Market Feasibility Analysis

The Highlands at Socastee
State Route 707
Myrtle Beach, Horry County, South Carolina 29588

Prepared For

Mr. Randy Aldridge
Quad-State Development, Inc.
841 Sweetwater Avenue
Florence, Alabama 35630

Effective Date

January 26, 2016

Job Reference Number

15-525 JW

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2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: The Highlands of Socastee | Total # Units: 44

Location: State Route 707, Myrtle Beach, SC 29588 | # LIHTC Units: **44**

PMA Boundary: Socastee city limits, State Route 544 and State Route 31 to the north; Robert M. Grissom Parkway, Granddaddy Drive and Poinsett Road to the east; the Atlantic Ocean to the south; Spanish Oak Drive, Holmestown Road, State Route 707, Bay Road and the Waccamaw River to the west.

Development Type: __X__Family ____Older Persons | Farthest Boundary Distance to Subject: 10.0 miles

RENTAL HOUSING STOCK (found on page H-1, 15 & 16)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	21	3,469	165	95.2%
Market-Rate Housing	12	2,669	165	93.8%
Assisted/Subsidized Housing not to include LIHTC	2	152	0	100.0%
LIHTC (All that are stabilized)*	9	648	0	100.0%
Stabilized Comps**	6	416	0	100.0%
Non-stabilized Comps	0	-	-	-

* 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
5	Two	2.0	1,000	**$400**	**$820**	**$0.82**	**51.22%**	**$1,008**	**$0.91**
15	Two	2.0	1,000	**$460**	**$820**	**$0.82**	**43.90%**	**$1,008**	**$0.91**
4	Three	2.0	1,200	**$445**	**$965**	**$0.80**	**53.89%**	**$1,193**	**$0.88**
20	Three	2.0	1,200	**$495**	**$965**	**$0.80**	**48.70%**	**$1,193**	**$0.88**
Gross Potential Rent Monthly*				**$20,580**	**$39,560**		**47.98%**		

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

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

	2000		2015		2018	
Renter Households			16,288	44.0%	17,526	44.3%
Income-Qualified Renter HHs (LIHTC)			4,159	25.5%	4,540	25.9%
Income-Qualified Renter HHs (MR)			N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other:__	Other:__	Overall
Renter Household Growth	222	326				381
Existing Households (Overburd + Substand)	2,000	2,654				3,168
Homeowner conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	12	36				48
Net Income-qualified Renter HHs	2,210	2,944				**3,501**

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:__	Other:__	Overall
Capture Rate	0.4%	1.2%				1.3%

ABSORPTION RATE (found on page G-8)

Absorption Period 3 months

2016 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 BR		$0		$0	
	1 BR		$0		$0	
	1 BR		$0		$0	
5	2 BR	$400	$2,000	$820	$4,100	
15	2 BR	$460	$6,900	$820	$12,300	
	2 BR		$0		$0	
4	3 BR	$445	$1,780	$965	$3,860	
20	3 BR	$495	$9,900	$965	$19,300	
	3 BR		$0		$0	
	4 BR		$0		$0	
	4 BR		$0		$0	
	4 BR		$0		$0	
Totals	44		$20,580		$39,560	47.98%

B. PROJECT DESCRIPTION

The proposed project involves the new construction of a 44 unit, family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) rental community on an approximate 4.79-acre site along State Route 707 in Myrtle Beach, South Carolina. The proposed project, The Highlands at Socastee, will offer 20 two- and 24 three-bedroom garden-style units in four (4) two- and three-story, walk-up residential buildings and target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). The proposed project is anticipated to be complete in July 2017. Additional details of the subject project are as follows:

a. Property Location:

The Highlands at Socastee
State Route 707
Myrtle Beach, South Carolina
29588
(Horry County)

QCT: No DDA: No

b. Construction Type: New Construction

c. Occupancy Type: Family

d. Target Income Group: 50% & 60% AMHI

e. Special Needs Population: Not applicable

f. and h. to j. Unit Configuration and Rents:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
5	Two-Br.	2.0	Garden	1,000	50%	$400	$162	$562	$572
12	Two-Br.	2.0	Garden	1,000	60%	$460	$157	$617	$687
3	Two-Br.	2.0	Garden	1,000	60%	$460	$162	$622	$687
4	Three-Br.	2.0	Garden	1,200	50%	$445	$193	$638	$660
20	Three-Br.	2.0	Garden	1,200	60%	$495	$193	$688	$792
44	Total								

Source: Quad-State Development, Inc.
AMHI – Area Median Household Income (Myrtle Beach-North Myrtle Beach-Conway, SC MSA; 2015)

g. Number Of Stories/Buildings: Four (4) two- and three-story, walk-up residential structures containing 44 garden-style units, and a stand-alone 1,509 square-foot community building.

k. Project-Based Rental Assistance (Existing or Proposed): None

l. Community Amenities:

The subject property will include the following community features:

- On-Site Management
- Laundry Facility
- Clubhouse/Community Room
- Picnic Area
- Fitness Center
- Playground
- Computer Center

m. Unit Amenities:

Each unit will include the following amenities:

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

n. Parking:

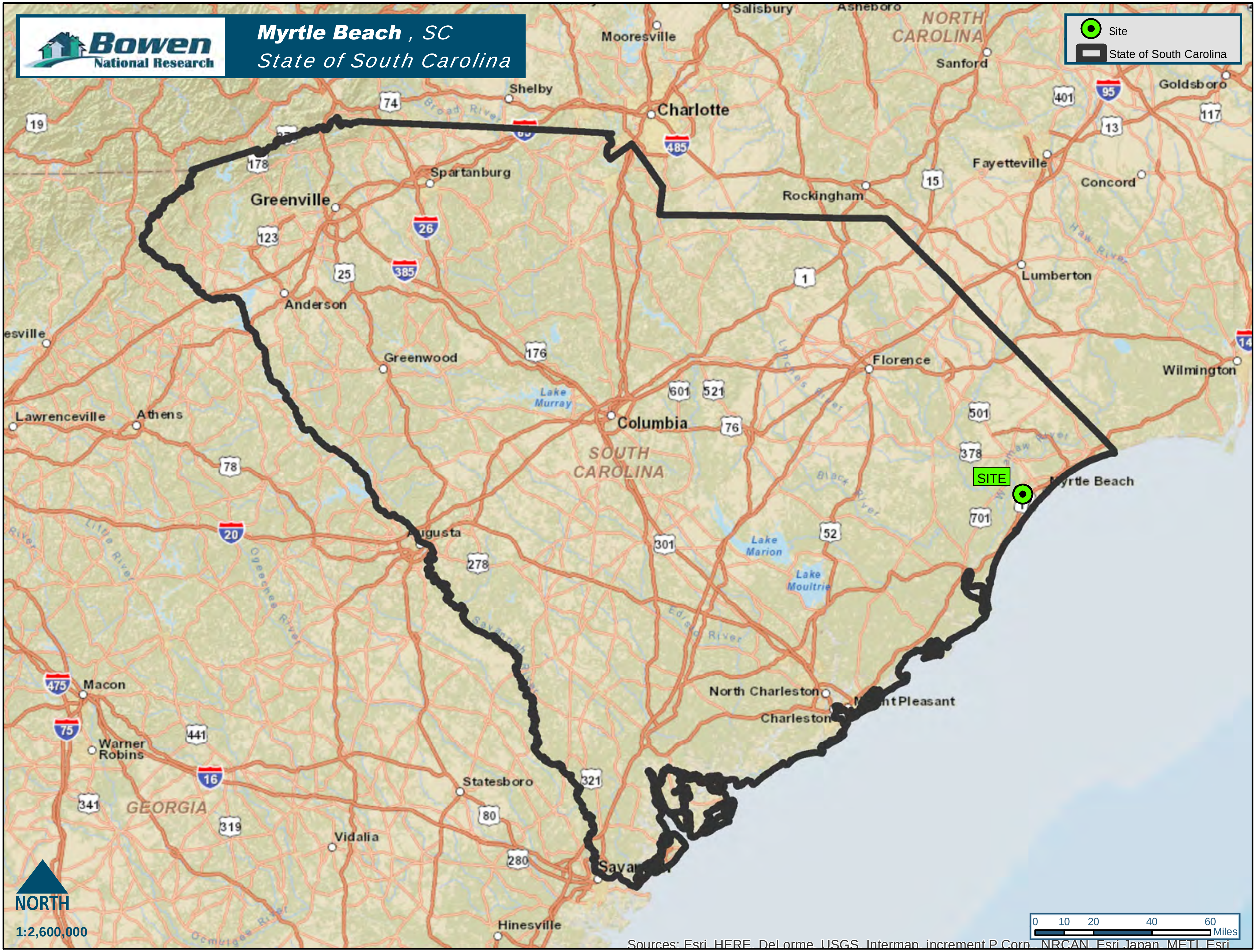
A surface parking lot consisting of 82 total spaces will be provided at no charge to the tenants.

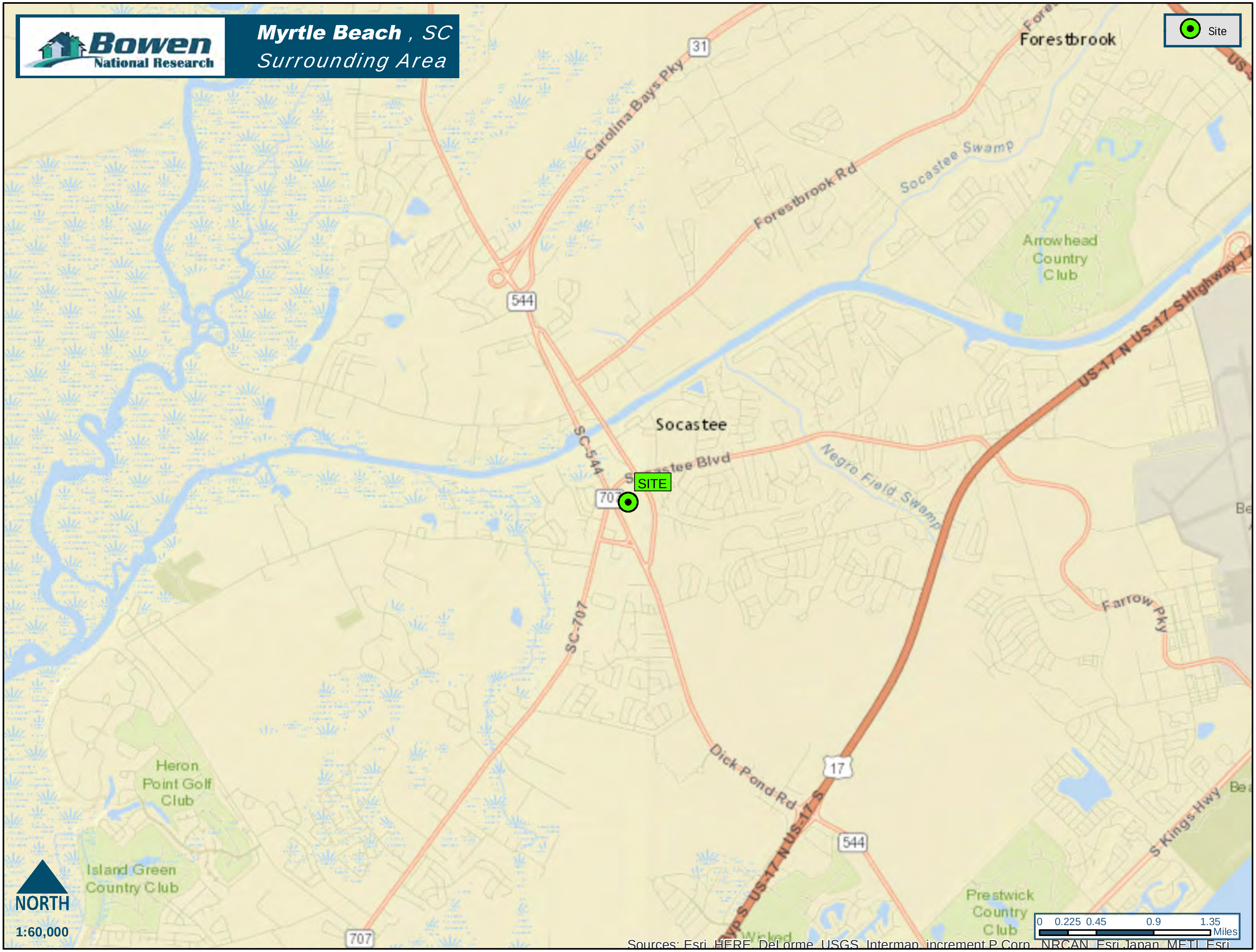
o. Utility Responsibility:

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

- General Electric
- Electric Heat
- Electric Hot Water
- Electric Cooking
- Cold Water
- Sewer

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


Bowen National Research
Myrtle Beach , SC
State of South Carolina
Site
State of South Carolina
SITE
Myrtle Beach
Charlotte
Salisbury
Asheboro
Mooresville
NORTH CAROLINA
Sanford
Goldsboro
Shelby
Fayetteville
Concord
Rockingham
Spartanburg
Greenville
Anderson
Lumberton
Wilmington
Florence
Greenwood
Lake Murray
Columbia
SOUTH CAROLINA
Lawrenceville
Athens
Augusta
Lake Marion
Lake Moultrie
North Charleston
Mount Pleasant
Charleston
Macon
Warner Robins
GEORGIA
Statesboro
Vidalia
Savannah
Hinesville
NORTH
1:2,600,000
0 10 20 40 60
Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri


Bowen National Research
Myrtle Beach , SC
Surrounding Area
Site
Forestbrook
Carolina Bays Pky
31
Forestbrook Rd
Socastee Swamp
Arrowhead Country Club
544
US-17 N US-17 S Highway 17
Socastee
Socastee Blvd
SITE
707
SC-544
Negro Field Swamp
Farrow Pky
SC-707
Heron Point Golf Club
Dick Pond Rd
17
US-17 N US-17 S
544
S Kings Hwy
Island Green Country Club
Prestwick Country Club
NORTH
1:60,000
707
0 0.225 0.45 0.9 1.35 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of December 28, 2015. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The proposed subject site consists of undeveloped land located on State Route 707 in Myrtle Beach. Located within Horry County, the subject site is approximately 8.0 miles west of the Myrtle Beach, South Carolina Central Business District (CBD) and approximately 58.0 miles south of the North Carolina/South Carolina state boundary. Following is a description of surrounding land uses:

North -	Directly north of the site is Socastee Boulevard (State Route 707), a four-lane moderately traveled arterial roadway. Extending beyond are Socastee Elementary School and heavily wooded land.
East -	Directly east of the site are the Braves Village Shopping Center and wooded land. Dick Pond Road, a four-lane moderately traveled arterial roadway, continues east, along with wooded land and the Plantation rental community (Map ID 10).
South -	The Horry County Bus Maintenance facility borders the site to the south. Continuing south is Lafon Lane, AutoZone and Socastee Fire Station 1. Extending beyond is Old Dick Pond Road, also known as State Route 544.
West -	Old Dick Pond Road/State Route 544 defines the western border of the site. Continuing west includes State Route 707 and a mobile home community considered to be in average condition. Extending beyond includes single-family homes considered to be in average condition.

