.8%	0.0%	0
	248		100.0%		46
Percent of renter households within limits versus total number of renter households					18.50%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$17,850			
Maximum Income Limit		\$27,840		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry February 2017	Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	914		17.7%	0.0%	0
\$10,000-19,999	1,595	\$2,150	30.9%	21.5%	343
\$20,000-29,999	783	\$7,840	15.1%	78.4%	614
\$30,000-39,999	664		12.8%	0.0%	0
\$40,000-49,999	289		5.6%	0.0%	0
\$50,000-59,999	176		3.4%	0.0%	0
\$60,000-74,999	223		4.3%	0.0%	0
\$75,000-99,999	233		4.5%	0.0%	0
\$100,000-124,999	130		2.5%	0.0%	0
\$125,000-149,999	70		1.3%	0.0%	0
\$150,000-199,999	53		1.0%	0.0%	0
\$200,000+	41		0.8%	0.0%	0
	5,170		100.0%		957
Percent of renter households within limits versus total number of renter households					18.50%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2014 Median Income

Change from 2014 to Prj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$37,468		
\$42,978		
\$5,510		
14.7%		
2.5%		
2.5%	Two year adjustment	1.0000
\$27,840		
\$27,840		
\$2		
60%		
\$595		
\$595.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	35%	65%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry February 2017

Income Target Population		60%
New Renter Households PMA		248
Percent Income Qualified		18.5%
New Renter Income Qualified Households		46

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

Demand from Existing Households 2014

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		5,170
Income Qualified		18.5%
Income Qualified Renter Households		957
Percent Rent Overburdened Prj Mrkt Entry February 2017		32.0%
Rent Overburdened Households		306

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		957
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		5

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		3992
Rural Versus Urban	1.8%	
Senior Demand Converting from Homeownership		72

Total Demand

Total Demand from Existing Households		383
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		383
Total New Demand		46
Total Demand (New Plus Existing Households)		429

Demand from Seniors Who Convert from Homeownership		72
Percent of Total Demand From Homeownership Conversion		16.7%
Is this Demand Over 2 percent of Total Demand?		Yes

By Bedroom Demand

One Person	53.8%	231
Two Persons	25.2%	108
Three Persons	7.1%	30
Four Persons	6.7%	29
Five Persons	7.3%	31
Total	100.0%	429

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	35%	81
Of two-person households in 1BR units	10%	11
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	65%	150
Of two-person households in 2BR units	90%	97
Of three-person households in 2BR units	60%	18
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	12
Of four-person households in 3BR units	80%	23
Of five-person households in 3BR units	70%	22
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	6
Of five-person households in 4BR units	30%	9
Total Demand		429

Total Demand by Bedroom	60%
1 BR	92
2 BR	247
Total Demand	339

Additions To Supply 2014 to Prj Mrkt Entry February 2017	60%
1 BR	0
2 BR	0
3 BR	0
4 BR	0
Total	0

Net Demand	60%
1 BR	92
2 BR	247
Total	339

Developer's Unit Mix	60%
1 BR	3
2 BR	28
Total	31

Capture Rate Analysis	60%
1 BR	3.3%
2 BR	11.3%
Total	9.1%

Overall Demand

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$16,290			
Maximum Income Limit			\$27,840			
	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry February 2017				Renter Households within Bracket	
Income Category			Income Brackets	Percent within Cohort		
\$0-9,999	43.78	17.7%		0.0%	0	
\$10,000-19,999	76.43	30.9%	3,710	37.1%	28	
\$20,000-29,999	37.49	15.1%	7,840	78.4%	29	
\$30,000-39,999	31.83	12.8%		0.0%	0	
\$40,000-49,999	13.87	5.6%		0.0%	0	
\$50,000-59,999	8.41	3.4%		0.0%	0	
\$60,000-74,999	10.68	4.3%		0.0%	0	
\$75,000-99,999	11.15	4.5%		0.0%	0	
\$100,000-124,999	6.21	2.5%		0.0%	0	
\$125,000-149,999	3.33	1.3%		0.0%	0	
\$150,000-199,999	2.53	1.0%		0.0%	0	
\$200,000+	1.98	0.8%		0.0%	0	
	248	100.0%			58	
Percent of renter households within limits versus total number of renter households			23.32%			

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$16,290			
Maximum Income Limit			\$27,840			
	Total Renter Households PMA Prj Mrkt Entry February 2017				Households within Bracket	
Income Category			Income Brackets	Percent within Cohort		
\$0-9,999	914	17.7%		0.0%	0	
\$10,000-19,999	1,595	30.9%	\$3,710	37.1%	592	
\$20,000-29,999	783	15.1%	\$7,840	78.4%	614	
\$30,000-39,999	664	12.8%		0.0%	0	
\$40,000-49,999	289	5.6%		0.0%	0	
\$50,000-59,999	176	3.4%		0.0%	0	
\$60,000-74,999	223	4.3%		0.0%	0	
\$75,000-99,999	233	4.5%		0.0%	0	
\$100,000-124,999	130	2.5%		0.0%	0	
\$125,000-149,999	70	1.3%		0.0%	0	
\$150,000-199,999	53	1.0%		0.0%	0	
\$200,000+	41	0.8%		0.0%	0	
	5,170	100.0%			1,206	
Percent of renter households within limits versus total number of renter households			23.32%			

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2014 Median Income

Change from 2014 to Prj Mrkt Entry February 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Rural		
40%		
\$37,468		
\$42,978		
\$5,510		
14.7%		
2.5%		
2.5%	Two year adjustment	1.0000
\$27,840		
\$27,840		
2		
Overall		
\$543		
\$543.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	35%	65%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry February 2017

Income Target Population		Overall
New Renter Households PMA		248
Percent Income Qualified		23.3%
New Renter Income Qualified Households		58

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

Demand from Existing Households 2014

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		5,170
Income Qualified		23.3%
Income Qualified Renter Households		1,206
Percent Rent Overburdened Prj Mrkt Entry February 2017		32.0%
Rent Overburdened Households		386

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,206
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		4720
Rural Versus Urban	1.8%	
Senior Demand Converting from Homeownership		85

Total Demand

Total Demand from Existing Households		477
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		477
Total New Demand		58
Total Demand (New Plus Existing Households)		535

Demand from Seniors Who Convert from Homeownership		85
Percent of Total Demand From Homeownership Conversion		15.9%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	53.8%	288
Two Persons	25.2%	135
Three Persons	7.1%	38
Four Persons	6.7%	36
Five Persons	7.3%	39
Total	100.0%	535

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	35%	101
Of two-person households in 1BR units	10%	13
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	65%	187
Of two-person households in 2BR units	90%	121
Of three-person households in 2BR units	60%	23
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	80%	28
Of five-person households in 3BR units	70%	27
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	7
Of five-person households in 4BR units	30%	12
Total Demand		535

Total Demand by Bedroom	Overall
1 BR	114
2 BR	309
Total Demand	423

Additions To Supply 2014 to Prj Mrkt Entry February 2017	Overall
1 BR	0
2 BR	0
3 BR	0
4 BR	0
Total	0

Net Demand	Overall
1 BR	114
2 BR	309
Total	423

Developer's Unit Mix	Overall
1 BR	4
2 BR	36
Total	40

Capture Rate Analysis	Overall
1 BR	3.5%
2 BR	11.7%
Total	9.5%

Conclusions

One factor that affects the indicated capture rates is detailed as follows:

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 15 percent of residents are from the areas of upstate South Carolina outside the PMA, including communities such as Greenville, Spartanburg, and Anderson. Therefore, we conservatively estimate that approximately 10 to 15 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

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

Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	40	46	58
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	5	6
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	270	306	386
=			
Sub Total	315	357	450
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	53	72	85
Equals Total Demand	367	429	535
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	367	429	535

Note that the above *Demand and Net Demand* estimates include all income-eligible renter households. These estimates are then adjusted to reflect only the size-appropriate households by bedroom type in the following *Capture Rate Analysis*.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand*	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	78	0	78	1	1.3%
1BR at 60% AMI	92	0	92	3	3.3%
2BR at 50% AMI	212	0	212	8	3.8%
2BR at 60% AMI	247	0	247	28	11.3%
Overall 50% AMI	290	0	290	9	3.1%
Overall 60% AMI	339	0	339	31	9.1%
Overall	423	0	423	40	9.5%

*Note the demand totals have been refined to only include size-appropriate households

As the analysis illustrates, the Subject’s capture rates vary from 1.3 percent for one-bedroom units at 50 percent AMI to 11.3 percent for two-bedroom units at 60 percent AMI, with an overall capture rate of 9.5 percent. The Subject’s capture rates are all well within acceptable demand thresholds and we believe that there is ample demand for the Subject’s units.