The proposed development is within very close proximity to various business and shopping centers which will contribute to its marketability. Overall, the subject property fits well with the surrounding land uses.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 544 State Route 707	0.2 West 0.2 North
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Braves Village Shopping Center Walmart Supercenter Blue Cross & Blue Shield	0.1 East 3.2 Southeast 3.7 South
Convenience Store	Kangaroo Express Turtle Market Convenience	0.1 East 0.8 Southwest
Grocery	Food Lion Bi-Lo K-N-H Store	0.1 East 1.1 Southeast 1.8 East
Discount Department Store	Dollar General Savemore Superstore Target Walmart Supercenter	0.3 East 0.3 East 2.5 Southeast 3.2 Southeast
Shopping Center/Mall	Braves Village Shopping Center	0.1 East
Schools: Elementary Middle/Junior High Senior High	 Socastee Elementary School Forestbrook Middle School Socastee High School	 0.3 Northeast 3.6 North 0.5 North
Hospital	South Strand Medical Center	3.7 Southeast
Fire	Socastee Fire Station No. 1	0.5 East
Police	Myrtle Beach Police Department	7.9 East
Post Office	U.S. Post Office	1.6 Southwest
Bank	First Community Bank BB&T First Citizens Bank & Trust	0.1 Northwest 0.5 Northeast 0.9 East
Gas Station	Kangaroo Express Wilco Hess	0.8 East 0.9 Southwest
Pharmacy	Rite Aid Pure Compounding	0.3 West 2.2 Southeast
Restaurants	Athen's Pizza Dunkin Donuts La Hacienda	0.1 Northwest 0.1 East 0.1 East
Fitness Center	Curves Wellness One Sky Fitness	1.6 South 2.8 East 2.8 East
Museum	South Carolina Civil War Museum	2.9 East
Park	Socastee Park Garrison Parks	2.7 West 4.9 Southeast
Swimming	Glenmere Association Pool Southwood Hoa Pool	1.6 South 3.3 Southeast
Church	Socastee United Methodist Center Palmetto Shores Church	0.6 Northwest 0.8 Northwest

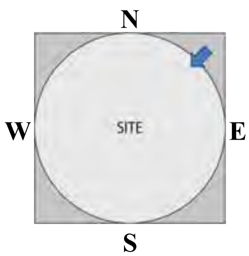
The proposed site is located within 0.1 mile from the Braves Village Shopping Center. The Braves Village Shopping Center includes various businesses such as Food Lion, Firehouse Subs, Rent-a-Center, Regal Cleaners, Dunkin Donuts, Burger King, and La Hacienda Mexican Restaurant. In addition, the proposed site is also in close proximity to many other community services including a post office, banks, restaurants, grocery stores, pharmacies and discount department stores.

The Horry County School District serves the subject site, with all applicable schools within 3.6 miles. The South Strand Medical Center is the nearest full service medical center and is located within 3.7 miles.

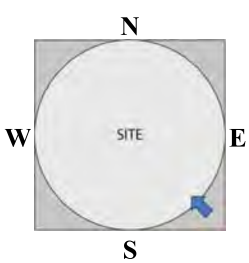
Overall, the site's proximity to community and safety services should have a positive impact on its marketability.

4. SITE PHOTOGRAPHS

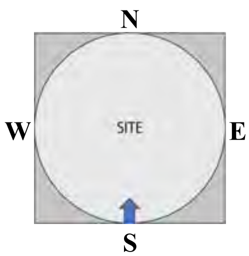
Photographs of the subject site and surrounding land uses are on the following pages.



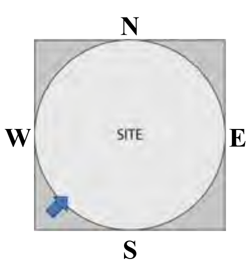
View of site from the northeast



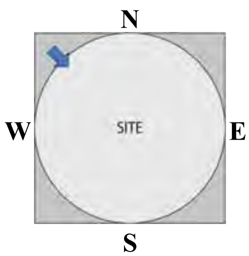
View of site from the southeast



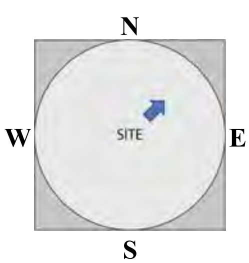
View of site from the south



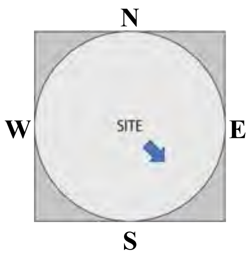
View of site from the southwest



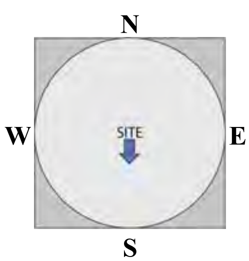
View of site from the northwest



Northeast view from site



Southeast view from site



South view from site

Streetscape: South view of SC Highway 544

Streetscape: North view of SC Highway 544

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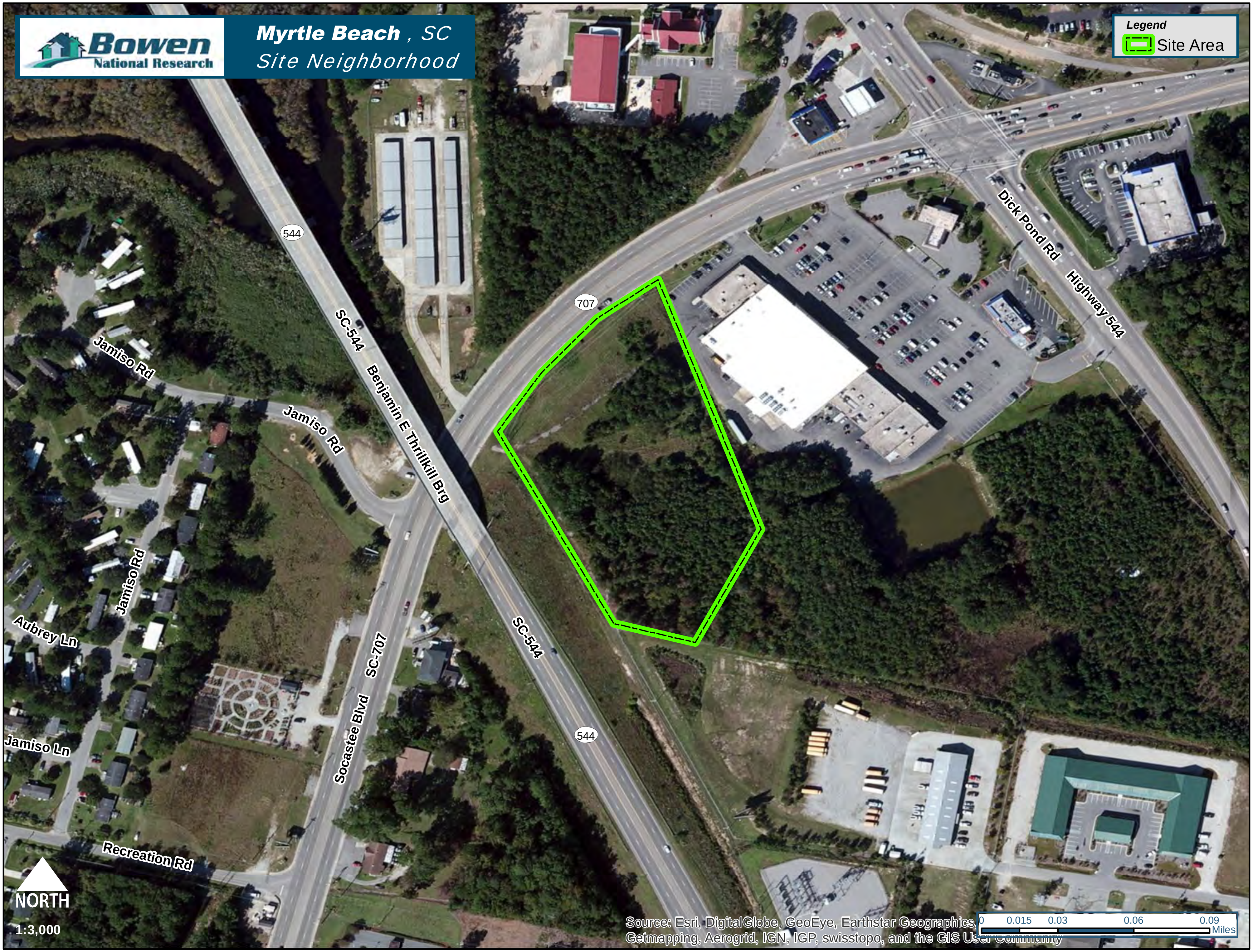
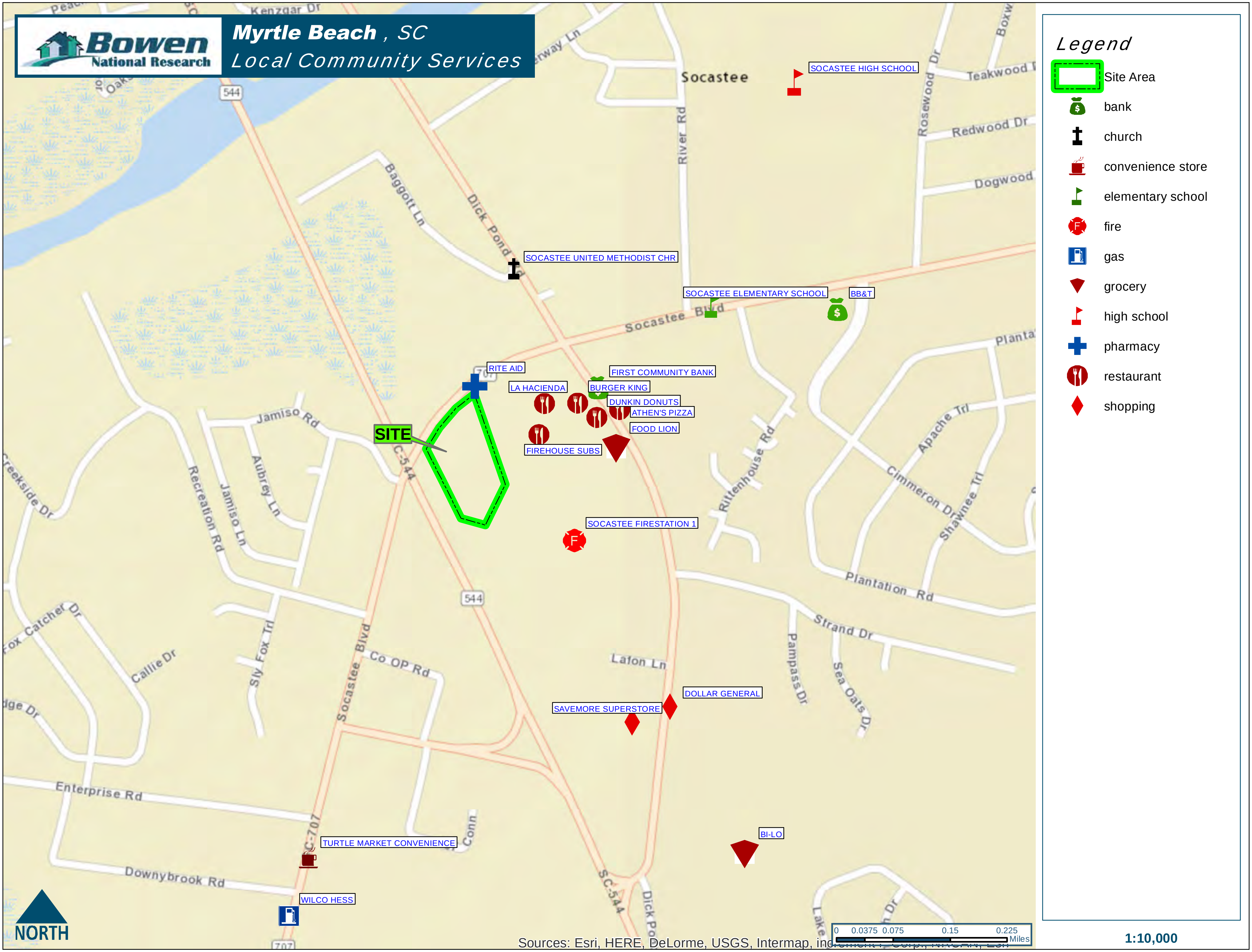
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.


Bowen
National Research
Myrtle Beach , SC
Site Neighborhood
Legend
Site Area
544
SC-544
Benjamin E Thrillkill Brg
707
Jamiso Rd
Jamiso Rd
Jamiso Rd
Aubrey Ln
Jamiso Ln
SC-707
Socastee Blvd
SC-544
544
Recreation Rd
Dick Pond Rd
Highway 544
NORTH
1:3,000
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics,
Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.015 0.03 0.06 0.09
Miles

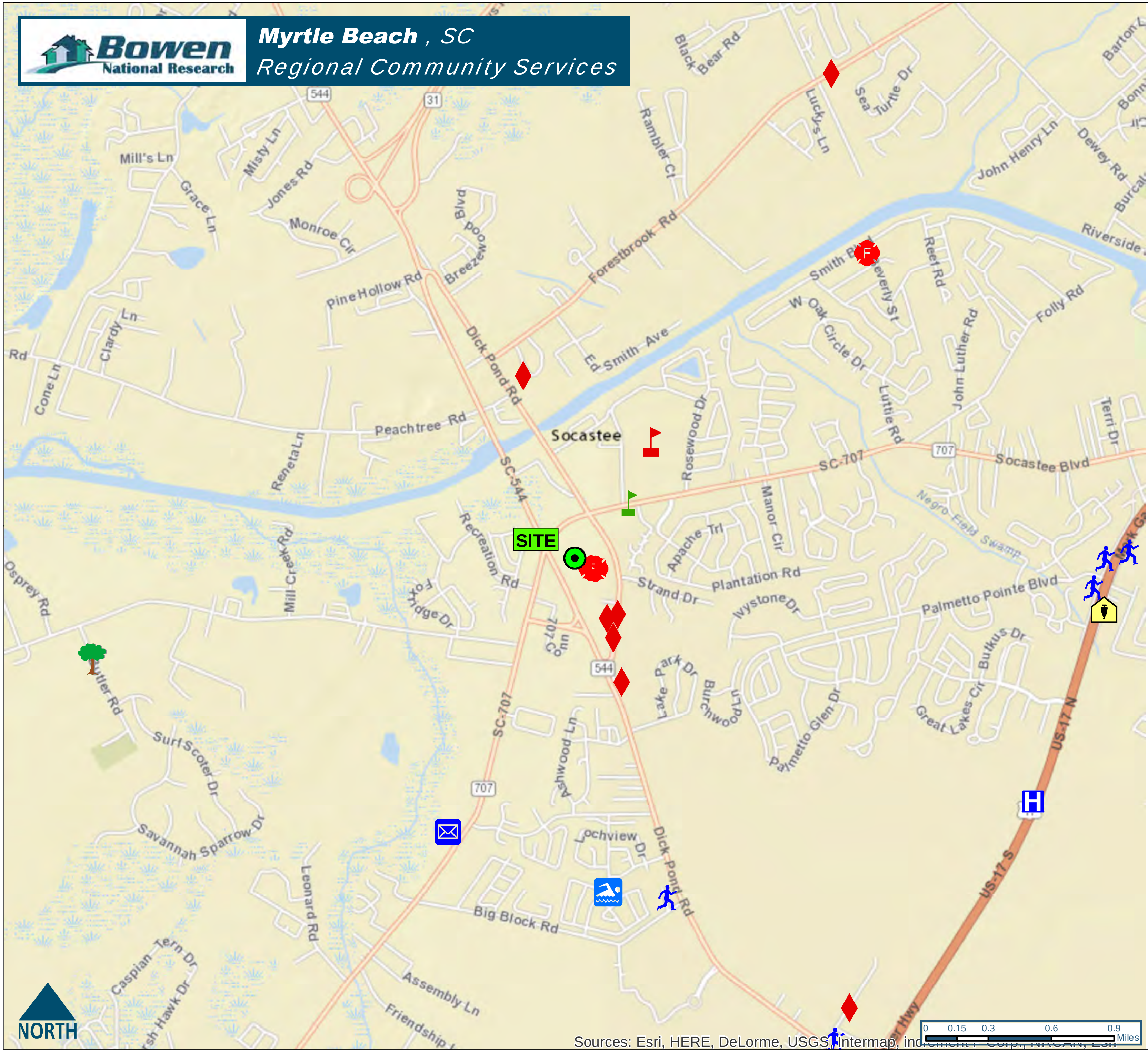


Bowen National Research
Myrtle Beach, SC
Local Community Services
Legend
Site Area
bank
church
convenience store
elementary school
fire
gas
grocery
high school
pharmacy
restaurant
shopping
SITE
SOCASTEE HIGH SCHOOL
SOCASTEE UNITED METHODIST CHR
SOCASTEE ELEMENTARY SCHOOL
BB&T
RITE AID
FIRST COMMUNITY BANK
LA HACIENDA
BURGER KING
DUNKIN DONUTS
ATHEN'S PIZZA
FOOD LION
FIREHOUSE SUBS
SOCASTEE FIRESTATION 1
DOLLAR GENERAL
SAVEMORE SUPERSTORE
BI-LO
TURTLE MARKET CONVENIENCE
WILCO HESS
Socastee
Socastee Blvd
Dick Pond Rd
Baggott Ln
River Rd
Rosewood Dr
Teakwood
Redwood Dr
Dogwood
Plantation Rd
Jamison Rd
Aubrey Ln
Jamison Ln
Recreation Rd
Creekside Dr
Rittenhouse Rd
Apache Trl
Cimmeron Dr
Shawnee Trl
Strand Dr
Pampass Dr
Sea Oats Dr
Lafon Ln
Co OP Rd
Socastee Blvd
Sly Fox Trl
Callie Dr
Fox Catcher Dr
Enterprise Rd
Downybrook Rd
Kenzgar Dr
SC-544
SC-707
544
NORTH
0 0.0375 0.075 0.15 0.225 Miles
1:10,000
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri

Bowen National Research

Myrtle Beach , SC

Regional Community Services



Legend
- Site
- elementary school
- fire
- fitness center
- high school
- hospital
- museum
- park
- post office
- shopping
- swimming

1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

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

7. CRIME ISSUES

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

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

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

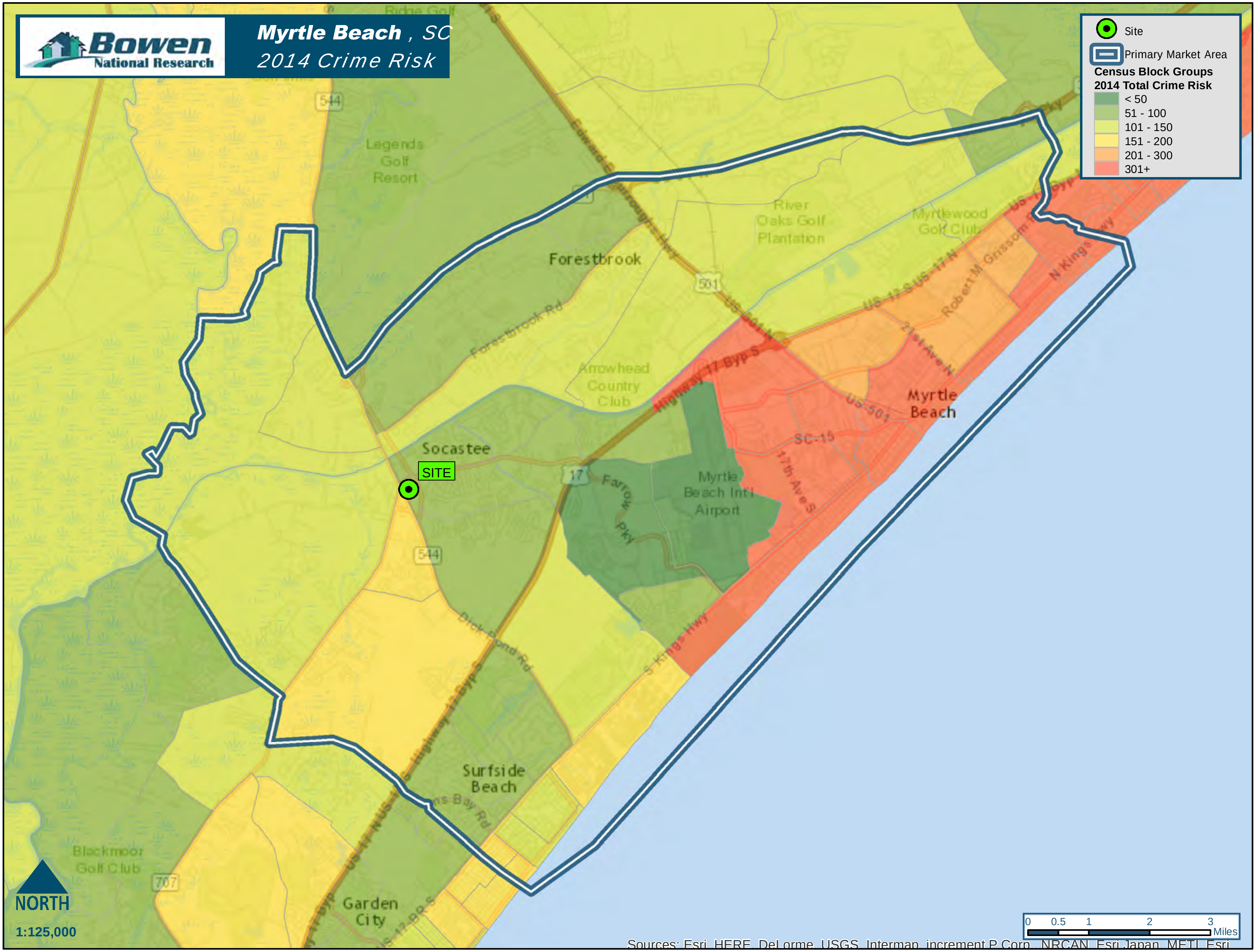
Total crime risk (165) for the Site PMA is above the national average with an overall personal crime index of 178 and a property crime index of 185. Total crime risk (158) for Horry County is above the national average with indexes for personal and property crime of 168 and 179, respectively.

	Crime Risk Index	
	Site PMA	Horry County
Total Crime	**165**	**158**
Personal Crime	**178**	**168**
Murder	142	149
Rape	171	138
Robbery	139	108
Assault	165	190
Property Crime	**185**	**179**
Burglary	200	189
Larceny	185	191
Motor Vehicle Theft	143	131

Source: Applied Geographic Solutions

Although the total crime risk for the Myrtle Beach Site PMA is above the national average, interviews with management at nearby rental communities and the personal observations of our analyst revealed that, despite the higher than average crime risk, the occupancy levels of the area's affordable housing stock surveyed has not been adversely impacted (all are 100% occupied). As a result, we do not anticipate that the relatively high crime risk will have a significant impact on the marketability of the subject site.

A map illustrating crime risk is on the following page.


Bowen
National Research
Myrtle Beach , SC
2014 Crime Risk
Site
Primary Market Area
Census Block Groups
2014 Total Crime Risk
< 50
51 - 100
101 - 150
151 - 200
201 - 300
301+
Legends Golf Resort
Forestbrook
River Oaks Golf Plantation
Myrtlewood Golf Club
Arrowhead Country Club
Socastee
SITE
Myrtle Beach Int'l Airport
Myrtle Beach
Surfside Beach
Garden City
Blackmoor Golf Club
NORTH
1:125,000
0 0.5 1 2 3 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

8. ACCESS AND VISIBILITY

The site derives access from State Route 707, also known as Socastee Boulevard, a four-lane, moderately traveled arterial roadway. The site is also within 0.2 miles of State Route 544. Notably, State Route 707 (Socastee Boulevard) is a primary arterial roadway providing convenient access throughout the Myrtle Beach area. Fixed route public transportation is not provided within Myrtle Beach. However, as most residents of this area are likely accustomed to not having this service readily available to them, we do not anticipate the lack of public transportation to have an adverse impact on the marketability of the subject project. Visibility of the site is unobstructed by the surrounding land uses traveling on State Routes 544 and 707. Due to the moderate traffic patterns on both State Routes 544 and 707, visibility is considered excellent.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues observed while conducting the site visit.

10. OVERALL SITE CONCLUSIONS

The site is located within a mixed use area of Myrtle Beach. Both access and visibility are considered good, as the site is adjacent to State Routes 544 and 707, with generally unobstructed views from passerby traffic. The site is located within 3.0 miles of most community services including the retailers, restaurants, grocery stores, pharmacies, banks and discount department stores. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

The Site PMA includes Socastee, Forestbrook and Myrtle Beach, as well as the surrounding unincorporated areas of Horry County. Specifically, the boundaries of the Site PMA include the Socastee city limits, State Route 544 and State Route 31 to the north; Robert M. Grissom Parkway, Granddaddy Drive and Poinsett Road to the east; the Atlantic Ocean to the south; Spanish Oak Drive, Holmestown Road, State Route 707, Bay Road and the Waccamaw River to the west.

The Site PMA comprises Census Tract numbers:

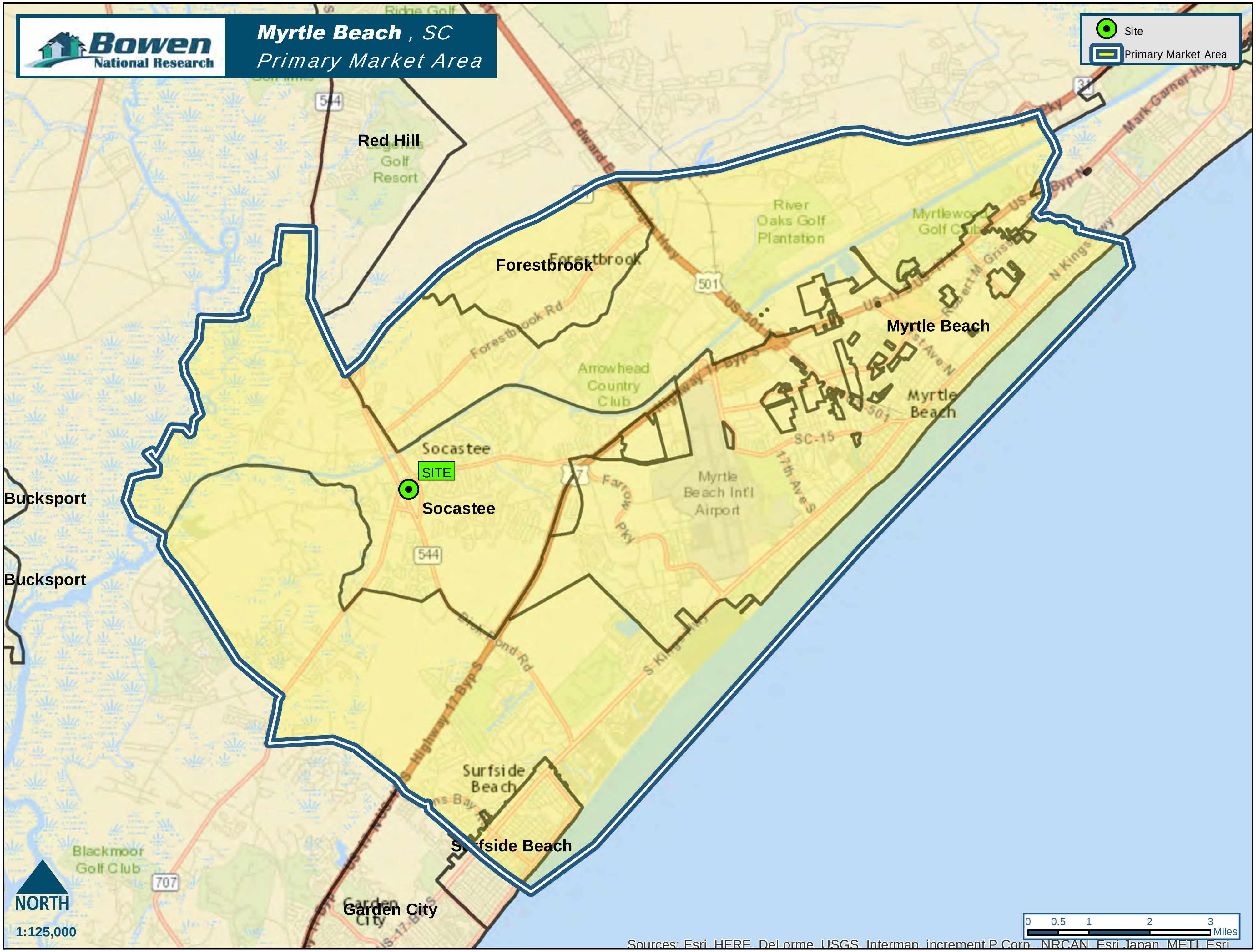
501.02	504.02	505	506	507
509	510	512.01	512.02	514.03
514.04	514.05	515.01	515.02*	515.03
516.01	517	601.02	602.03	602.04
602.06	602.08	603.08	9801	9901

*Subject location

Jessica McKracken, Property Manager of Bay Point I and II (Map ID 1) and Piper's Pointe (Map ID 9), both general-occupancy LIHTC communities in Myrtle Beach, stated that the majority of her properties' residents have originated from the Socastee, Forestbrook and Myrtle Beach areas, thus confirming the Site PMA.