Absorption Rate

The newest LIHTC property in the PMA, Pope Field Terrace, opened in 2013 and is a family project. Management at this property could not provide lease-up history. However, we were able to gather lease-up history for two senior properties built in 2006 and 2008. Companion at Horton Farms opened in 2008 and averaged an absorption rate of five units per month. Kingston Pointe Phase I & II averaged an absorption rate of 10 units per month when it opened in 2006. These are moderate to good lease-up rates for senior LIHTC apartments. With the growing demographic base of seniors in the PMA and the general limited supply of affordable senior housing, we believe the Subject should be able to experience an absorption rate within the range of what other LIHTC communities have experienced. The LIHTC comparables report no vacancies and most maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number of age and income-qualified households, we believe that the Subject could absorb approximately seven to eight units per month upon opening. This equals an absorption period of five months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

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

The following table illustrates the excluded properties and the vacancy rates, where they were available, for the excluded properties.

EXCLUDED PROPERTIES LIST

Property Name	City	Type	Tenancy	Reason for Exclusion	Units	3/15 Vacancy Rate
Falls Landing Apartments	Clemson	LIHTC	Family	Different Tenancy	76	N/A
Sterling Woods Apartments	Clemson	LIHTC	Family	Different Tenancy	70	6%
Creekside Apartments	Easley	LIHTC	Family	Different Tenancy	132	2%
Park West Apartments	Easley	LIHTC	Family	Different Tenancy	60	N/A
Pendleton Gardens	Pendleton	LIHTC/Section 8	Family	Assisted Rents	50	0%
Ridgeview Apartments	Pickens	LIHTC/Rural Development	Family	Assisted Rents	24	0%
Ridgecrest Apartments	Central	Rural Development	Family	Assisted Rents	46	0%
Forest View Apartments	Liberty	Rural Development	Family	Assisted Rents	44	0%
Westfield Apartments	Liberty	Rural Development	Family	Assisted Rents	40	N/A
Pickens Apartments	Pickens	Rural Development	Family	Assisted Rents	24	N/A
American Legion Senior Apartments	Easley	Section 8	Senior	Assisted Rents	24	0%
William H. Farr Memorial Apartments	Easley	Section 8	Senior	Assisted Rents	40	0%
Edgewood Square	Pendleton	Section 8	Family	Assisted Rents	96	N/A
Pickens Gardens	Pickens	Section 8	Family	Assisted Rents	77	0%
Total LIHTC Only					345	3.5%*
Total Assisted					465	0.0%*
Total All Affordable					810	1.4%*

*Vacancy rates calculated using only properties reporting vacancy information.

N/A – Not available

LIHTC Competition

Berea Heights is a family LIHTC project allocated in 2014 located on the eastern fringe of the PMA in Berea, west of Greenville. This project will include 12 two-bedroom and 24 three-bedroom units targeting renter households with incomes of up to 60 percent AMI. The new construction project is expected to open in spring 2016. As a family project with primarily three-bedroom units, it will not compete with the Subject for senior renter households.

Aberdeen Chase, located 5.8 miles from the Subject at 510 South Pendleton Street in Easley, will offer 27 two or three-bedroom units when it is completed in 2016. This project was allocated in 2014 and will include 15 two-bedroom units and 12 three-bedroom units targeting up to 60 percent AMI. As a family development, we would expect limited to no competition between this project and the Subject senior project.

Cedar Brook Townhomes is a project for families that targets up to 60 percent AMI. The relatively new project includes four two-bedroom units, 31 three-bedroom units, and four, four-bedroom units. The project is located 6.7 miles from the Subject site at 120 Beverly Drive in Easley and with its townhome style units, does not attract seniors. As such, this project is not competitive with the Subject.

Pope Field Terrace is a family development located at 505 Pope Field Road in Easley. This development was allocated in 2012 and opened in 2013. It is fully occupied with no vacancies. As a family development, it attracts only a limited number (less than 20 percent) of older adult households, mainly due to the limited supply of senior LIHTC units in the PMA. Pope Field Terrace has 12 one-bedroom units, 28 two-bedroom units and 16 three-bedroom units that target up to 60 percent AMI. Since this property targets families and was opened in 2013, it has been excluded from our demand analysis. However, as the newest apartment property in the PMA with one and two-bedroom units, we have included this property as a comparable to illustrate demand for the most modern area apartments and provide insight into rents being achieved at the newest project.

Pendleton Gardens was a 2011 acquisition/rehabilitation project allocation in Pendleton, in the southwest portion of the PMA. This project 50-unit property operates under the LIHTC and Section 8 programs, and generally maintains full occupancy. The property has a mix of one through four-bedroom units. Since the property operates with a subsidy and targets families, it is not competitive with the Subject.

Pipeline Construction

As mentioned previously, Aberdeen Chase in Easley is a planned family LIHTC project in Easley. This project is expected to be open by spring 2016. It will feature 15 two-bedroom units and 12 three-bedroom units targeting up to 60 percent AMI. This planned project will not compete directly with the site for senior households, and as such has been excluded from demand calculations as new comparable supply. Berea Heights is a family LIHTC project allocated in 2014 located in Berea, west of Greenville and on the fringe of the PMA. This project will include 12 two-bedroom and 24 three-bedroom units targeting renter households with incomes of up to 60 percent AMI. The new construction project is expected to open in 2016. As a family project with primarily three-bedroom units, it will not compete with the Subject for senior renter households, and as such is also excluded as supply from our demand calculations, which only consider support from senior income-appropriate households. There are no other new developments in the construction pipeline within the PMA based on our interviews with planning or community development departments in Pickens County, Greenville County, Pendleton, Easley, and Clemson.

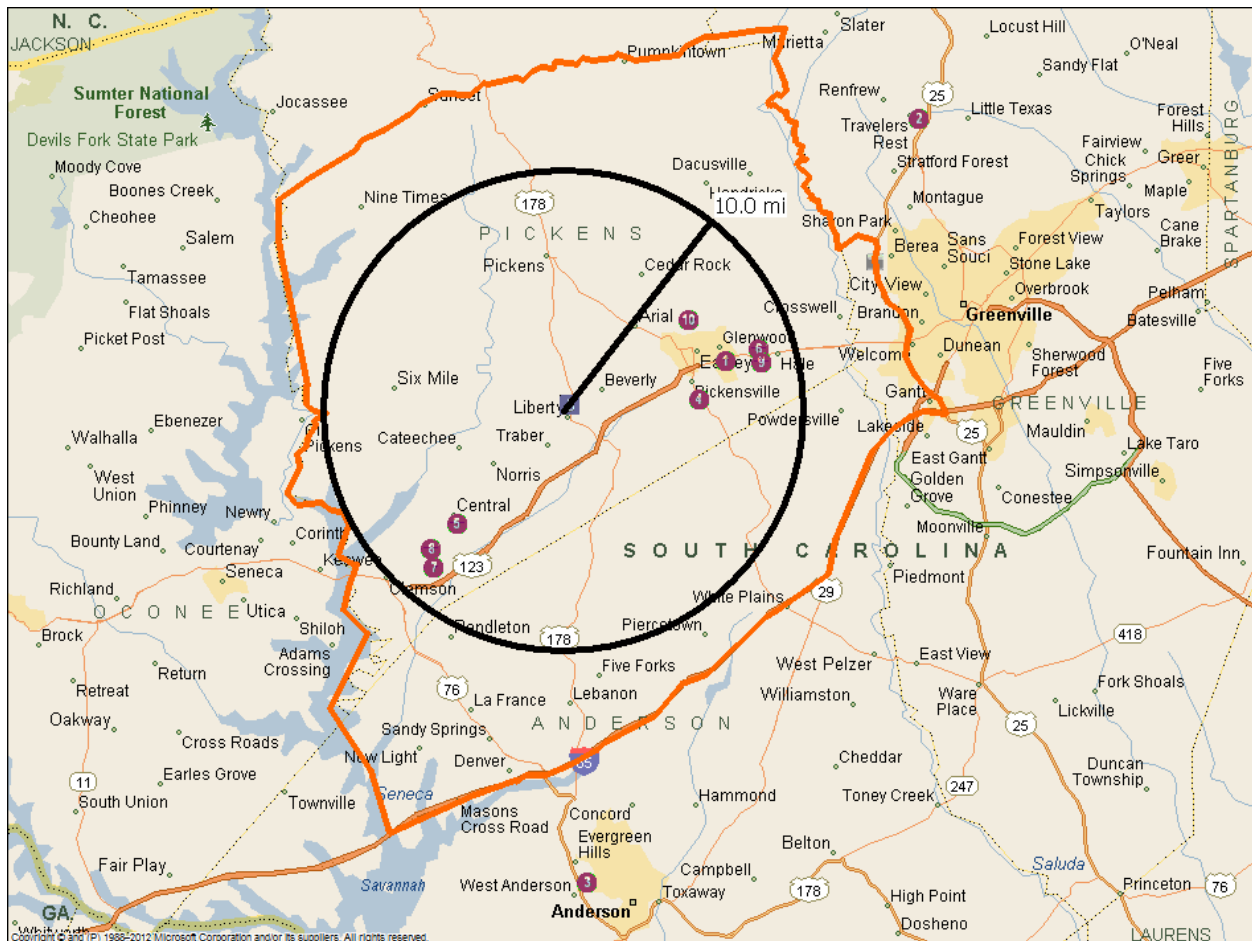
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 10 “true” comparable properties containing 1,146 units.

The availability of LIHTC data in the PMA and specifically in the Liberty area was limited and, therefore, we extended our search for comparable LIHTC properties into Greenville and Anderson Counties. Of the LIHTC comparables, one is in Travelers Rest (outside PMA), one is in Anderson (outside PMA), two are in Easley, and one is in Central. Note that since the Subject will offer no rental assistance, we have excluded subsidized or Rural Development properties from the analysis of “true” comparables. Vacancy rate data was presented earlier in this section for these properties with assisted rents. Market data available for market rate apartments in the PMA is considered average. We were able to identify five market rate properties from within the PMA in Easley and Central as comparables.

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

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance to Subject
1	Companion At Horton Farms	Easley	LIHTC	7.1 miles
2	Harmony Ridge Apartments	Travelers Rest	LIHTC	18.9 miles
3	Kingston Pointe Phase I & II	Anderson	LIHTC	19.5 miles
4	Pope Field Terrace	Easley	LIHTC	5.6 miles
5	Timberland Crossing	Central	LIHTC	6.4 miles
6	Auston Woods Apartments	Easley	Market	8.5 miles
7	Heritage Pointe	Central	Market	8.5 miles
8	Hunters Glen Apartments	Central	Market	8.3 miles
9	Shadowbrook Apartments	Easley	Market	8.4 miles
10	Waterford Apartments	Easley	Market	6.3 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Peachtree Senior Village North Peachtree Street Liberty, SC 29657 Pickens County	n/a	One-story (age-restricted) 2017 / n/a	@50%, @60%	1BR / 1BA	1	2.5%	@50%	\$423	750	n/a	N/A	N/A	N/A
					1BR / 1BA	3	7.5%	@60%	\$475	750	n/a	N/A	N/A	N/A
					2BR / 2BA	8	20.0%	@50%	\$490	950	n/a	N/A	N/A	N/A
					2BR / 2BA	28	70.0%	@60%	\$505	950	n/a	N/A	N/A	N/A
					40	100.0%						N/A	N/A	
1	Companion At Horton Farms 201 Walnut Hill Drive Easley, SC 29642 Pickens County	7.1 miles	Midrise (age-restricted) (3 stories) 2008 / n/a	@50%, @60%	1BR / 1BA	12	30.0%	@50%	\$421	713	no	Yes	0	0.0%
					1BR / 1BA	12	30.0%	@60%	\$488	713	no	Yes	0	0.0%
					2BR / 2BA	8	20.0%	@50%	\$493	907	no	Yes	0	0.0%
					2BR / 2BA	8	20.0%	@60%	\$565	907	no	Yes	0	0.0%
					40	100.0%						0	0.0%	
2	Harmony Ridge Apartments 49 Brookside Drive Travelers Rest, SC 29690 Greenville County	18.9 miles	Garden (age-restricted) 2001 / n/a	@50%, @60%	1BR / 1BA	15	37.5%	@50%	\$356	680	yes	Yes	0	0.0%
					1BR / 1BA	15	37.5%	@60%	\$423	680	yes	Yes	0	0.0%
					2BR / 2BA	5	12.5%	@50%	\$500	838	yes	Yes	0	0.0%
					2BR / 2BA	5	12.5%	@60%	\$578	838	yes	Yes	0	0.0%
					40	100.0%						0	0.0%	
3	Kingston Pointe Phase I & II 101 Fyffe Dr. Anderson, SC 29625 Anderson County	19.5 miles	Garden (age-restricted) (2 stories) 2006 / n/a	@50%, @60%	1BR / 1BA	7	7.6%	@50%	\$368	768	yes	Yes	0	0.0%
					1BR / 1BA	14	15.2%	@60%	\$393	768	yes	Yes	0	0.0%
					2BR / 2BA	25	27.2%	@50%	\$457	976	yes	Yes	0	0.0%
					2BR / 2BA	46	50.0%	@60%	\$465	976	yes	Yes	0	0.0%
					92	100.0%						0	0.0%	
4	Pope Field Terrace 505 Pope Field Terrace Rd & Pearson Rd Easley, SC 29642 Pickens County	5.6 miles	Garden (2 stories) 2013 / n/a	@50%, @60%	1BR / 1BA	6	10.7%	@50%	\$379	852	yes	Yes	0	0.0%
					1BR / 1BA	6	10.7%	@60%	\$429	852	yes	Yes	0	0.0%
					2BR / 2BA	14	25.0%	@50%	\$439	1,103	yes	Yes	0	0.0%
					2BR / 2BA	14	25.0%	@60%	\$479	1,103	yes	Yes	0	0.0%
					5	8.9%	@50%	\$489	1,254	yes	Yes	0	0.0%	
					11	19.6%	@60%	\$539	1,254	yes	Yes	0	0.0%	
					56	100.0%						0	0.0%	
5	Timberland Crossing Whispering Maple Drive Central, SC 29630 Pickens County	6.4 miles	One-story (age-restricted) 1999 / n/a	@60%	1BR / 1BA	48	66.7%	@60%	\$400	590	no	Yes	0	0.0%
					2BR / 1BA	24	33.3%	@60%	\$469	780	no	Yes	0	0.0%
						72	100.0%							0
6	Auston Woods Apartments 107 Auston Woods Circle Easley, SC 29640 Pickens County	8.5 miles	Garden (3 stories) 2007 / n/a	Market	1BR / 1BA	48	24.7%	Market	\$580	696	n/a	No	1	2.1%
					1BR / 1BA	27	13.9%	Market	\$625	821	n/a	No	1	3.7%
					2BR / 2BA	56	28.9%	Market	\$690	904	n/a	No	2	3.6%
					2BR / 2BA	36	18.6%	Market	\$740	1,029	n/a	No	0	0.0%
					27	13.9%	Market	\$825	1,451	n/a	Yes	0	0.0%	
					194	100.0%						4	2.1%	
7	Heritage Pointe 811 Issaqueena Trail Central, SC 29630 Pickens County	8.5 miles	Garden (2 stories) 1990 / n/a	Market	1BR / 1BA	56	31.8%	Market	\$515	470	n/a	No	0	0.0%
					2BR / 1BA	120	68.2%	Market	\$575	650	n/a	No	0	0.0%
						176	100.0%							0
8	Hunters Glen Apartments 854 Issaqueena Trail Central, SC 29630 Pickens County	8.3 miles	Garden 1984 / n/a	Market	1BR / 1BA	14	14.0%	Market	\$593	690	n/a	No	0	0.0%
					2BR / 2BA	60	60.0%	Market	\$715	990	n/a	No	2	3.3%
					3BR / 2BA	26	26.0%	Market	\$858	1,100	n/a	No	0	0.0%
					100	100.0%						2	2.0%	
9	Shadowbrook Apartments 219 Andrea Circle Easley, SC 29642 Pickens County	8.4 miles	Garden (2 stories) 1996 / n/a	Market	1BR / 1BA	56	22.6%	Market	\$615	930	n/a	Yes	0	0.0%
					2BR / 2BA	156	62.9%	Market	\$725	1,200	n/a	Yes	0	0.0%
					3BR / 2BA	36	14.5%	Market	\$810	1,475	n/a	Yes	0	0.0%
					248	100.0%						0	0.0%	
10	Waterford Apartments 122 Riverstone Court Easley, SC 29640 Pickens County	6.3 miles	Garden (2 stories) Early 1990s / n/a	Market	2BR / 2BA	128	100.0%	Market	\$581	1,000	n/a	No	0	0.0%
						128	100.0%							0