A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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


Bowen National Research
Myrtle Beach , SC
Primary Market Area
Site
Primary Market Area
Red Hill
Forestbrook
Myrtle Beach
Socastee
SITE
Bucksport
Bucksport
Surfside Beach
Garden City
River Oaks Golf Plantation
Arrowhead Country Club
Myrtle Beach Int'l Airport
Blackmoor Golf Club
NORTH
1:125,000
0 0.5 1 2 3 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

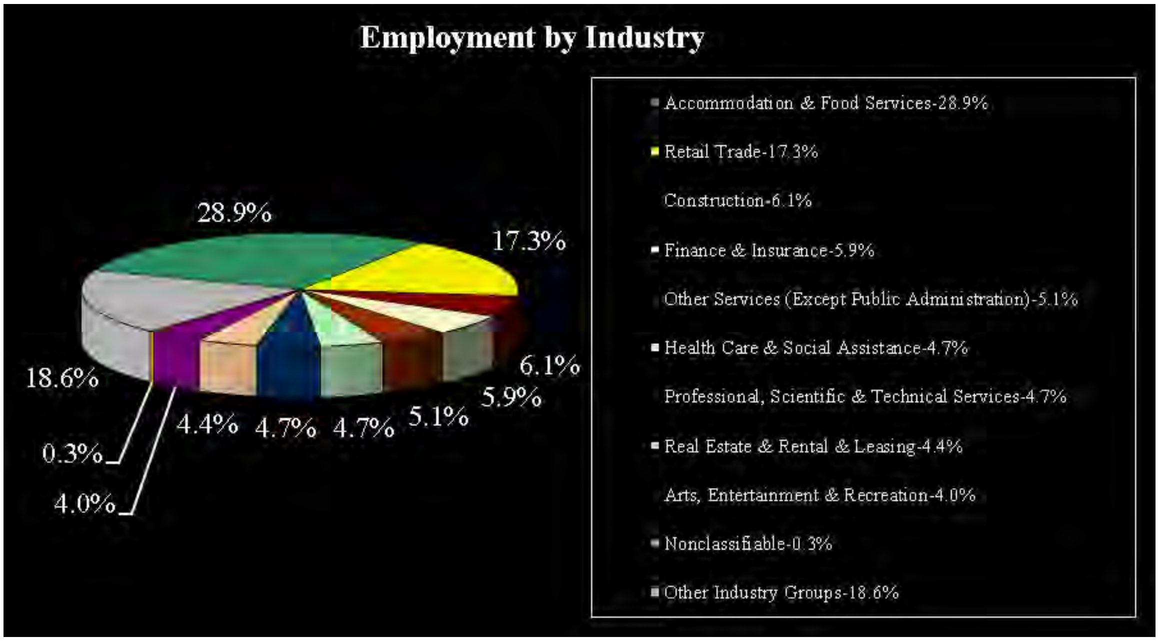
The labor force within the Myrtle Beach Site PMA is based primarily in two sectors. Accommodation & Food Services (which comprises 28.9%) and Retail Trade comprise over 46% of the Site PMA labor force. Employment in the Myrtle Beach Site PMA, as of 2015, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	4	0.1%	19	0.0%	4.8
Mining	3	0.0%	13	0.0%	4.3
Utilities	7	0.1%	67	0.1%	9.6
Construction	630	9.0%	4,142	6.1%	6.6
Manufacturing	139	2.0%	2,019	3.0%	14.5
Wholesale Trade	217	3.1%	1,494	2.2%	6.9
Retail Trade	1,204	17.2%	11,827	17.3%	9.8
Transportation & Warehousing	131	1.9%	1,288	1.9%	9.8
Information	124	1.8%	1,457	2.1%	11.8
Finance & Insurance	643	9.2%	4,065	5.9%	6.3
Real Estate & Rental & Leasing	537	7.7%	3,030	4.4%	5.6
Professional, Scientific & Technical Services	504	7.2%	3,192	4.7%	6.3
Management of Companies & Enterprises	7	0.1%	21	0.0%	3.0
Administrative, Support, Waste Management & Remediation Services	308	4.4%	2,458	3.6%	8.0
Educational Services	86	1.2%	1,825	2.7%	21.2
Health Care & Social Assistance	314	4.5%	3,206	4.7%	10.2
Arts, Entertainment & Recreation	211	3.0%	2,756	4.0%	13.1
Accommodation & Food Services	910	13.0%	19,741	28.9%	21.7
Other Services (Except Public Administration)	758	10.8%	3,467	5.1%	4.6
Public Administration	100	1.4%	2,069	3.0%	20.7
Nonclassifiable	153	2.2%	216	0.3%	1.4
Total	6,990	100.0%	68,372	100.0%	9.8

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Myrtle Beach-North Myrtle Beach-Conway MSA	South Carolina
Management Occupations	$75,900	$94,200
Business and Financial Occupations	$53,030	$59,660
Computer and Mathematical Occupations	$57,090	$66,430
Architecture and Engineering Occupations	$56,140	$73,960
Community and Social Service Occupations	$43,710	$39,440
Art, Design, Entertainment and Sports Medicine Occupations	$36,420	$42,760
Healthcare Practitioners and Technical Occupations	$69,550	$66,950
Healthcare Support Occupations	$26,190	$25,970
Protective Service Occupations	$30,320	$34,550
Food Preparation and Serving Related Occupations	$20,510	$19,990
Building and Grounds Cleaning and Maintenance Occupations	$20,960	$22,570
Personal Care and Service Occupations	$20,850	$22,390
Sales and Related Occupations	$26,650	$31,130
Office and Administrative Support Occupations	$28,590	$32,050
Construction and Extraction Occupations	$34,120	$37,440
Installation, Maintenance and Repair Occupations	$35,000	$41,420
Production Occupations	$27,930	$35,220
Transportation and Moving Occupations	$28,110	$31,030

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

Bowen National Research

Most annual blue-collar salaries range from $20,510 to $43,710 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of $62,342. It is important to note that most occupational types within the MSA have lower typical wages than the State of South Carolina's typical wages. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The 10 largest employers within the Horry County area comprise of a total of 12,828 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Horry County School District	Education	5,230
Grand Strand Regional Medical Center	Healthcare	1,280
Coastal Carolina University	Higher Education	1,253
Conway Medical Center	Healthcare	1,100
McLeod Loris Seacoast	Healthcare	916
Blue Cross | Blue Shield	Call Center	825
New South Companies	Lumber, Sawmills	700
Horry Telephone Cooperative	Communications Company	664
Santee Cooper	Electric Services	530
Conbraco Industries	Valve Manufacturing	330
	Total	12,828

Source: Myrtle Beach Regional Economic Development Corporation (2015)

According to a representative with the Myrtle Beach Regional Economic Development, the local economy is improving. The following are key factors impacting the local employment base:

- Worksman Cycles, a New York-based manufacturer of bicycles, announced that they are expanding their operations in Horry County. The $2.5 million expansion will create 50 new jobs by early 2016. They will move into an existing 100,000 square foot facility in Conway.

- In August 2015, Little Spider Creations, a company that creates and installs specialty props for amusement parks, museums, and other venues, announced its plans to relocate from Denver, Colorado to North Myrtle Beach. This relocation is expected to create 35 jobs in the area over a five-year period. A $2.65 million investment, the company will move into an existing 24,000 square-foot facility in North Myrtle Beach.

- Star Life Safety, a New York-based company specializing in the integration of life safety systems for hospitals and medical facilities, opened a new office in Myrtle Beach. They are currently hiring 36 employees ranging from engineers, office staff, sales and installation specialists. They renovated and moved into a 7,600 square foot building near the Myrtle Beach International Airport.

- R. J. Corman Railroad Company bought an 80-mile short-line railroad that extends from Mullins to Conway where it connects to a line owned by Horry County that reaches Myrtle Beach. The rehabilitated railroad will help the local economy by reducing industrial transportation costs, while decreasing traffic congestion. The company has plans to create 30 jobs upon the project's completion in early 2016.

- There are proposals to widen U.S. Highway 701 in Loris and expand U.S. Highway 501 from State Route 544 to Conway's Fourth Avenue Bridge, as well as widening Kings Road near Restaurant Row.

- Horry County Schools plans on buying land in Carolina Forest for a third middle school and, eventually, a new elementary school that is planned to open in time for the 2017-2018 school year.

WARN (layoff notices):

According to the South Carolina Department of Employment and Workforce, there have been no WARN notices (large-scale layoffs/closures) reported for Socastee/Myrtle Beach since January 2014.

4. EMPLOYMENT TRENDS

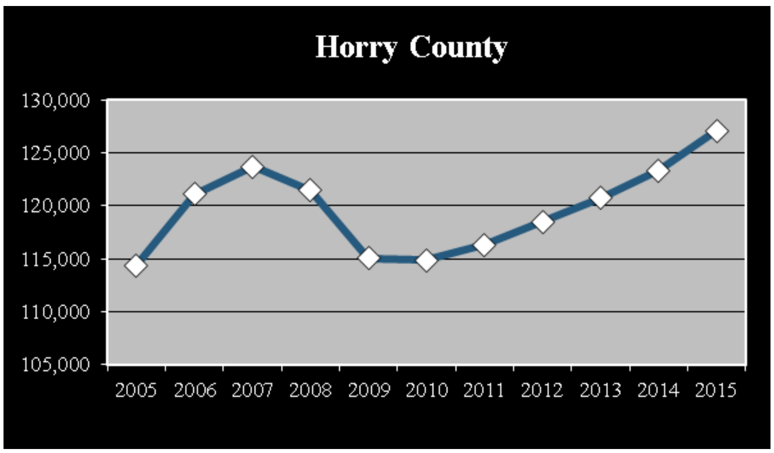
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2015, the employment base has increased by 7.4% over the past five years in Horry County, more than the South Carolina state increase of 7.4%. Total employment reflects the number of employed persons who live within the county.

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

	Total Employment					
	Horry County		South Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	114,386	-	1,929,233	-	142,222,734	-
2006	121,128	5.9%	1,973,337	2.3%	145,000,042	2.0%
2007	123,740	2.2%	2,005,686	1.6%	146,388,400	1.0%
2008	121,473	-1.8%	1,996,409	-0.5%	146,047,748	-0.2%
2009	115,067	-5.3%	1,910,670	-4.3%	140,696,560	-3.7%
2010	114,862	-0.2%	1,915,045	0.2%	140,469,405	-0.2%
2011	116,354	1.3%	1,942,109	1.4%	141,793,976	0.9%
2012	118,507	1.9%	1,978,328	1.9%	143,692,766	1.3%
2013	120,772	1.9%	2,013,452	1.8%	145,141,024	1.0%
2014	123,337	2.1%	2,056,136	2.1%	147,569,657	1.7%
2015*	127,125	3.1%	2,113,066	2.8%	149,753,758	1.5%

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



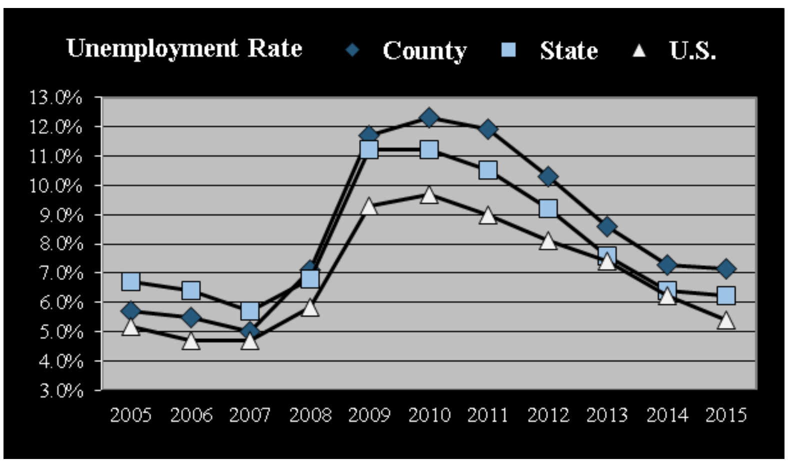
As the preceding illustrates, the Horry County employment base was adversely impacted by the national recession between 2007 and 2009. On a positive note, since 2009, the county's employment base has increased by 12,058 jobs, or 10.5%, and is above prerecession levels.

Bowen National Research

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

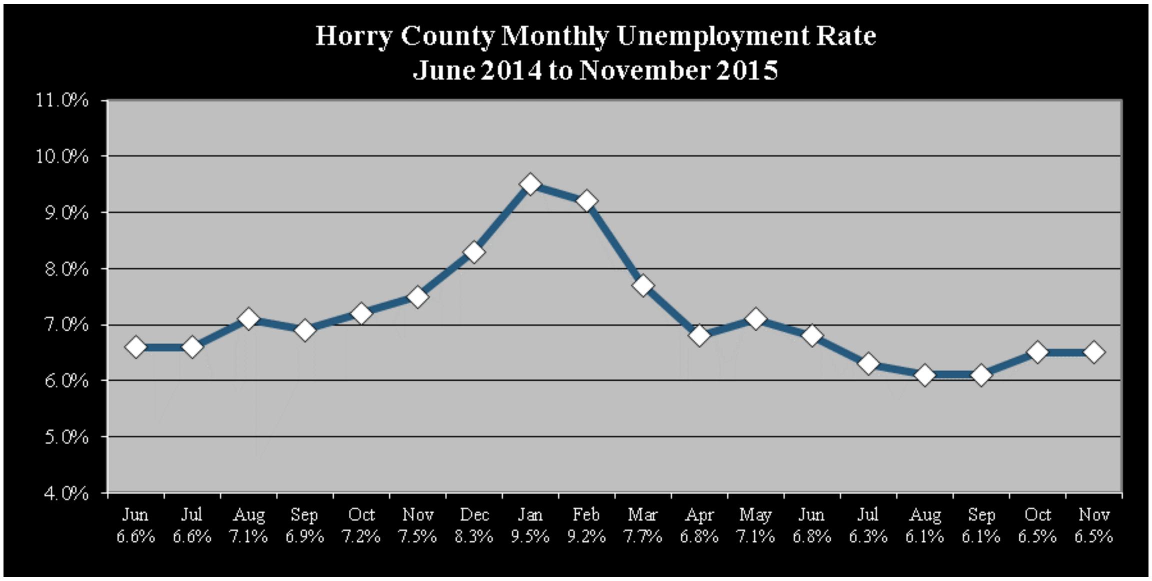
	Total Unemployment					
	Horry County		South Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	6,974	5.7%	139,366	6.7%	7,752,574	5.2%
2006	7,072	5.5%	135,760	6.4%	7,134,635	4.7%
2007	6,528	5.0%	120,205	5.7%	7,190,052	4.7%
2008	9,242	7.1%	145,823	6.8%	9,059,270	5.8%
2009	15,219	11.7%	242,075	11.2%	14,430,158	9.3%
2010	16,087	12.3%	240,623	11.2%	15,070,063	9.7%
2011	15,728	11.9%	228,937	10.5%	14,035,512	9.0%
2012	13,653	10.3%	199,830	9.2%	12,698,735	8.1%
2013	11,396	8.6%	166,641	7.6%	11,644,109	7.4%
2014	9,662	7.3%	141,451	6.4%	9,794,950	6.2%
2015*	9,727	7.1%	140,151	6.2%	8,503,727	5.4%

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



After reaching a high of 12.3% in 2010, the unemployment rate in Horry County has declined in each of the past five years. The 7.1% unemployment rate in 2015 represents an eight-year low, indicating that the local economy is stabilizing.

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



Despite significant fluctuations in the unemployment rate within Horry County in the winter months, due to the lack of tourism during this time of year, it has generally been stable within the past year and a half.