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

		Units Surveyed:	1,146			Weighted Occupancy:	99.5%	
		Market Rate	846			Market Rate	99.3%	
		Tax Credit	300			Tax Credit	100.0%	
One Bedroom One Bath				Two Bedrooms Two Bath				
	Property	Average		Property	Average			
RENT	Auston Woods Apartments	\$625		Auston Woods Apartments	\$740			
	Shadowbrook Apartments	\$615		Shadowbrook Apartments	\$725			
	Hunters Glen Apartments	\$593		Hunters Glen Apartments	\$715			
	Auston Woods Apartments	\$580		Auston Woods Apartments	\$690			
	Heritage Pointe	\$515		Waterford Apartments	\$581			
	Companion At Horton Farms * (60%)	\$488		Harmony Ridge Apartments * (60%)	\$578			
	Peachtree Senior Village * (60%)	\$475		Heritage Pointe (1BA)	\$575			
	Pope Field Terrace * (60%)	\$429		Companion At Horton Farms * (60%)	\$565			
	Harmony Ridge Apartments * (60%)	\$423		Peachtree Senior Village * (60%)	\$505			
	Peachtree Senior Village * (50%)	\$423		Harmony Ridge Apartments * (50%)	\$500			
	Companion At Horton Farms * (50%)	\$421		Companion At Horton Farms * (50%)	\$493			
	Timberland Crossing * (60%)	\$400		Peachtree Senior Village * (50%)	\$490			
	Kingston Pointe Phase I & II * (60%)	\$393		Pope Field Terrace * (60%)	\$479			
	Pope Field Terrace * (50%)	\$379		Timberland Crossing * (1BA 60%)	\$469			
	Kingston Pointe Phase I & II * (50%)	\$368		Kingston Pointe Phase I & II * (60%)	\$465			
	Harmony Ridge Apartments * (50%)	\$356		Kingston Pointe Phase I & II * (50%)	\$457			
				Pope Field Terrace * (50%)	\$439			
	SQUARE FOOTAGE	Shadowbrook Apartments	930		Shadowbrook Apartments	1,200		
		Pope Field Terrace * (50%)	852		Pope Field Terrace * (50%)	1,103		
		Pope Field Terrace * (60%)	852		Pope Field Terrace * (60%)	1,103		
Auston Woods Apartments		821		Auston Woods Apartments	1,029			
Kingston Pointe Phase I & II * (50%)		768		Waterford Apartments	1,000			
Kingston Pointe Phase I & II * (60%)		768		Hunters Glen Apartments	990			
Peachtree Senior Village * (50%)		750		Kingston Pointe Phase I & II * (50%)	976			
Peachtree Senior Village * (60%)		750		Kingston Pointe Phase I & II * (60%)	976			
Companion At Horton Farms * (50%)		713		Peachtree Senior Village * (50%)	950			
Companion At Horton Farms * (60%)		713		Peachtree Senior Village * (60%)	950			
Auston Woods Apartments		696		Companion At Horton Farms * (50%)	907			
Hunters Glen Apartments		690		Companion At Horton Farms * (60%)	907			
Harmony Ridge Apartments * (50%)		680		Auston Woods Apartments	904			
Harmony Ridge Apartments * (60%)		680		Harmony Ridge Apartments * (50%)	838			
Timberland Crossing * (60%)		590		Harmony Ridge Apartments * (60%)	838			
Heritage Pointe		470		Timberland Crossing * (1BA 60%)	780			
				Heritage Pointe (1BA)	650			
RENT PER SQUARE FOOT		Heritage Pointe	\$1.10		Heritage Pointe (1BA)	\$0.88		
		Hunters Glen Apartments	\$0.86		Auston Woods Apartments	\$0.76		
		Auston Woods Apartments	\$0.83		Hunters Glen Apartments	\$0.72		
	Auston Woods Apartments	\$0.76		Auston Woods Apartments	\$0.72			
	Companion At Horton Farms * (60%)	\$0.68		Harmony Ridge Apartments * (60%)	\$0.69			
	Timberland Crossing * (60%)	\$0.68		Companion At Horton Farms * (60%)	\$0.62			
	Shadowbrook Apartments	\$0.66		Shadowbrook Apartments	\$0.60			
	Peachtree Senior Village * (60%)	\$0.63		Timberland Crossing * (1BA 60%)	\$0.60			
	Harmony Ridge Apartments * (60%)	\$0.62		Harmony Ridge Apartments * (50%)	\$0.60			
	Companion At Horton Farms * (50%)	\$0.59		Waterford Apartments	\$0.58			
	Peachtree Senior Village * (50%)	\$0.56		Companion At Horton Farms * (50%)	\$0.54			
	Harmony Ridge Apartments * (50%)	\$0.52		Peachtree Senior Village * (60%)	\$0.53			
	Kingston Pointe Phase I & II * (60%)	\$0.51		Peachtree Senior Village * (50%)	\$0.52			
	Pope Field Terrace * (60%)	\$0.50		Kingston Pointe Phase I & II * (60%)	\$0.48			
	Kingston Pointe Phase I & II * (50%)	\$0.48		Kingston Pointe Phase I & II * (50%)	\$0.47			
Pope Field Terrace * (50%)	\$0.44		Pope Field Terrace * (60%)	\$0.43				
			Pope Field Terrace * (50%)	\$0.40				

UNIT MATRIX REPORT

Comp #	Peachtree Senior Village	Companion At Horton Farms	Harmony Ridge Apartments	Kingston Pointe Phase I & II	Pope Field Terrace	Timberland Crossing	Auston Woods Apartments	Heritage Pointe	Hunters Glen Apartments	Shadowbrook Apartments	Waterford Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	One-story (age-restricted)	Midrise (age-restricted) (3 stories)	Garden (age-restricted)	Garden (age-restricted) (2 stories)	Garden (2 stories)	One-story (age-restricted)	Garden (3 stories)	Garden (2 stories)	Garden	Garden (2 stories)	Garden (2 stories)
Year Built / Renovated	2017 / n/a	2008 / n/a	2001 / n/a	2006 / n/a	2013 / n/a	1999 / n/a	2007 / n/a	1990 / n/a	1984 / n/a	1996 / n/a	Early 1990s / n/a
Market (Conv.)/Subsidy Type	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	@60%	Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	yes	no	yes	no	no	yes	no	yes
Sewer	no	yes	yes	yes	no	yes	no	no	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities											
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	yes	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	yes	yes	no	no	yes	yes	no	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	yes	no	no	yes	no
Ceiling Fan	yes	yes	yes	yes	yes	no	no	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	yes	no	no
Garbage Disposal	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	no	yes	yes	no	no	yes	no	no	no	no	no
Microwave	yes	no	yes	yes	yes	no	no	no	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	yes	no	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	yes
Walk-In Closet	no	yes	no	no	no	yes	yes	yes	no	yes	yes
Washer/Dryer hookup	yes	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	yes	no	yes	no	no	yes	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	no	yes	yes	no	yes	yes	yes	no	no
Elevators	no	yes	yes	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	no	yes	yes	no	yes	no	yes	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no
Neighborhood Network	no	no	no	yes	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	yes	no	no	no	no	yes	no
Playground	no	no	no	no	yes	no	no	no	no	no	no
Recreation Areas	yes	no	no	no	no	no	no	no	no	no	no
Service Coordination	no	yes	no	no	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	yes	yes	no	no
Services											
Shuttle Service	no	no	no	no	no	yes	no	no	no	no	no
Security											
Video Surveillance	no	no	no	no	no	no	no	no	no	yes	no
Premium Amenities											
Other Amenities											
Other	Library, Crafts Room	Gazebo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2 swimming pools	n/a

PROPERTY PROFILE REPORT

Companion At Horton Farms

Effective Rent Date	3/13/2015
Location	201 Walnut Hill Drive Easley, SC 29642 Pickens County
Distance	7.1 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Aged 55 and older; 70 percent from local area, 30 percent from surrounding towns
Contact Name	Becky
Phone	843-377-0572



Market Information

Program	@50%, @60%
Annual Turnover Rate	3%
Units/Month Absorbed	5
HCV Tenants	30%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	12	713	\$477	\$0	@50%	Yes	0	0.0%	no	None
1	1	Midrise (3 stories)	12	713	\$544	\$0	@60%	Yes	0	0.0%	no	None
2	2	Midrise (3 stories)	8	907	\$562	\$0	@50%	Yes	0	0.0%	no	None
2	2	Midrise (3 stories)	8	907	\$634	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$477	\$0	\$477	-\$56	\$421	1BR / 1BA	\$544	\$0	\$544	-\$56	\$488
2BR / 2BA	\$562	\$0	\$562	-\$69	\$493	2BR / 2BA	\$634	\$0	\$634	-\$69	\$565

Companion At Horton Farms, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Hand Rails
Pull Cords
Walk-In Closet

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

Security

None

Services

None

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Service Coordination

Premium

None

Other

Gazebo

Comments

Management reported that the property maintains a waiting list that is five households long. The property is fully occupied, which is reported as typical. Management indicated that the property maintains a low turnover ratio, as the units remain in strong demand and most tenants are long-term residents. The contact estimated 70 percent of tenants from the local area and 30 percent relocating from other cities and towns in South Carolina. The property offers one parking space per unit. Management was unable to comment on the parking utilization rate at the property.

PROPERTY PROFILE REPORT

Harmony Ridge Apartments

Effective Rent Date 3/12/2015
Location 49 Brookside Drive
 Travelers Rest, SC 29690
 Greenville County
Distance 18.9 miles
Units 40
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (age-restricted)
Year Built/Renovated 2001 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors See Comments
Tenant Characteristics 55 + Seniors and handicapped/disabled.
Contact Name Property Manager
Phone 864.610.9222



Market Information

Program @50%, @60%
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 15%
Leasing Pace Within one month
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	15	680	\$412	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden	15	680	\$479	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden	5	838	\$569	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	5	838	\$647	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$412	\$0	\$412	-\$56	\$356	1BR / 1BA	\$479	\$0	\$479	-\$56	\$423
2BR / 2BA	\$569	\$0	\$569	-\$69	\$500	2BR / 2BA	\$647	\$0	\$647	-\$69	\$578

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Exterior Storage
 Garbage Disposal
 Microwave
 Pull Cords
 Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Hand Rails
 Oven
 Refrigerator

Security

None

Services

None

Property

Elevators
 Off-Street Parking
 Central Laundry
 On-Site Management

Premium

None

Other

None

Harmony Ridge Apartments, continued

Comments

Management reported that the property maintains a waiting list that is approximately nine households long. The property offers 80 parking spaces. The contact reported that approximately 50 percent of the spaces at the property are utilized. Most tenants are reported to be from the local area. Management reported that occupancy is typical for the winter season and that the property remains close to fully occupied, as the demand for the units remains strong. The contact reported that the rents have not increased within the last 12 months, but reported that an increase is expected in April 2015.

PROPERTY PROFILE REPORT

Kingston Pointe Phase I & II

Effective Rent Date	3/19/2015
Location	101 Fyffe Dr. Anderson, SC 29625 Anderson County
Distance	19.5 miles
Units	92
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (age-restricted) (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	5/01/2006
Last Unit Leased	9/15/2006
Major Competitors	Heatherwood and Park on Market
Tenant Characteristics	seniors, avg age is 65, avg 1 person per HH, most retired living on fixed income, some only social security; 5-10% previous homeowners
Contact Name	Wendy
Phone	864-224-6501



Market Information

Program	@50%, @60%
Annual Turnover Rate	4%
Units/Month Absorbed	10 units a month
HCV Tenants	26%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased
Concession	none

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	768	\$424	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	14	768	\$449	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	25	976	\$526	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	46	976	\$534	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$424	\$0	\$424	-\$56	\$368	1BR / 1BA	\$449	\$0	\$449	-\$56	\$393
2BR / 2BA	\$526	\$0	\$526	-\$69	\$457	2BR / 2BA	\$534	\$0	\$534	-\$69	\$465

Kingston Pointe Phase I & II, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Neighborhood Network
On-Site Management

Clubhouse/Meeting
Central Laundry
Off-Street Parking

Premium

None

Other

None

Comments

Management reported that the property is currently fully occupied and maintains a waiting list that has 80 households on it. The property offers one parking space per unit. Management was unable to comment on the parking utilization rate at the property. The contact reported that there is a strong demand for affordable housing for seniors in the local area. Since our last interview in 2011, rents have increased between three and 13 percent.