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

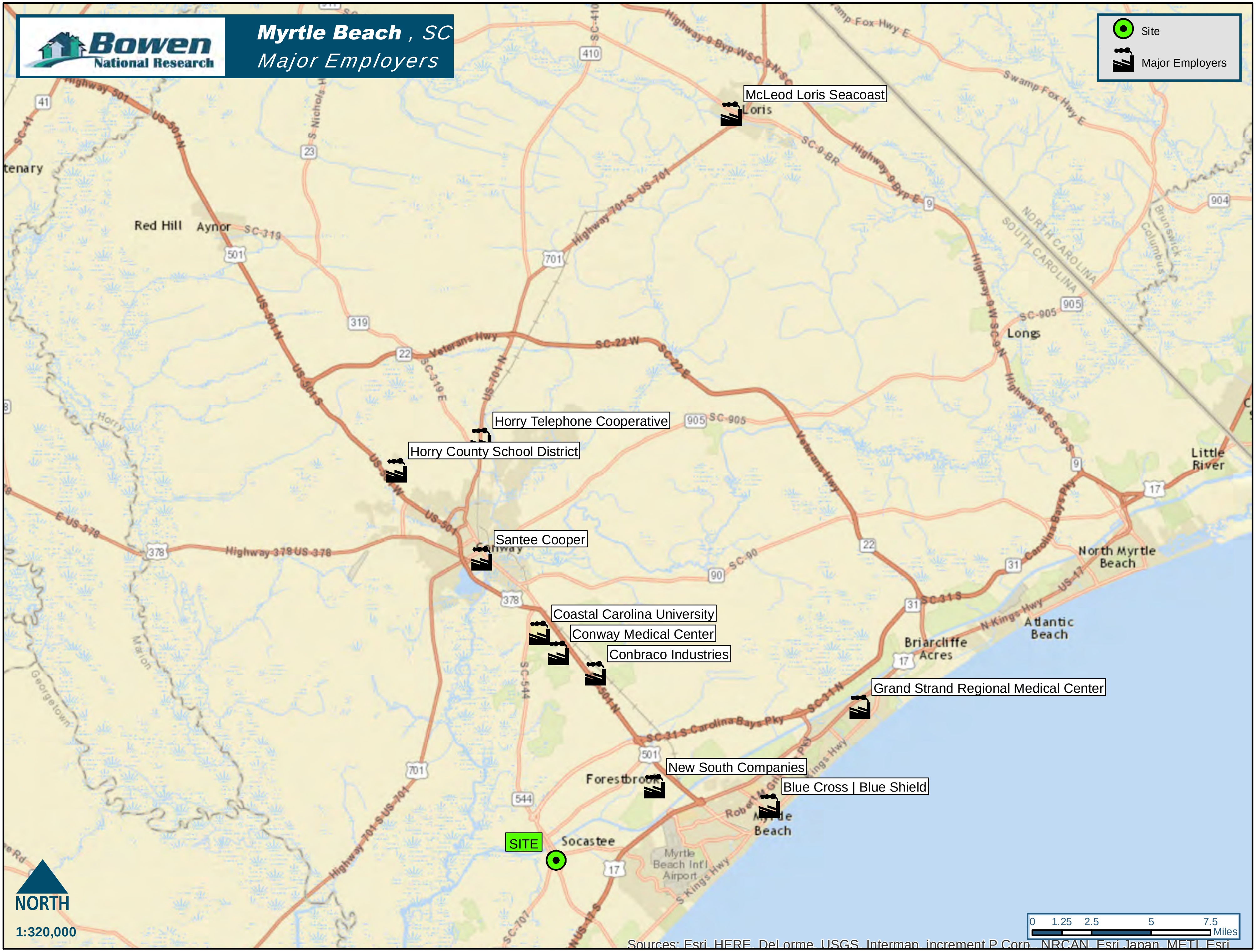
	In-Place Employment Horry County		
Year	**Employment**	**Change**	**Percent Change**
2005	108,780	-	-
2006	114,834	6,054	5.6%
2007	116,686	1,852	1.6%
2008	115,662	-1,024	-0.9%
2009	107,220	-8,442	-7.3%
2010	105,678	-1,542	-1.4%
2011	107,598	1,920	1.8%
2012	109,572	1,974	1.8%
2013	111,820	2,248	2.1%
2014	115,476	3,656	3.3%
2015*	116,275	799	0.7%

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

Data for 2014, the most recent year that year-end figures are available, indicates in-place employment in Horry County to be 93.6% of the total Horry County employment. This means that Horry County has more employed persons staying in the county for daytime employment than those who work outside of the county. This will contribute to the marketability of the subject project, as it is likely that many of the site's residents will have minimal commute times to their place of employment.

5. EMPLOYMENT CENTERS MAP

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


Bowen National Research
Myrtle Beach, SC
Major Employers
Site
Major Employers
McLeod Loris Seacoast
Horry Telephone Cooperative
Horry County School District
Santee Cooper
Coastal Carolina University
Conway Medical Center
Conbraco Industries
Grand Strand Regional Medical Center
New South Companies
Blue Cross | Blue Shield
SITE
Loris
Red Hill
Aynor
Long
Little River
North Myrtle Beach
Atlantic Beach
Briarcliffe Acres
Forestbrook
Socastee
Myrtle Beach Int'l Airport
NORTH
1:320,000
0 1.25 2.5 5 7.5 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

6. COMMUTING PATTERNS

Based on the American Community Survey (2009-2013), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	30,233	81.0%
Carpooled	3,735	10.0%
Public Transit	106	0.3%
Walked	769	2.1%
Other Means	1,301	3.5%
Worked at Home	1,158	3.1%
Total	37,302	100.0%

Source: American Community Survey (2009-2013); ESRI; Urban Decision Group; Bowen National Research

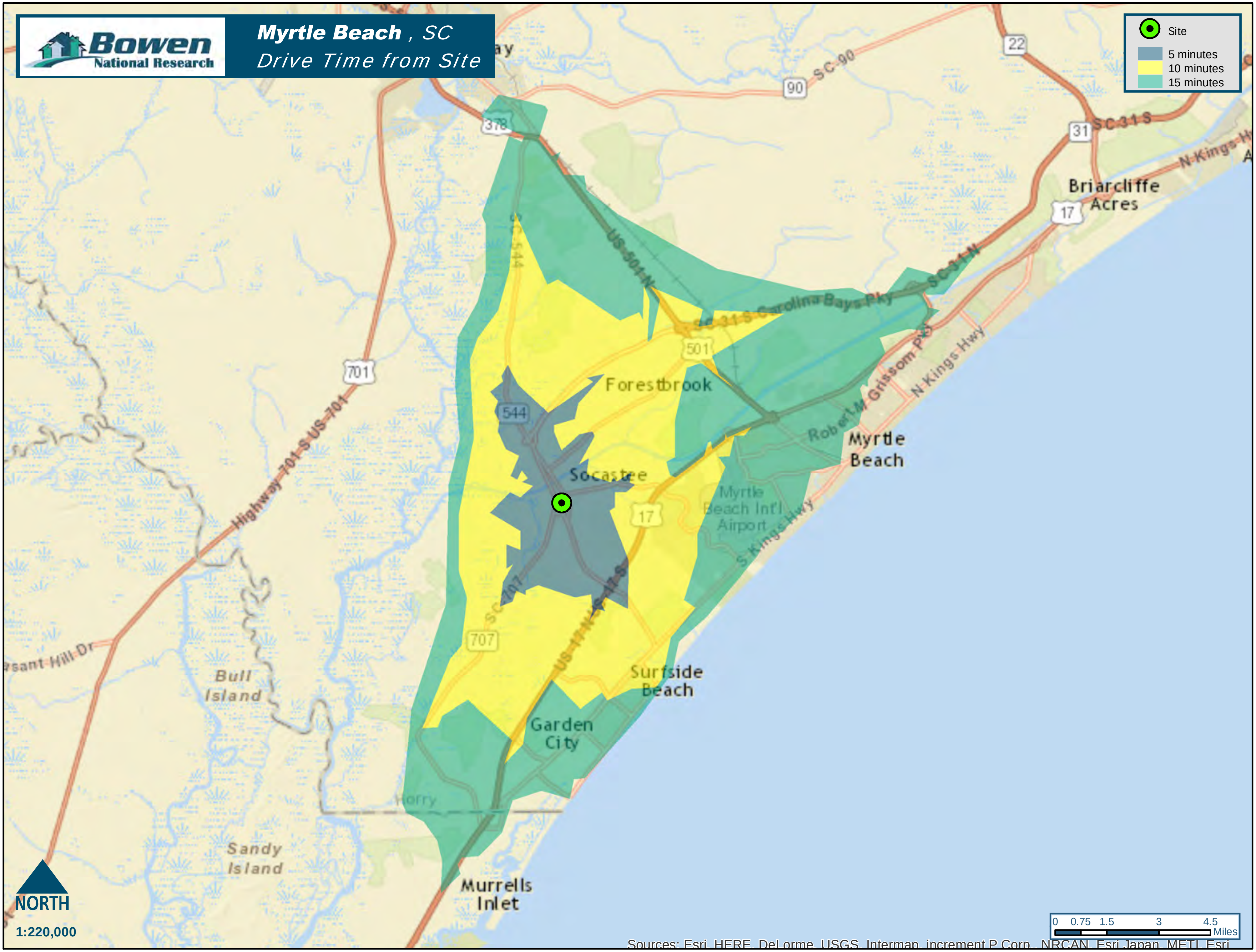
Approximately 81% of all workers drove alone, 10.0% carpooled and only 0.3% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	12,640	33.9%
15 to 29 Minutes	16,671	44.7%
30 to 44 Minutes	4,783	12.8%
45 to 59 Minutes	979	2.6%
60 or More Minutes	1,071	2.9%
Worked at Home	1,158	3.1%
Total	37,302	100.0%

Source: American Community Survey (2009-2013); ESRI; Urban Decision Group; Bowen National Research

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



Bowen
National Research
Myrtle Beach , SC
Drive Time from Site
Site
5 minutes
10 minutes
15 minutes
Briarcliffe Acres
Forestbrook
Socastee
Myrtle Beach
Myrtle Beach Int'l Airport
Surfside Beach
Garden City
Murrells Inlet
Bull Island
Sandy Island
Horry
US-501 N
SC 31 S
Carolina Bays Pky
Robert M Grissom Pky
N Kings Hwy
S Kings Hwy
Highway 701 S US-701
SC 544
SC 707
US-17 N
SC 90
SC 31 N
NORTH
1:220,000
0 0.75 1.5 3 4.5 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

7. ECONOMIC FORECAST AND HOUSING IMPACT

According to economic development representatives, as well as ESRI and employment data from the Bureau of Labor Statistics, the Horry County economy continues to grow. Since August 2015, there have been approximately $3.2 million of investment announcements, which is expected to create over 120 jobs within the next four years. Note that, the county's economy was temporarily impacted by the national recession, when the employment bas declined by nearly 9,000 jobs in 2008 and 2009, and the unemployment rated peaked at 12.3% in 2010. Since 2010, the employment base has expanded and the unemployment rate declined in each of the past five years and is currently at 7.1% (through November 2015). These are clear signs of a growing and recovering economy. Overall, we believe the local economy will continue to grow and create a stable environment for affordable housing for the foreseeable future.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2018 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2018 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2015 (estimated) and 2018 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Population	56,975	79,151	87,735	93,867
Population Change	-	22,176	8,584	6,132
Percent Change	-	38.9%	10.8%	7.0%

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

The Myrtle Beach Site PMA population base increased by 22,176 between 2000 and 2010. This represents a 38.9% increase over the 2000 population, or an annual rate of 3.3%. Between 2010 and 2015, the population increased by 8,584, or 10.8%. It is projected that the population will increase by 6,132, or 7.0%, between 2015 and 2018.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.5% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	359	0.5%
Population not in Group Quarters	78,792	99.5%
Total Population	79,151	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2015 (Estimated)		2018 (Projected)		Change 2015-2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	17,922	22.6%	19,173	21.9%	20,775	22.1%	1,602	8.4%
20 to 24	5,965	7.5%	5,698	6.5%	5,564	5.9%	-134	-2.4%
25 to 34	12,229	15.5%	14,012	16.0%	14,384	15.3%	372	2.7%
35 to 44	10,502	13.3%	11,426	13.0%	12,472	13.3%	1,046	9.2%
45 to 54	11,137	14.1%	11,564	13.2%	11,770	12.5%	206	1.8%
55 to 64	10,184	12.9%	11,319	12.9%	12,204	13.0%	885	7.8%
65 to 74	6,869	8.7%	9,115	10.4%	10,169	10.8%	1,054	11.6%
75 & Over	4,342	5.5%	5,428	6.2%	6,530	7.0%	1,102	20.3%
Total	79,150	100.0%	87,735	100.0%	93,867	100.0%	6,132	7.0%

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

As the preceding table illustrates, over 55% of the population is expected to be between 25 and 64 years old in 2015. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

e. Minority Concentrations

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	19.1%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	10.9%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.6%
Asian	1.3%	1.3% + 20.0% = 21.3%	1.7%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	<0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	3.0%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site is not located within a Census Tract that is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Myrtle Beach Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Households	24,226	33,381	37,008	39,607
Household Change	-	9,155	3,627	2,599
Percent Change	-	37.8%	10.9%	7.0%
Household Size	2.35	2.37	2.36	2.36

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

Within the Myrtle Beach Site PMA, households increased by 9,155 (37.8%) between 2000 and 2010. Between 2010 and 2015, households increased by 3,627 or 10.9%. By 2018, there will be 39,607 households, an increase of 2,599 households, or 7.0% from 2015. This is an increase of approximately 866 households annually over the next three years.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	19,651	58.9%	20,720	56.0%	22,080	55.7%
Renter-Occupied	13,730	41.1%	16,288	44.0%	17,526	44.3%
Total	33,381	100.0%	37,008	100.0%	39,607	100.0%

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

As the preceding table illustrates, renter households are projected to increase by 1,238, or 7.6%, between 2015 and 2018. This illustrates that there will be an increasing need for rental housing within the Site PMA.

c. Households by Income

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

Household Income	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than $10,000	2,038	6.1%	3,119	8.4%	3,616	9.1%
$10,000 to $19,999	4,528	13.6%	6,011	16.2%	6,702	16.9%
$20,000 to $29,999	4,412	13.2%	6,020	16.3%	6,540	16.5%
$30,000 to $39,999	4,652	13.9%	5,173	14.0%	5,879	14.8%
$40,000 to $49,999	4,220	12.6%	4,835	13.1%	4,867	12.3%
$50,000 to $59,999	2,551	7.6%	2,709	7.3%	2,824	7.1%
$60,000 to $74,999	3,346	10.0%	3,072	8.3%	3,114	7.9%
$75,000 to $99,999	3,339	10.0%	2,841	7.7%	2,869	7.2%
$100,000 to $124,999	1,778	5.3%	1,404	3.8%	1,404	3.5%
$125,000 to $149,999	1,011	3.0%	609	1.6%	594	1.5%
$150,000 to $199,999	646	1.9%	559	1.5%	541	1.4%
$200,000 & Over	859	2.6%	656	1.8%	656	1.7%
Total	33,381	100.0%	37,008	100.0%	39,607	100.0%
Median Income	$42,511		$36,481		$35,010	

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

In 2010, the median household income was $42,511. This declined by 14.2% to $36,481 in 2015. By 2018, it is projected that the median household income will be $35,010, a decline of 4.0% from 2015.

d. Average Household Size

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

e. **Households by Income by Tenure**

The following tables illustrate renter household income by household size for 2010, 2015 and 2018 for the Myrtle Beach Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than $10,000	700	181	193	117	55	1,246
$10,000 to $19,999	1,216	545	286	312	144	2,502
$20,000 to $29,999	821	834	255	143	164	2,216
$30,000 to $39,999	750	575	346	296	282	2,248
$40,000 to $49,999	323	752	221	167	120	1,582
$50,000 to $59,999	146	325	155	185	139	951
$60,000 to $74,999	214	369	239	105	64	991
$75,000 to $99,999	122	267	272	82	150	894
$100,000 to $124,999	54	63	252	52	93	514
$125,000 to $149,999	60	78	25	51	17	230
$150,000 to $199,999	30	59	26	19	18	151
$200,000 & Over	47	60	23	26	52	207
Total	4,482	4,107	2,291	1,553	1,296	13,730