PROPERTY PROFILE REPORT

Pope Field Terrace

Effective Rent Date	3/11/2015
Location	505 Pope Field Terrace Rd & Pearson Rd Easley, SC 29642 Pickens County
Distance	5.6 miles
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mix of families and seniors (20%) from the local area
Contact Name	Leasing Agent
Phone	864-859-7747



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased five to eight percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	6	852	\$379	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	6	852	\$429	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	14	1,103	\$439	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	14	1,103	\$479	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	5	1,254	\$489	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	11	1,254	\$539	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$379	\$0	\$379	\$0	\$379	1BR / 1BA	\$429	\$0	\$429	\$0	\$429
2BR / 2BA	\$439	\$0	\$439	\$0	\$439	2BR / 2BA	\$479	\$0	\$479	\$0	\$479
3BR / 2BA	\$489	\$0	\$489	\$0	\$489	3BR / 2BA	\$539	\$0	\$539	\$0	\$539

Pope Field Terrace, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

Management reported that the property opened in 2013 and was fully occupied within one week. The contact noted that the demand for affordable housing in the area is strong. The property currently maintains a waiting list that is 800 households long. Management estimated that the property offers two parking spaces per unit.

PROPERTY PROFILE REPORT

Timberland Crossing

Effective Rent Date	3/19/2015
Location	Whispering Maple Drive Central, SC 29630 Pickens County
Distance	6.4 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story (age-restricted)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	average age is 75, most do not work, mostly widows
Contact Name	Becky
Phone	864.639.0717



Market Information

Program	@60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	44%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	48	590	\$456	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	24	780	\$538	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$456	\$0	\$456	-\$56	\$400
2BR / 1BA	\$538	\$0	\$538	-\$69	\$469

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Garbage Disposal
Hand Rails	Oven
Pull Cords	Refrigerator
Walk-In Closet	Washer/Dryer hookup

Security

None

Services

Shuttle Service

Property

Central Laundry	Off-Street Parking
On-Site Management	

Premium

None

Other

None

Comments

Management reported that the property is fully occupied and rarely experiences turnover, as there is a strong demand for affordable housing for seniors in the local area. The property maintains a waiting list that is approximately three months long. Since our last interview in 2011, rents have not increased at the property. Management reported that the property offers two parking spaces per unit.

PROPERTY PROFILE REPORT

Auston Woods Apartments

Effective Rent Date	3/13/2015
Location	107 Auston Woods Circle Easley, SC 29640 Pickens County
Distance	8.5 miles
Units	194
Vacant Units	4
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	12/01/2006
Leasing Began	3/01/2007
Last Unit Leased	1/20/2008
Major Competitors	Shadowbrook Apartments
Tenant Characteristics	Mixed tenancy of singles, families, couples, professionals, seniors (<10%)
Contact Name	Jessica
Phone	864-859-3050



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased; within one week
Annual Chg. in Rent	Increased three to six percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	696	\$580	\$0	Market	No	1	2.1%	N/A	LOW
1	1	Garden (3 stories)	27	821	\$625	\$0	Market	No	1	3.7%	N/A	LOW
2	2	Garden (3 stories)	56	904	\$690	\$0	Market	No	2	3.6%	N/A	LOW
2	2	Garden (3 stories)	36	1,029	\$740	\$0	Market	No	0	0.0%	N/A	LOW
3	2	Garden (3 stories)	27	1,451	\$825	\$0	Market	Yes	0	0.0%	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$580 - \$625	\$0	\$580 - \$625	\$0	\$580 - \$625
2BR / 2BA	\$690 - \$740	\$0	\$690 - \$740	\$0	\$690 - \$740
3BR / 2BA	\$825	\$0	\$825	\$0	\$825

Auston Woods Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Swimming Pool

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

Management reported that the property is 98 percent occupied and 98 percent pre-leased. The property maintains a waiting list for its three-bedroom units that is currently 15 households long. The contact indicated that the property also includes pest control in the rent. The property offers approximately two parking spaces per unit. Management was unable to comment on the parking utilization rate at the property. The price discrepancy between unit types is due to a few units offering patios, sunrooms and pantries.

PROPERTY PROFILE REPORT

Heritage Pointe

Effective Rent Date	3/16/2015
Location	811 Issaqueena Trail Central, SC 29630 Pickens County
Distance	8.5 miles
Units	176
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1990 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Some students, majority are families and singles from the surrounding area
Contact Name	Tim
Phone	864-653-7717



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	56	470	\$515	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	120	650	\$575	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$515	\$0	\$515	\$0	\$515
2BR / 1BA	\$575	\$0	\$575	\$0	\$575

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Blinds		
Central A/C		
Dishwasher		
Oven		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting	None	None
On-Site Management		
Tennis Court		
Off-Street Parking		
Swimming Pool		

Heritage Pointe, continued

Comments

Management reported that the property is fully occupied and will not have any vacancies until June 2015. The property does not maintain a waiting list. The contact reported that the property is managed by Burton Properties, the same company that manages the Heritage Hills Apartments. Management was unable to provide the amount of parking spaces the property offers or comment on the parking utilization rate at the property. Since our last interview in 2011, rents have increased approximately five percent. The property does not accept Housing Choice Voucher tenants.

Hunters Glen Apartments, continued

Comments

Management reported that the property does not maintain a waiting list. The property is not currently running any concessions. The contact reported that the property is located near Clemson University, however the property is not a student housing community. The current vacancies at the property are not pre-leased. Since our last interview in 2011, rents have increased between five and eight percent. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.

PROPERTY PROFILE REPORT

Shadowbrook Apartments

Effective Rent Date	3/13/2015
Location	219 Andrea Circle Easley, SC 29642 Pickens County
Distance	8.4 miles
Units	248
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stated None
Tenant Characteristics	Families and young professionals; a decent amount of the residency commutes to Greenville to work
Contact Name	Stephanie
Phone	864.855.0780



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	preleased to one week
Annual Chg. in Rent	Increased two to three percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	56	930	\$615	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	156	1,200	\$725	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	36	1,475	\$810	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$615	\$0	\$615	\$0	\$615
2BR / 2BA	\$725	\$0	\$725	\$0	\$725
3BR / 2BA	\$810	\$0	\$810	\$0	\$810

Shadowbrook Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

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

Security

Video Surveillance

Services

None

Property

Exercise Facility
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

2 swimming pools

Comments

Management reported that the property maintains a waiting list, however the length of the list was not disclosed. Typically, the waiting list is on the one and three-bedroom units because there are fewer available at the property than two-bedroom units. However, management reported that the strongest demand at the property is on the two-bedroom units. The property offers one parking space per unit. The contact was unable to comment on the parking utilization rate at the property. Rents represent base rents and may vary slightly by floor level.

PROPERTY PROFILE REPORT

Waterford Apartments

Effective Rent Date 3/19/2015
Location 122 Riverstone Court
 Easley, SC 29640
 Pickens County
Distance 6.3 miles
Units 128
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated Early 1990s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Shadowbrook Apartments
Tenant Characteristics Generally from the local area
Contact Name Pam
Phone 864.855.4711



Market Information

Program Market
Annual Turnover Rate 16%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased 23 percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	128	1,000	\$650	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$650	\$0	\$650	-\$69	\$581

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Ceiling Fan
 Microwave
 Refrigerator
 Walk-In Closet
 Blinds
 Central A/C
 Dishwasher
 Garbage Disposal
 Oven
 Vaulted Ceilings
 Washer/Dryer hookup

Security

None

Services

None

Property

Off-Street Parking
 Swimming Pool
 On-Site Management

Premium

None

Other

None

Waterford Apartments, continued

Comments

Management reported that the property is fully occupied. The property offers approximately two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property. Management stated that the market is strong for market rate properties in Easley. Since our last interview in 2008, rents have increased 23 percent.

Comparable Property Analysis

Vacancy

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

OVERALL VACANCY ALL PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Companion At Horton Farms*	@50%, @60%	40	0	0.0%
Harmony Ridge Apartments*	@50%, @60%	40**	0	0.0%
Kingston Pointe Phase I & II*	@50%, @60%	92**	0	0.0%
Pope Field Terrace	@50%, @60%	56	0	0.0%
Timberland Crossing*	@60%	72	0	0.0%
Auston Woods Apartments	Market	194	6	3.1%
Heritage Pointe	Market	176	0	0.0%
Hunters Glen Apartments	Market	100	2	2.0%
Shadowbrook Apartments	Market	248	0	0.0%
Waterford Apartments	Market	<u>128</u>	<u>0</u>	<u>0.0%</u>
Total in PMA		1,014	8	0.8%
Total		1,146	8	0.7%

*Denotes senior properties

**Units at properties outside the PMA

OVERALL VACANCY - LIHTC PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Companion At Horton Farms*	@50%, @60%	40	0	0.0%
Harmony Ridge Apartments*	@50%, @60%	40**	0	0.0%
Kingston Pointe Phase I & II*	@50%, @60%	92**	0	0.0%
Pope Field Terrace	@50%, @60%	56	0	0.0%
Timberland Crossing*	@60%	<u>72</u>	<u>0</u>	<u>0.0%</u>
Total in PMA		168	0	0.0%
Total Senior in PMA		112	0	0.0%
Total		300	0	0.0%

*Denotes senior properties

**Units at properties outside the PMA

OVERALL VACANCY - MARKET RATE PROPERTIES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Auston Woods Apartments	Market	194	6	3.1%
Heritage Pointe	Market	176	0	0.0%
Hunters Glen Apartments	Market	100	2	2.0%
Shadowbrook Apartments	Market	248	0	0.0%
Waterford Apartments	Market	<u>128</u>	<u>0</u>	<u>0.0%</u>
Total in PMA		846	8	0.9%

Overall vacancy in the PMA among eight comparables is low at 0.8 percent, and among all ten comparables the vacancy rate is just 0.7 percent. The five surveyed comparable LIHTC properties from inside and outside the PMA have no vacancies, and all five maintain waiting lists, indicating very high demand for affordable housing, particularly senior housing.

Among the market rate properties in Central and Easley, the vacancy rate is also very low at 0.9 percent, indicating very strong support for conventional apartments within the PMA. Some of this is created by suburban sprawl from the Greenville market. None of the market rate comparable properties reported a vacancy rate greater than 3.1 percent. Two of the market rate properties maintain waiting lists for at least some unit types they offer.

Overall, the local rental market appears to be very healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 168 total LIHTC units in the PMA that we included in this comparable analysis. There are zero vacancies among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

Reasonability of Rents

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

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

The following table summarizes the Subject’s proposed 50 percent AMI net rents compared to the maximum allowable 50 percent AMI rents in the MSA’s where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Peachtree Senior Village (Subject)*	\$423	\$490
LIHTC Maximum (Net) 2015 - Greenville-Mauldin-Easley MSA	\$423	\$497
LIHTC Maximum (Net) 2015 - Anderson MSA	\$431	\$507
Companion At Horton Farms* - Greenville-Mauldin-Easley MSA	\$421	\$493
Harmony Ridge Apartments* - Greenville-Mauldin-Easley MSA	\$356	\$500
Kingston Pointe Phase I & II* - Anderson MSA	\$368	\$457
Pope Field Terrace - Greenville-Mauldin-Easley MSA	\$379	\$439
Average (excluding Subject)	\$381	\$472

*Age-restricted project

The Subject’s proposed 50 percent AMI rents are at or near the maximum allowable 2015 rents for the MSA. The average 50 percent AMI rents at the comparables are below the proposed rents. The Subject is considered most similar to the 50 percent AMI comparables Companion at Horton Farms, Kingston Pointe Phase I & II, and Harmony Ridge Apartments in terms of amenities, unit sizes, age, and condition. Companion at Horton Farms has one and two-bedroom rents at 50 percent AMI that are very similar to the proposed Subject rents at 50 percent AMI. Harmony Ridge has one-bedroom rent at 50 percent AMI that is well below the Subject, but the two-bedroom rent at this property is above the Subject’s proposed two-bedroom 50 percent AMI rent. Kingston Pointe Phase I & II in Anderson, in an MSA that has slightly higher rent limits for 2015, has lower rents than those proposed for the Subject. Given the fact the Subject will be in a market with growing demographic support and a limited supply of senior affordable housing, as well as the limited number of units proposed at 50 percent AMI, we believe the proposed rents at this level are achievable.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents in the MSA’s where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Peachtree Senior Village (Subject)*	\$475	\$505
LIHTC Maximum (Net) 2015 - Greenville-Mauldin-Easley MSA	\$532	\$628
LIHTC Maximum (Net) 2015 - Anderson MSA	\$542	\$640
Companion At Horton Farms* - Greenville-Mauldin-Easley MSA	\$488	\$565
Harmony Ridge Apartments* - Greenville-Mauldin-Easley MSA	\$423	\$578
Kingston Pointe Phase I & II* - Anderson MSA	\$393	\$465
Pope Field Terrace - Greenville-Mauldin-Easley MSA	\$429	\$479
Timberland Crossing* - Greenville-Mauldin-Easley MSA	\$400	\$469
Average (excluding Subject)	\$427	\$511

*Age-restricted project

The Subject’s proposed 60 percent AMI rents are well below maximum allowable rents at this AMI level. These proposed one-bedroom rent is above the average rent at the five comparables, while the two-bedroom rent is below the average rent. With just three, one-bedroom units proposed, the new units at the Subject will be able to achieve the proposed one-bedroom rent, which is below the rent at Companion at Horton Farms, a comparable in the PMA in Easley. The single-story design of the Subject will be very marketable and may have a slight advantage over the elevator-serviced design offered at Companion at Horton Farms, especially considering the units at the Subject will be moderately larger and have similar unit and project amenities. The two-bedroom rent proposed is well below the two-bedroom rents at Companion at Horton Farms and Harmony Ridge Apartments, and as such is considered achievable for a new property with the Subject’s design and amenities.

Achievable Market Rents

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

Subject Comparison to Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
@50%						
1 BR	\$423	\$515	\$645	\$595	\$590	28.3%
2 BR	\$490	\$575	\$760	\$690	\$690	29.0%
@60%						
1 BR	\$475	\$515	\$645	\$595	\$590	19.5%
2 BR	\$505	\$575	\$760	\$690	\$690	26.8%

All of the market rate properties were built between 1984 and 2007 and are located in either Easley or Central. The Easley community offers more services than does Liberty, while Central and Liberty are considered more similar in terms of population and amenities available to local residents. Most of the comparable market rate properties have similar to slightly inferior unit amenities, while the comparables have slightly inferior to superior project amenities compared to the Subject. Four of the comparables are in inferior condition, while Auston Woods Apartments is in excellent condition, similar to the Subject. This property is considered the project most similar to the Subject. Net rents at Auston Woods Apartments are \$580 for a small one-bedroom unit at 696 square feet and \$690 for a small two-bedroom unit at 904 square feet. The Subject will have larger one-bedroom units than most comparables and two-bedroom units smaller than most comparable two-bedroom units. None of the comparables feature a single-story design. The Subject’s proposed rents are all below the range at the market rate comparables. The achievable market rents we determined are slightly below the average market rents based on the Subject unit sizes, condition, location, design, and amenities. The Subject’s proposed LIHTC rents will have advantages of 19.5 to 29.0 percent over what we have determined to be the achievable market rents. The overall average market rent advantage for the Subject is 26.81 percent.

There is an adequate supply of conventional market rate apartments in the PMA for which to measure the proposed Subject’s rents and features. As a result, for the senior project, we have not considered area single-family rental options or mobile homes. Most seniors seeking housing in a senior apartment community would be less likely to consider moving into a single-family rental home or a mobile home.