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than $10,000	1,105	316	312	131	100	1,964
$10,000 to $19,999	1,543	824	361	423	179	3,331
$20,000 to $29,999	1,149	1,222	349	209	226	3,155
$30,000 to $39,999	759	676	435	373	346	2,589
$40,000 to $49,999	363	775	264	174	188	1,764
$50,000 to $59,999	131	294	189	224	162	999
$60,000 to $74,999	184	336	248	80	75	923
$75,000 to $99,999	81	228	322	65	124	821
$100,000 to $124,999	33	50	182	45	92	402
$125,000 to $149,999	21	19	22	51	14	127
$150,000 to $199,999	17	49	22	11	10	109
$200,000 & Over	16	38	14	14	23	105
Total	5,401	4,825	2,721	1,801	1,540	16,288

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than $10,000	1,255	363	374	147	112	2,252
$10,000 to $19,999	1,703	924	391	456	196	3,671
$20,000 to $29,999	1,216	1,349	382	228	243	3,418
$30,000 to $39,999	849	764	495	408	388	2,904
$40,000 to $49,999	366	764	273	172	200	1,775
$50,000 to $59,999	129	298	195	235	165	1,021
$60,000 to $74,999	179	327	255	82	78	922
$75,000 to $99,999	82	233	329	65	126	836
$100,000 to $124,999	37	47	177	40	99	399
$125,000 to $149,999	25	21	16	48	8	117
$150,000 to $199,999	14	49	18	14	12	107
$200,000 & Over	15	37	15	15	22	104
Total	5,870	5,177	2,921	1,911	1,648	17,526

Source: Ribbon Demographics; ESRI; Urban Decision Group

Demographic Summary

Overall, population and households within the market have been experiencing growth since 2000. These trends are projected to remain positive through 2018, increasing by 6,132 (7.0%) and 2,599 (7.0%), respectively, from 2015. Additionally, renter households within the Site PMA are projected to increase by 1,238 (7.6%) during the same time period. This illustrates that there will be an increasing need for additional rental housing. Further, as discussed later in Section H of this report, all affordable rental units surveyed are occupied. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within the Myrtle Beach-North Myrtle Beach-Conway, South Carolina MSA, which has a four-person median household income of $50,800 for 2015. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size for the targeted AMHI levels:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	$17,800	$21,360
Two-Person	$20,350	$24,420
Three-Person	$22,900	$27,480
Four-Person	$25,400	$30,480
Five-Person	$27,450	$32,940

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is $27,450 for the units at 50% of AMHI and $32,940 for the units at 60% of AMHI.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of $562 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is $6,744. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of $19,269.

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

	Income Range	
Unit Type	**Minimum**	**Maximum**
Tax Credit (Limited To 50% Of AMHI)	$19,269	$27,450
Tax Credit (Limited To 60% Of AMHI)	$21,154	$32,940
Overall Project	$19,269	$32,940

3. DEMAND COMPONENTS

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

a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2015 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2018) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

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

1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development**. *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-*

depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.

Based on Table B25074 of the American Community Survey (ACS) 2009-2013 5-year estimates, approximately 60.8% to 63.2% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2013 ACS 5-Year Estimates Table B25016, 14.0% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

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

4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

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

a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
b. **Supply:** Comparable/competitive units funded, under construction, or placed in service in 2015 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2016 which have not reach stabilized occupancy must also be considered as part of the supply.
c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there is one comparable affordable housing project that is currently under construction. This project is summarized as follows:

- Carolina Oaks Village is currently under construction at the 1200 block of North Oak Street in Myrtle Beach. This project will include 48 two- and three-bedroom units targeting family (general-occupancy) households with incomes up to 50% and 60% of AMHI. Carolina Oaks Village will be directly competitive with the proposed subject project and all 48 units have been considered in our demand estimates on the following page.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI ($19,269-$27,450)	60% AMHI ($21,154-$32,940)	Overall ($19,269-$32,940)
Demand From New Renter Households (Age-And Income-Appropriate)	2,815 - 2,593 = 222	3,877 - 3,551 = 326	4,540 - 4,159 = 381
+			
Demand From Existing Households (Rent Overburdened)	2,593 X 63.2% = 1,638	3,551 X 60.8% = 2,158	4,159 X 62.2% = 2,587
+			
Demand From Existing Households (Renters In Substandard Housing)	2,593 X 14.0% = 362	3,551 X 14.0% = 496	4,159 X 14.0% = 581
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	2,222	2,980	3,549
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2015)	12	36	48
=			
Net Demand	2,210	2,944	3,501
Proposed Units	9	35	44
Proposed Units/ Net Demand	9 / 2,210	35 / 2,944	44 / 3,501
Capture Rate	= 0.4%	= 1.2%	= 1.3%

The capture rates for units targeting households at 50% and 60% of AMHI, ranging from 0.4% to 1.2%, are considered very low and easily achievable. This is especially true, considering the lack of available affordable units within the Site PMA. The overall capture rate for the subject project is also low and easily achievable at 1.3%, demonstrating that there is a significant base of income-qualified renter households that will be able to support the subject project.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	30%
Two-Bedroom	45%
Three-Bedroom	25%
Total	100.0%

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

Units Targeting 50% Of AMHI (2,222 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (30%)	666	-	666	-	-
Two-Bedroom (45%)	1,000	8	992	5	0.5%
Three-Bedroom (25%)	556	4	552	4	0.7%

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

Units Targeting 60% Of AMHI (2,980 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (30%)	894	-	894	-	-
Two-Bedroom (45%)	1,341	16	1,325	15	1.1%
Three-Bedroom (25%)	745	20	725	20	2.8%

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

The capture rates by bedroom type and targeted income are considered low, ranging from 0.5% to 2.8%. These capture rates are good indicators that significant support exists for the subject units.

Considering that the subject project will include 24 three-bedroom units, which comprise 54.5% of all subject units offered, the analysis on the following page has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Demand Component	Percent Of Median Household Income		
	50% AMHI ($21,874-$27,450)	60% AMHI ($23,589-$32,940)	Overall ($21,874-$32,940)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	490 - 451 = 39	942 - 855 = 87	1,088 - 990 = 98
+			
Demand From Existing Households (Rent Overburdened)	451 X 60.8% = 274	855 X 60.8% = 520	990 X 60.8% = 602
+			
Demand From Existing Households (Renters In Substandard Housing)	451 X 14.0% = 63	855 X 14.0% = 120	990 X 14.0% = 139
=			
Total Large Household Demand	376	727	839
-			
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2015)	4	20	24
=			
Net Large Household Demand	372	707	815
Proposed (Three-Br.+) Units	4	20	24
Proposed (Three-Br.+) Units/ Net Large Household Demand	4 / 372	20 / 707	24 / 815
Large-Household Capture Rate	= 1.1%	= 2.8%	= 2.9%

The capture rates for the subject's three-bedroom units targeting households at 50% and 60% of AMHI, ranging from 1.1% to 2.8%, when considering larger (three-person+) household sizes, are considered very low and easily achievable. This is especially true, considering the lack of available affordable three-bedroom units within the Site PMA. The overall capture rate for the subject project's three-bedroom units is also low and easily achievable at 2.9%, demonstrating that there is a significant base of income-qualified renter households that will be able to support such units. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs slightly from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2018 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2018. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 44 LIHTC units at the subject site will experience an average initial absorption rate of approximately 12 units per month and reach a stabilized occupancy of 93.0% within approximately three months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

The subject project will include 44 Low-Income Housing Tax Credit (LIHTC) general occupancy units restricted to households with incomes of up to 50% and 60% of AMHI. We identified six existing and one under construction, non-subsidized family (general-occupancy) LIHTC projects within the Site PMA that will be competitive with the subject project. These competitive properties and the subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	**The Highlands at Socastee**	**2017**	**44**	**-**	**-**	**-**	**Families; 50% & 60% AMHI**
1	Bay Pointe I & II	2010	106	100.0%	8.2 Miles	10 H.H.	Families; 50% & 60% AMHI
3	Carolina Cove	2003	58*	100.0%	8.1 Miles	50% AMHI: 6-8 H.H.	Families; 50% & 60% AMHI
4	Monticello Park I	2004	68*	100.0%	8.1 Miles	4 Months	Families; 50% & 60% AMHI
5	Monticello Park II	2006	56	100.0%	7.4 Miles	None	Families; 50% & 60% AMHI
6	Monticello Park III	2008	56	100.0%	7.4 Miles	25 H.H.	Families; 50% & 60% AMHI
9	Piper's Pointe	2006	72	100.0%	7.9 Miles	5 H.H.	Families; 50% & 60% AMHI
A	Carolina Oaks Village	2016	48**	-	9.2 Miles	-	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households
*Tax Credit units only
**Under Construction
Map ID A not included in field survey

The existing six LIHTC projects have a combined occupancy rate of 100.0%, five of which maintain wait lists. The full occupancy and wait lists are clear indications of the strong level and pent up demand for affordable general occupancy product in the market. It is worth noting that all of these comparable LIHTC projects have been built since 2003 and represent a good base of comparison for the proposed subject project.

The one comparable LIHTC development under construction located at the 1200 block of North Oak Street in Myrtle Beach, Carolina Oaks Village, is expected to be complete towards the end of May. According to the developer, Chase Northcutt; (404) 364-2900, a total of 28 (58.3%) of this property's 48 units have applications on hand which are pending approval. Assuming that these units will be occupied upon completion, this illustrates that new affordable rental housing has been well-responded within the market. This will bode well for the demand of the subject units.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies) One-Br.	Two-Br.	Three-Br.	Rent Special
Site	**The Highlands at Socastee**	**-**	**$562/50% (5) $617-$622/60% (15)**	**$638/50% (4) $688/60% (20)**	**-**
1	Bay Pointe I & II	-	$670/50% (21/0) $794/60% (20/0)	$773/50% (35/0) $916/60% (30/0)	None
3	Carolina Cove	-	$681/50% (30/0) $801/60% (16/0)	$782/50% (8/0) $922/60% (4/0)	None
4	Monticello Park I	-	$637/50% (26/0) $764/60% (26/0)	$737/50% (8/0) $883/60% (8/0)	None
5	Monticello Park II	-	$652/50% (14/0) $652/60% (14/0)	$737/50% (14/0) $737/60% (14/0)	None
6	Monticello Park III	$525/50% (12/0) $631/60% (4/0)	$637/50% (15/0) $764/60% (5/0)	$737/50% (15/0) $883/60% (5/0)	None
9	Piper's Pointe	-	$668/50% (21/0) $809/60% (15/0)	$772/50% (21/0) $933/60% (15/0)	None
A	Carolina Oaks Village	-	$560 (8) $672 (16)	$646 (4) $775 (20)	None

Map ID A not included in field survey

The proposed subject gross rents, ranging from $562 to $688, will be some of the lowest LIHTC rents within the market. Specifically, the subject project will generally offer lower rents than the newest LIHTC project within the Site PMA, Carolina Oaks Village. This will provide the project with a significant competitive advantage.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Bay Pointe I & II	106	18	17.0%
3	Carolina Cove	58*	48	82.8%
4	Monticello Park I	68*	15	22.1%
5	Monticello Park II	56	6	10.7%
6	Monticello Park III	56	1	1.8%
9	Piper's Pointe	72	23	31.9%
	Total	416	111	26.7%

*Tax Credit units only

As the preceding table illustrates, there are a total of approximately 111 Voucher holders residing at the comparable properties within the market. This comprises 26.7% of the 416 total non-subsidized LIHTC units. As such, it can be concluded that these projects are relying on some Voucher support, but that a majority of the units are occupied by households paying the quoted rents.

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

Note that a one-page summary sheet was not provided for Carolina Oaks Village, as it was under construction at the time of our survey.

3 Carolina Cove — 8.1 miles to site

Address	830 Pridgen Rd. Myrtle Beach, SC 29577
Phone	(843) 445-7899
Contact	Lori
Total Units	73
Vacancies	1
Percent Occupied	98.6%
Project Type	Market-Rate & Tax Credit
Year Open	2003
Floors	2
Concessions	No Rent Specials
Parking	Surface Parking
Waiting List	50% AMHI: 6-8 HH
Quality Rating	B
Neighborhood Rating	B
Remarks	Market-rate (15 units); 50% & 60% AMHI (58 units); HCV (48 units)

Features and Utilities

Utilities Landlord pays Water, Sewer, Trash

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage

Project Amenities Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	11	1	979	$0.78	$760	
2	2	G	16	0	979	$0.67	$655	60%
2	2	G	30	0	979	$0.55	$535	50%
3	2.5	G	4	0	1166	$0.73	$855	
3	2.5	G	4	0	1166	$0.64	$750	60%
3	2.5	G	8	0	1166	$0.52	$610	50%

4 Monticello Park I — 8.1 miles to site

Address 1300 Osceola St.
Myrtle Beach, SC 29577

Phone (843) 946-0051 **Contact** Tiffany

Total Units 80 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 2004 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 4 months

Quality Rating B+ **Neighborhood Rating** C

Remarks Market-rate (12 units); 50% & 60% AMHI (68 units); HCV (15 units)

Features and Utilities

Utilities Landlord pays Sewer, Trash

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds

Project Amenities On-site Management, Laundry Facility, Meeting Room, Playground, Picnic Area, Social Services

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	8	0	1047	$0.71	$745	
2	2	G	26	0	1047	$0.58	$609	60%
2	2	G	26	0	1047	$0.46	$482	50%
3	2	G	4	0	1268	$0.67	$845	
3	2	G	8	0	1268	$0.55	$700	60%
3	2	G	8	0	1268	$0.44	$554	50%

1	Bay Pointe I & II	8.2 miles to site

Address 1401 Mako Ct.
Myrtle Beach, SC 29577

Phone (843) 626-4848 **Contact** Jessica

Total Units 106 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2010 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 10 households

Quality Rating A **Neighborhood Rating** C

Remarks 50% & 60% AMHI; HCV (18 units); Phase II built in 2011; Square footage estimated

Features and Utilities

Utilities Landlord pays Water, Sewer, Trash

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds

Project Amenities On-site Management, Laundry Facility, Playground

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	20	0	1100	$0.59	$648	60%
2	2	G	21	0	1100	$0.48	$524	50%
3	2	G	30	0	1200	$0.62	$744	60%
3	2	G	35	0	1200	$0.50	$601	50%

5 Monticello Park II — 7.4 miles to site

Address 1223 Winchester Ct.
Myrtle Beach, SC 29577

Phone (843) 445-2583 **Contact** Alexis

Total Units 56 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2006 **Floors** 2,3

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating A **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (6 units); Unit mix estimated

Features and Utilities

Utilities Landlord pays Sewer, Trash

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds

Project Amenities On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	14	0	1047	$0.47	$497	60%
2	2	G	14	0	1047	$0.47	$497	50%
3	2	G	14	0	1268	$0.44	$554	60%
3	2	G	14	0	1268	$0.44	$554	50%

6 Monticello Park III — 7.4 miles to site

Address	1300 Oscelola St. Myrtle Beach, SC 29577
Phone	(843) 946-0051
Contact	Alexis
Total Units	56
Vacancies	0
Percent Occupied	100.0%
Project Type	Tax Credit
Year Open	2008
Floors	3
Concessions	No Rent Specials
Parking	Surface Parking
Waiting List	25 households
Quality Rating	A
Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (1 unit); Unit mix estimated

Features and Utilities

Utilities Landlord pays Sewer, Trash

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds

Project Amenities On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	800	$0.63	$507	60%
1	1	G	12	0	800	$0.50	$401	50%
2	2	G	5	0	1047	$0.58	$609	60%
2	2	G	15	0	1047	$0.46	$482	50%
3	2	G	5	0	1268	$0.55	$700	60%
3	2	G	15	0	1268	$0.44	$554	50%

9 Piper's Pointe — 7.9 miles to site

Address 1310 Pipers Pointe Ln.
Myrtle Beach, SC 29577

Phone (843) 448-0400 **Contact** Jessica

Total Units 72 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2006 **Floors** 3

Concessions No Rent Specials

Parking Surface Parking

Waiting List 5 households

Quality Rating A **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (23 units)

Features and Utilities

Utilities No landlord paid utilities

Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, Sunroom

Project Amenities On-site Management, Laundry Facility, Club House, Playground

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	15	0	1082	$0.56	$609	60%
2	2	G	21	0	1082	$0.43	$468	50%
3	2	G	15	0	1304	$0.54	$700	60%
3	2	G	21	0	1304	$0.41	$539	50%

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

		Square Footage		
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.
Site	**The Highlands at Socastee**	**-**	**1,000**	**1,200**
1	Bay Pointe I & II	-	1,100	1,200
3	Carolina Cove	-	979	1,166
4	Monticello Park I	-	1,047	1,268
5	Monticello Park II	-	1,047	1,268
6	Monticello Park III	800	1,047	1,268
9	Piper's Pointe	-	1,082	1,304
A	Carolina Oaks Village	-	965	1,125

Map ID A not included in field survey

		Number of Baths		
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.
Site	**The Highlands at Socastee**	**-**	**2.0**	**2.0**
1	Bay Pointe I & II	-	2.0	2.0
3	Carolina Cove	-	2.0	2.5
4	Monticello Park I	-	2.0	2.0
5	Monticello Park II	-	2.0	2.0
6	Monticello Park III	1.0	2.0	2.0
9	Piper's Pointe	-	2.0	2.0
A	Carolina Oaks Village	-	2.0	2.0

Map ID A not included in field survey

The subject’s two-bedroom units will consist of approximately 1,000 square feet and its three-bedroom units will offer 1,200 square feet. The unit sizes are very comparable to the six competitive LIHTC projects. In fact, the subject project will offer larger unit sizes than those offered at the newest LIHTC project in the market, Carolina Oaks Village. This will provide the subject with a competitive advantage. The two full bathrooms proposed for the subject project are identical to nearly all of the comparable projects. The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered.

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

COMPARABLE PROPERTIES AMENITIES - MYRTLE BEACH, SC

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

- ♦ Senior Restricted
- Market-rate
- Market-rate/Tax Credit
- Market-rate/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized
- Tax Credit
- Tax Credit/Government-subsidized
- Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

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COMPARABLE PROPERTIES AMENITIES - MYRTLE BEACH, SC

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

- ♦ Senior Restricted
- Market-rate
- Market-rate/Tax Credit
- Market-rate/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized
- Tax Credit
- Tax Credit/Government-subsidized
- Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

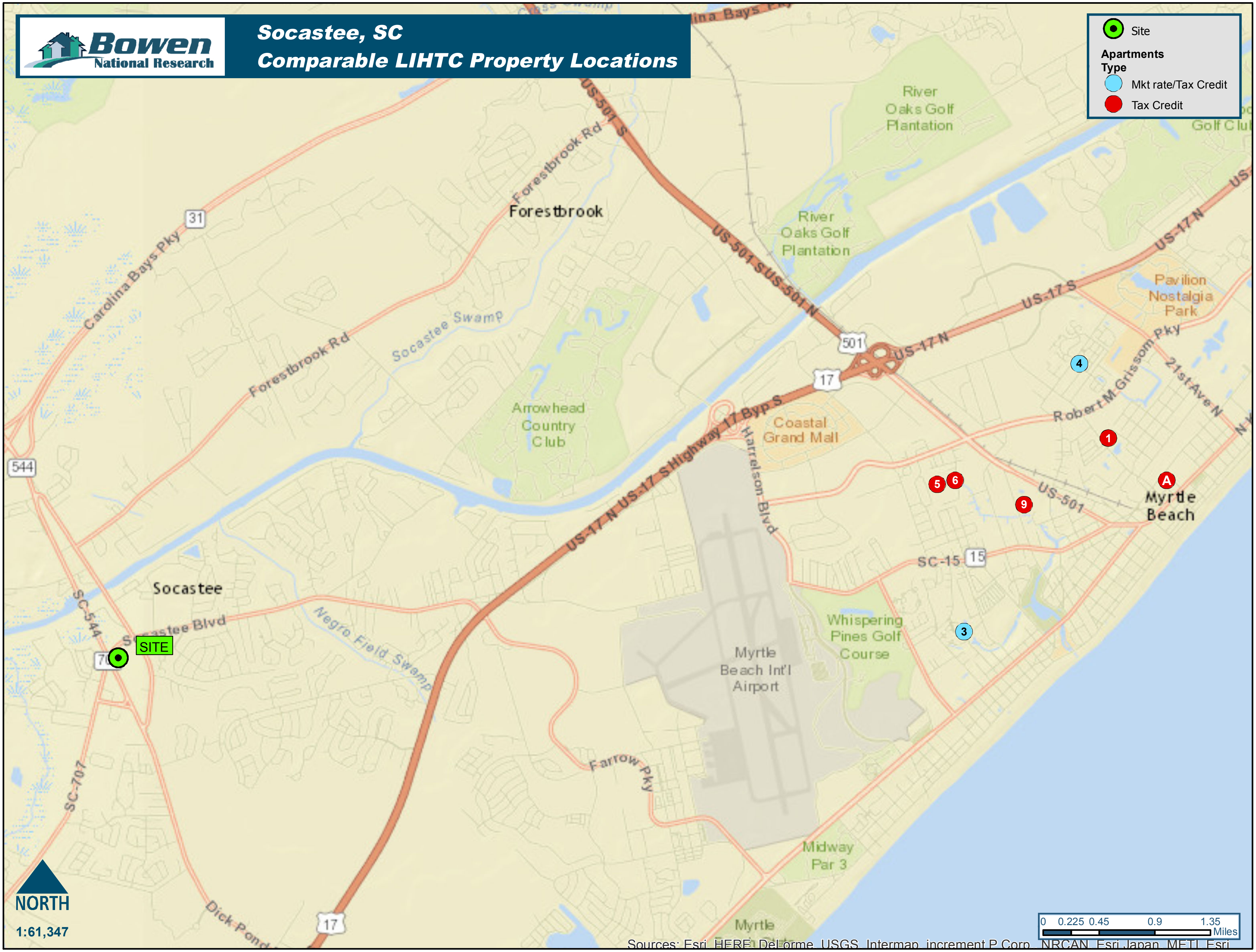
The amenity packages that will be included at the proposed subject development are considered to be comprehensive, offering a wide variety of both unit and project amenities. It is believed that these amenities will enable the subject project to compete well in the market. It is worth noting that the subject project will be one of few that will offer a patio/balcony with all units, a computer center, fitness center and a picnic area. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Tax Credit project.

While not included in the preceding tables, the unit amenities that will be offered at Carolina Oaks Village include a refrigerator, range, dishwasher, garbage disposal, washer/dryer hookups, carpeting, ceiling fan and a patio/balcony. Community amenities will include on-site management, a community room, computer center, fitness center, laundry facility, playground and security cameras. The subject's amenities package is very comparable to this new LIHTC property.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties. The subject project will offer the lowest rents while offering a very comprehensive amenity package. It is believed that the combination of proposed rents and comprehensive amenity package will give the proposed subject project a competitive advantage in the market. This will likely result in a relatively rapid absorption rate for the proposed subject project.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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


Bowen National Research
Socastee, SC
Comparable LIHTC Property Locations
Site
Apartments Type
Mkt rate/Tax Credit
Tax Credit
River Oaks Golf Plantation
River Oaks Golf Plantation
Forestbrook
Forestbrook Rd
Forestbrook Rd
Carolina Bays Pky
31
544
Socastee Swamp
Arrowhead Country Club
US-501 S
US-501 S
US-501 N
501
17
US-17 N
US-17 S
US-17 N
Pavilion Nostalgia Park
Robert M Grissom Pky
21st Ave N
Coastal Grand Mall
Harrelson Blvd
US-17 N US-17 S Highway 17 Byp S
US-501
Myrtle Beach
1
A
4
5
6
9
SC-15
15
3
Whispering Pines Golf Course
Myrtle Beach Int'l Airport
Socastee
Socastee Blvd
SITE
SC-544
Negro Field Swamp
Farrow Pky
SC-707
Dick Pond
17
Midway Par 3
Myrtle
NORTH
1:61,347
0 0.225 0.45 0.9 1.35
Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Myrtle Beach Site PMA in 2010 and 2015 (estimated) are summarized in the following table:

	2010 (Census)		2015 (Estimated)	
Housing Status	Number	Percent	Number	Percent
Total-Occupied	33,381	61.4%	37,008	61.3%
Owner-Occupied	19,651	58.9%	20,720	56.0%
Renter-Occupied	13,730	41.1%	16,288	44.0%
Vacant	21,017	38.6%	23,316	38.7%
Total	54,398	100.0%	60,324	100.0%

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

Based on a 2015 update of the 2010 Census, of the 60,324 total housing units in the market, 38.7% were vacant. In 2015, it was estimated that homeowners occupied 56.0% of all occupied housing units, while the remaining 44.0% were occupied by renters. The share of renters is considered typical for a market of this size and the 16,288 renter households in the PMA in 2015 represent a large base of potential support in the market for the subject development.

We identified and personally surveyed 21 existing conventional housing projects containing a total of 3,469 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 95.2%, a good rate for rental housing. Among these projects, 18 are non-subsidized (market-rate and Tax Credit) projects containing 3,207 units. These non-subsidized units are 94.9% occupied. The remaining three projects contain 262 government-subsidized units, which are 100.0% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	10	2,642	164	93.8%
Market-rate/Tax Credit	2	153	1	99.3%
Tax Credit	6	412	0	100.0%
Tax Credit/Government-Subsidized	1	110	0	100.0%
Government-Subsidized	2	152	0	100.0%
Total	21	3,469	165	95.2%

The overall multifamily rental housing market is performing very well, with no individual segment operating below a 93.8% occupancy rate. The affordable rental housing supply (Tax Credit and/or government-subsidized) is operating at 100% occupancy, indicating the strong and pent-up demand for affordable rental housing.

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

Market-rate						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Gross Rent**
One-Bedroom	1.0	658	24.7%	42	6.4%	$979
Two-Bedroom	1.0	116	4.3%	3	2.6%	$1,042
Two-Bedroom	1.5	40	1.5%	2	5.0%	$831
Two-Bedroom	2.0	1,480	55.5%	93	6.3%	$1,112
Three-Bedroom	1.0	7	0.3%	0	0.0%	$951
Three-Bedroom	1.5	6	0.2%	0	0.0%	$971
Three-Bedroom	2.0	294	11.0%	19	6.5%	$1,243
Three-Bedroom	2.5	68	2.5%	6	8.8%	$1,322
Total Market-rate		**2,669**	**100.0%**	**165**	**6.2%**	-
Tax Credit, Non-Subsidized						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Gross Rent**
One-Bedroom	1.0	97	18.0%	0	0.0%	$568
Two-Bedroom	2.0	264	49.1%	0	0.0%	$681
Three-Bedroom	2.0	165	30.7%	0	0.0%	$773
Three-Bedroom	2.5	12	2.2%	0	0.0%	$782
Total Tax Credit		**538**	**100.0%**	**0**	**0.0%**	-

The market-rate units are 93.8% occupied and the Tax Credit units are 100.0% occupied. It is clear from this inventory of non-subsidized supply that the affordable rental housing segment is in very high demand. With no vacancies among the Tax Credit supply and most projects maintaining a wait list, there is clear pent-up demand for rental product affordable to low-income renter households. The median gross rents by bedroom and bathroom configuration for the LIHTC supply are much lower than the corresponding market-rate units' median gross rents. This value of the LIHTC supply is likely contributing to the high demand of these particular units.

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

Year Built	Projects	Units	Vacancy Rate
Before 1980	0	0	0.0%
1980 to 1989	1	131	3.8%
1990 to 1999	6	1,013	4.7%
2000 to 2005	6	1,557	6.4%
2006	2	128	0.0%
2007	1	216	6.0%
2008	1	56	0.0%
2009	0	0	0.0%
2010	1	106	0.0%
2011 to 2015*	0	0	0.0%
Total	18	3,207	5.1%

*As of December

Most of the surveyed supply was built between 1990 and 2005. A total of 106 non-subsidized units have been built in the market since 2009. These newer units are fully occupied, indicating the strong level of demand for modern rental housing.

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

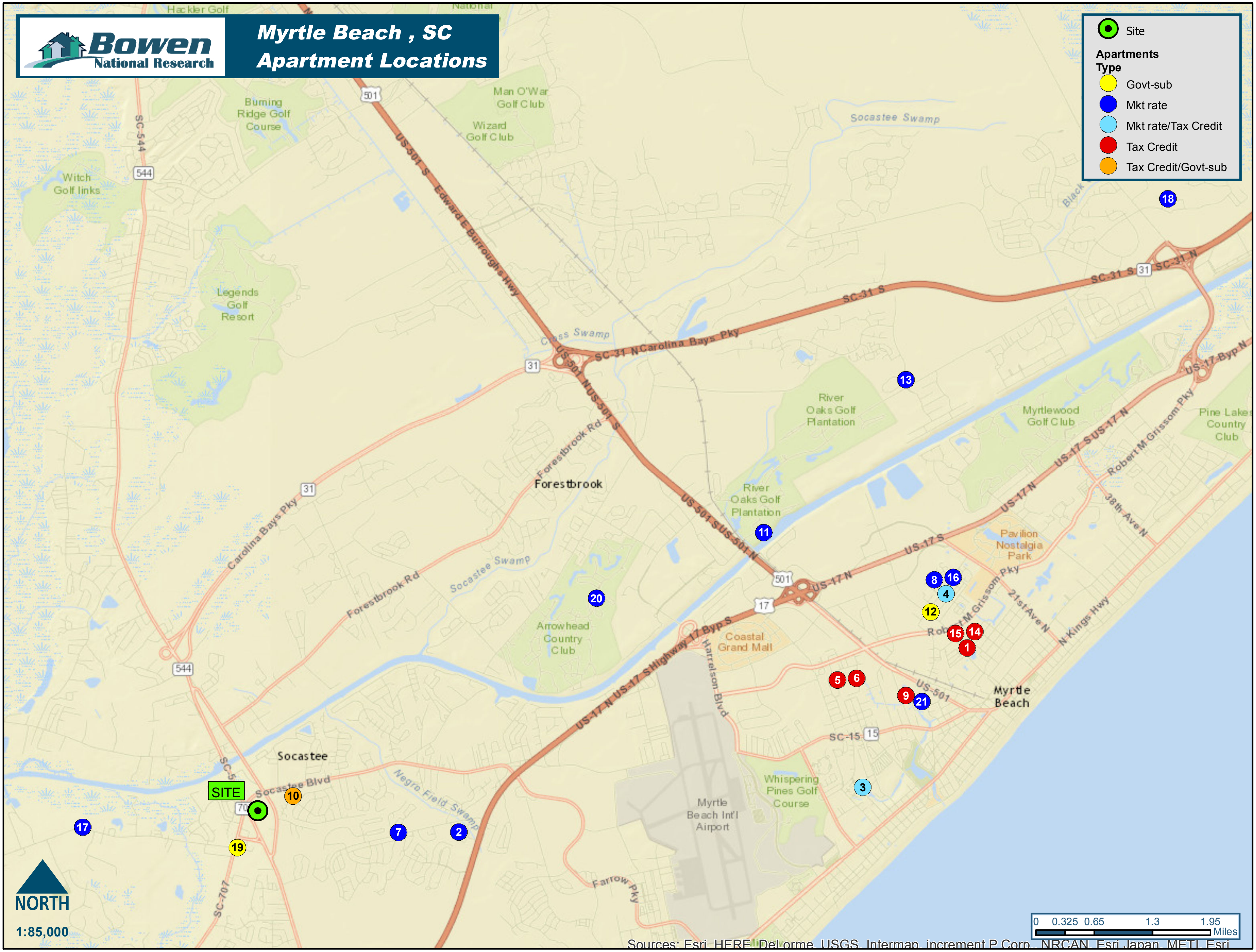
Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	3	1,192	5.6%
A-	1	272	8.8%
B+	3	672	6.5%
B	3	331	5.4%
B-	1	131	3.8%
C	1	71	9.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	4	290	0.0%
B+	1	68	0.0%
B	3	180	0.0%

Among the market-rate supply, there does not appear to be a direct correlation between quality and occupancy levels. Meanwhile, all LIHTC housing, regardless of quality, is performing at full occupancy. The subject project is expected to be of very good quality which should enable it to compete well in the market.