Cost and Availability of Homeownership

The Subject site will target seniors, who generally would not consider a home purchase. Conversely, most seniors may be considering downsizing from homeownership and moving into a rental community such as the Subject. We expect some of this type of support to occur at the Subject. Therefore, we have not performed an analysis of local for sale home prices compared to rental costs at the Subject.

Impact of Subject on Other Affordable Units in Market

The comparable LIHTC units have a zero percent vacancy rate and all the LIHTC comparables maintain waiting lists. There are three LIHTC properties we surveyed in the PMA, two of which are age-restricted and one is a relatively new family project. With only 112 senior LIHTC units in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is a limited supply of LIHTC units without subsidies in the PMA, and all the units we surveyed are full. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic growth of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

Summary Evaluation of the Proposed Project

Overall vacancy in the local market is performing extremely well with a 0.8 percent vacancy rate in the PMA and a 0.7 percent vacancy rate among all ten surveyed comparable projects. The five properties with LIHTC units reported zero vacancies and all maintain waiting lists, suggesting significant latent demand for affordable housing, and in particular, senior affordable housing. The market rate comparables are also performing very well, with vacancy rates of zero to 3.1 percent. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable and overall they are more than 25 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We spoke to Richard Davidson, of the City of Liberty Planning and Zoning Department. Mr. Davidson indicated that there are currently no planned, proposed, under construction or recently constructed multifamily developments within Liberty or nearby. He stated the Subject would be the first new rental property in Liberty in several years. Mr. Davidson did, however, indicate that he believes there is a strong demand for low income housing in Liberty and Pickens County in general. He noted that because of Liberty’s central location in Pickens County, he believes prospective tenants would come from a wide area, especially for a well-designed senior development with affordable rents.

Section 8/Public Housing

We contacted the South Carolina Regional Housing Authority 1 in an attempt to gather current information regarding the number of Housing Choice Vouchers issued in Pickens County and also the local Payment Standards. However, our phone calls and voicemails were not answered. According to affordablehousingonline.com, the South Carolina Regional Housing Authority 1 provides 1,653 Section 8 rental vouchers in Pickens County and the surrounding area. According to the previously cited website, the waiting list for Vouchers is closed in Pickens County.

The following table illustrates 2015 gross Fair Market Rents for Pickens County. Note that these may or may not differ from current Payment Standards for Pickens County, which were not provided at the time of our research.

Number of Bedrooms	Fair Market Rents 2015
One-Bedroom	\$611
Two-Bedroom	\$725

The Subject’s proposed 50 percent AMI gross rents are below 2015 Fair Market Rents, while the proposed 60 percent AMI rents are above Fair Market Rents for 2015. As such, renters desiring to live at the Subject’s 60 percent AMI units using a Voucher would have to pay the difference in rent between the Fair Market Rent and the Subject gross rent.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports.

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 9.5 percent, which is well within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.3 to 11.3 percent, which are all considered achievable in the PMA, where senior renter households are growing. In addition, the Subject is in a community (Liberty) that has no current senior housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that seniors would utilize on a consistent basis.

There are no vacancies among LIHTC comparables and the market rate properties we surveyed are also performing very well, with a vacancy rate of less than one percent. The developer's rents represent greater than a 25 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparables we surveyed. Given these factors, we would anticipate the Subject can achieve a stabilized occupancy rate of 93 percent or higher within approximately five months of opening.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

March 25, 2015

Date



H. Blair Kincer, MAI
Partner



Ed Mitchell
Manager



Brian Gault
Real Estate Analyst
Brian.gault@novoco.com
614-934-1139



Jessica Kobren
Researcher

ADDENDA

Addendum A: Analyst Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

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

IV. Professional Training

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

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

Page 3

are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

University of Alabama, Tuscaloosa, Alabama
Master of Science – Financial Planning (05/2014)

University of Alabama, Tuscaloosa, Alabama
Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation

University of Alabama, Tuscaloosa, Alabama
Bachelor of Science – Human Environmental Science

San Antonio College, San Antonio, Texas
Associate of Arts – Real Estate Management

II. Professional Experience

Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BRIAN GAULT

I. Education

Ohio University, Athens, Ohio
Bachelor of Science in Journalism, Certification in Environmental Studies

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP, August 2014 – Present
Vice President/Project Director, Vogt Santer Insights, July 2010 – June 2014
Project Director/Director of Southeast Operations, VWB Research, October 2002 – June 2010
Field Analyst/Project Director, Danter Company, February 2000 – October 2002

III. Research Assignments

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

- Authored more than 1,500 market feasibility studies or letters for affordable, market rate and student rental housing. These reports have been utilized by developers, syndicators, state housing finance agencies, and lenders to assist in the financial underwriting, planning and design of rental properties. Analysis typically includes: unit mix determination, demand estimation, rental rate analysis, competitive property evaluation and overall market feasibility analysis.
- Completed field research for more than 200 projects in more than 40 states while employed in the industry.
- Interviewed, trained, and coordinated staff of seven to nine field analysts working nationwide while with previous employers.
- Experienced in data collection for commercial space used in retail, office or overall commercial space analyses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sterling Battle

I. Education

The University of South Florida, Tampa, FL
Bachelor of Science degree in Finance

II. Professional Experience

Real Estate Researcher, Novogradac & Company LLP, September 2014 – Present
Real Estate Research Intern, Framework Group Development LLC, September 2013- September 2014

III. Research Assignments

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

- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

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

Development Name: Peachtree Senior Village Total # Units: 40
 Location: Peachtree Street, Liberty, SC 29657 # LIHTC Units: 40
 PMA Boundary: Most of Pickens Co, part of Greenville & Anderson Cos.
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 18.9 miles

RENTAL HOUSING STOCK (found on pages 1, 2, 52)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,146	8	99.3 %
Market-Rate Housing	5	846	8	99.1 %
Assisted/Subsidized Housing not to include LIHTC	10	465	0	100 %
LIHTC (All that are stabilized)*	5	300	0	100 %
Stabilized Comps**	4	244	0	100 %
Non-stabilized Comps	0	0	0	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
1	1-BR	1	750	\$ 423	\$ 590	\$ 0.85	28.31%	\$ 645	\$ 0.79
8	2-BR	2	950	\$ 490	\$ 690	\$ 0.73	28.99%	\$ 760	\$ 0.74
3	1-BR	1	750	\$ 475	\$ 590	\$ 0.85	19.49%	\$ 645	\$ 0.79
28	2-BR	2	950	\$ 505	\$ 690	\$ 0.73	26.81%	\$ 760	\$ 0.74
				\$	\$	\$		\$	\$
Gross Potential Rent Monthly*				\$ 19,908	\$ 26,700		26.81%		

*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 35)

	2010		2014		2017	
Renter Households	4567	17.9%	4922	17.7%	5170	17.7%
Income-Qualified Renter HHs (LIHTC)	940	20.6%	1149	23.3%	1206	23.3%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 49)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	40	46				58
Existing Households (Overburd + Substand)	274	311				392
Homeowner conversion (Seniors)	53	72				85
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	367	429				535

CAPTURE RATES (found on page 49)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	3.1%	9.1%				9.5%

ABSORPTION RATE (found on page 50)

Absorption Period 5 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
1	1 BR	\$423	\$423	\$590	\$590	
3	1 BR	\$475	\$1,425	\$590	\$1,770	
	1 BR		\$0		\$0	
8	2 BR	\$490	\$3,920	\$690	\$5,520	
28	2 BR	\$505	\$14,140	\$690	\$19,320	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$19,908		\$27,200	26.81%

Source: SCSHFDA