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

4. RENTAL HOUSING INVENTORY MAP

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



Bowen National Research
Myrtle Beach , SC
Apartment Locations
Site
Apartments Type
Govt-sub
Mkt rate
Mkt rate/Tax Credit
Tax Credit
Tax Credit/Govt-sub
SITE
Forestbrook
Socastee
Myrtle Beach
Myrtle Beach Int'l Airport
Coastal Grand Mall
Pavilion Nostalgia Park
Arrowhead Country Club
River Oaks Golf Plantation
Myrtlewood Golf Club
Whispering Pines Golf Course
Legends Golf Resort
Witch Golf links
Burning Ridge Golf Course
Man O'War Golf Club
Wizard Golf Club
Pine Lakes Country Club
Socastee Swamp
Socastee Blvd
Forestbrook Rd
Carolina Bays Pky
SC-31 N Carolina Bays Pky
US-501 S Edward E Burroughs Hwy
US-17 N
US-17 S
Robert M Grissom Pky
N Kings Hwy
Harrelson Blvd
SC-15
Farrow Pky
NORTH
1:85,000
0 0.325 0.65 1.3 1.95 Miles
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there are two multifamily projects planned within the Site PMA. These planned developments are summarized as follows:

- In June 2015, developers began construction of the Carolina Oaks Village rental community, a LIHTC project, located at the 1200 block of North Oak Street in Myrtle Beach. This complex will have three buildings containing 48 units. There will be a community building for the residents to use. 36 of the 48 units will target residents making below 60% AMHI and two units will target residents making below 50% AMHI. 10 units will be set aside for low income veterans. Carolina Oaks Village will offer two- and three-bedrooms, with rents ranging from $560 to $775 a month. Square footage for a two-bedroom will be 965 square feet and a three-bedroom will be 1,125 square feet. Preleasing will begin 90 days prior to opening in May 2016.

- In September 2015, developers proposed the construction of the Vinings at the Market Common, a market-rate project, located on Fred Nash Boulevard and Farrow Parkway in Myrtle Beach. This complex will have eleven buildings and 276 units which will offer one- two- and three-bedrooms. Rents are expected to range from $899 to $1400 a month. This project is expected to be complete in the summer of 2016.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

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market-rate projects that are of townhouse-style design even if they may be economically comparable. A project's age, overall quality and amenities offered are also considered when evaluating conceptual comparability. Note that the determination of both economic and conceptual comparability is the opinion of the market analyst.

As discussed earlier in this analysis, we identified a total of six comparable LIHTC projects within the Site PMA that have received Tax Credit funding. These projects are considered both economically and conceptually comparable. In addition, we identified a total of five projects offering market-rate units (may include mixed-income projects) of which none are considered *both* economically and conceptually comparable. Our methodology for identifying conceptual comparability are those projects that target a similar age cohort, are of similar design, offered similar amenity packages, have a year built or received significant renovations no earlier than 1997. The six stabilized comparable Tax Credit projects identified in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/ Renovated	Project Type	Total Units	Occupancy Rate
Site	**The Highlands at Socastee**	**2017**	**TC**	**44**	**-**
1	Bay Pointe I & II	2010	TC	106	100.0%
3	Carolina Cove	2003	TC	58*	100.0%
4	Monticello Park I	2004	TC	68*	100.0%
5	Monticello Park II	2006	TC	56	100.0%
6	Monticello Park III	2008	TC	56	100.0%
9	Piper's Pointe	2006	TC	72	100.0%

*Non-Subsidized Tax Credit Units Only
TC – Tax Credit

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

8. MARKET RENT ADVANTAGE

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

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate) One-Br.	Two-Br.	Three-Br.
Site	**The Highlands at Socastee**	**2017**	**44**	**-**	**-**	**20 (-)**	**24 (-)**
2	Cape Landing at Palmetto Pointe	1997	288	94.1%	132 (93.9%)	108 (93.5%)	48 (95.8%)
3	Carolina Cove	2003	15*	93.3%	-	11 (90.9%)	4 (100.0%)
4	Monticello Park I	2004	12*	100.0%	-	8 (100.0%)	4 (100.0%)
7	Palmetto Pointe	1999	320	100.0%	155 (100.0%)	155 (100.0%)	10 (100.0%)
17	Ivystone Apts.	2002	664	95.5%	-	552 (95.7%)	112 (94.6%)

Occ. – Occupancy
*Market-rate units only

The five selected market-rate projects have a combined total of 1,299 units with an overall occupancy rate of 96.3%. None of the comparable properties has an occupancy rate below 93.3%.

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

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

	Subject		***Comp #1***		***Comp #2***		***Comp #3***		***Comp #4***		***Comp #5***	
	The Highlands at Socastee	**Data**	Cape Landing at Palmetto Pointe		Carolina Cove		Monticello Park I		Palmetto Pointe		Ivystone Apts.	
	State Route 707	**on**	3851 Cape Landing Dr.		830 Pridgen Rd.		1300 Osceola St.		3919 Carnegie Ave.		305 Brookfield Dr.	
	Myrtle Beach, SC	**Subject**	Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC	
A.	**Rents Charged**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$1,008**		**$760**		**$745**		**$935**		**$750**	
2	**Date Surveyed**		Dec-15		Dec-15		Dec-15		Dec-15		Dec-15	
3	**Rent Concessions**		None		None		None		None		None	
4	**Occupancy for Unit Type**		93%		91%		100%		100%		96%	
5	**Effective Rent & Rent/ sq. ft**		**$1,008**	0.91	**$760**	0.78	**$745**	0.71	**$935**	0.90	**$750**	0.75
B.	**Design, Location, Condition**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	**WU/3**	WU/3		WU/2		WU/2		WU/3		WU/2	
7	**Yr. Built/Yr. Renovated**	**2017**	1997	$20	2003	$14	2004	$13	1999	$18	2002	$15
8	**Condition /Street Appeal**	**E**	G	$15	G	$15	G	$15	G	$15	E	
9	**Neighborhood**	**G**	G		G		F	$10	G		G	
10	**Same Market?**		Yes		Yes		Yes		Yes		Yes	
C.	**Unit Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	**2**	2		2		2		2		2	
12	**# Baths**	**2**	2		2		2		2		2	
13	**Unit Interior Sq. Ft.**	**1000**	1108	($22)	979	$4	1047	($10)	1040	($8)	1000	
14	**Balcony/ Patio**	**Y**	Y		Y		N	$5	Y		Y	
15	**AC: Central/ Wall**	**C**	C		C		C		C		C	
16	**Range/ Refrigerator**	**R/F**	R/F		R/F		R/F		R/F		R/F	
17	**Microwave/ Dishwasher**	**Y/Y**	N/Y	$5	Y/Y		Y/Y		N/Y	$5	Y/Y	
18	**Washer/Dryer**	**HU/L**	HU/L		HU/L		HU/L		HU/L		HU	$5
19	**Floor Coverings**	**C**	C		C		C		C		C	
20	**Window Coverings**	**B**	B		B		B		B		B	
21	**Intercom/Security System**	**N/N**	Y/N	($3)	N/N		N/N		N/N		N/N	
22	**Garbage Disposal**	**N**	Y	($5)	Y	($5)	Y	($5)	Y	($5)	Y	($5)
23	**Ceiling Fans/Exterior Storage**	**Y/Y**	N/Y	$5	Y/Y		Y/N	$5	Y/N	$5	Y/N	$5
D	**Site Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking** ($ Fee)	**LOT/$0**	LOT/$0		LOT/$0		LOT/$0		LOT/$0		LOT/$0	
25	**On-Site Management**	**Y**	Y		Y		Y		Y		Y	
26	**Security Gate**	**N**	N		N		N		N		N	
27	**Clubhouse/ Meeting Rooms**	**Y**	Y		Y		Y		Y		N	$5
28	**Pool/ Recreation Areas**	**F**	P/F/S/J	($16)	P/F/S	($13)	N	$5	P/F	($10)	P/F	($10)
29	**Computer Center**	**Y**	Y		N	$3	N	$3	N	$3	N	$3
30	**Picnic Area**	**Y**	Y		N	$3	Y		Y		N	$3
31	**Playground**	**Y**	N	$3	Y		Y		N	$3	N	$3
32	**Social Services**	**N**	N		N		Y	($10)	N		N	
E.	**Utilities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat** (in rent?/ type)	**N/E**	N/E		N/E		N/E		N/E		N/E	
34	**Cooling** (in rent?/ type)	**N/E**	N/E		N/E		N/E		N/E		N/E	
35	**Cooking** (in rent?/ type)	**N/E**	N/E		N/E		N/E		N/E		N/E	
36	**Hot Water** (in rent?/ type)	**N/E**	N/E		N/E		N/E		N/E		N/E	
37	**Other Electric**	**N**	N		N		N		N		N	
38	**Cold Water/ Sewer**	**N/N**	N/N		Y/Y	($31)	N/Y	($22)	N/N		N/N	
39	**Trash /Recycling**	**Y/N**	N/N	$23	Y/N		Y/N		Y/N		Y/N	
F.	**Adjustments Recap**		**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**		5	4	5	2	7	3	6	3	7	2
41	**Sum Adjustments B to D**		$48	($46)	$39	($18)	$56	($25)	$49	($23)	$39	($15)
42	**Sum Utility Adjustments**		$23			($31)		($22)				
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	***Net/ Gross Adjmts B to E***		*$25*	*$117*	*($10)*	*$88*	*$9*	*$103*	*$26*	*$72*	*$24*	*$54*
G.	**Adjusted & Market Rents**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent** (5+ 43)		**$1,033**		**$750**		**$754**		**$961**		**$774**	
45	Adj Rent/Last rent			102%		99%		101%		103%		103%
46	**Estimated Market Rent**	**$820**	**$0.82** ←	**Estimated Market Rent/ Sq. Ft**								

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

	Subject	Data	Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	The Highlands at Socastee	Data	Cape Landing at Palmetto Pointe		Carolina Cove		Monticello Park I		Palmetto Pointe		Ivystone Apts.	
	State Route 707	on	3851 Cape Landing Dr.		830 Pridgen Rd.		1300 Osceola St.		3919 Carnegie Ave.		305 Brookfield Dr.	
	Myrtle Beach, SC	Subject	Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC		Myrtle Beach, SC	
A.	**Rents Charged**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
1	**$ Last Rent / Restricted?**		**$1,193**		**$855**		**$845**		**$1,145**		**$900**	
2	**Date Surveyed**		Dec-15		Dec-15		Dec-15		Dec-15		Dec-15	
3	**Rent Concessions**		None		None		None		None		None	
4	**Occupancy for Unit Type**		96%		100%		100%		100%		95%	
5	**Effective Rent & Rent/ sq. ft**		**$1,193**	0.88	**$855**	0.73	**$845**	0.67	**$1,145**	0.90	**$900**	0.75
B.	**Design, Location, Condition**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
6	**Structure / Stories**	WU/3	WU/3		WU/2		WU/2		WU/3		WU/2	
7	**Yr. Built/Yr. Renovated**	2017	1997	$20	2003	$14	2004	$13	1999	$18	2002	$15
8	**Condition /Street Appeal**	E	G	$15	G	$15	G	$15	G	$15	E	
9	**Neighborhood**	G	G		G		F	$10	G		G	
10	**Same Market?**		Yes		Yes		Yes		Yes		Yes	
C.	**Unit Equipment/ Amenities**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
11	**# Bedrooms**	3	3		3		3		3		3	
12	**# Baths**	2	2		2.5	($15)	2		2		2	
13	**Unit Interior Sq. Ft.**	1200	1356	($31)	1166	$7	1268	($13)	1276	($15)	1200	
14	**Balcony/ Patio**	Y	Y		Y		N	$5	Y		Y	
15	**AC: Central/ Wall**	C	C		C		C		C		C	
16	**Range/ Refrigerator**	R/F	R/F		R/F		R/F		R/F		R/F	
17	**Microwave/ Dishwasher**	Y/Y	N/Y	$5	Y/Y		Y/Y		N/Y	$5	Y/Y	
18	**Washer/Dryer**	HU/L	HU/L		HU/L		HU/L		HU/L		HU	$5
19	**Floor Coverings**	C	C		C		C		C		C	
20	**Window Coverings**	B	B		B		B		B		B	
21	**Intercom/Security System**	N/N	Y/N	($3)	N/N		N/N		N/N		N/N	
22	**Garbage Disposal**	N	Y	($5)	Y	($5)	Y	($5)	Y	($5)	Y	($5)
23	**Ceiling Fans/Exterior Storage**	Y/Y	N/Y	$5	Y/Y		Y/N	$5	Y/N	$5	Y/N	$5
D	**Site Equipment/ Amenities**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
24	**Parking** ($ Fee)	LOT/$0	LOT/$0		LOT/$0		LOT/$0		LOT/$0		LOT/$0	
25	**On-Site Management**	Y	Y		Y		Y		Y		Y	
26	**Security Gate**	N	N		N		N		N		N	
27	**Clubhouse/ Meeting Rooms**	Y	Y		Y		Y		Y		N	$5
28	**Pool/ Recreation Areas**	F	P/F/S/J	($16)	P/F/S	($13)	N	$5	P/F	($10)	P/F	($10)
29	**Computer Center**	Y	Y		N	$3	N	$3	N	$3	N	$3
30	**Picnic Area**	Y	Y		N	$3	Y		Y		N	$3
31	**Playground**	Y	N	$3	Y		Y		N	$3	N	$3
32	**Social Services**	N	N		N		Y	($10)	N		N	
E.	**Utilities**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
33	**Heat** (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34	**Cooling** (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35	**Cooking** (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36	**Hot Water** (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37	**Other Electric**	N	N		N		N		N		N	
38	**Cold Water/ Sewer**	N/N	N/N		Y/Y	($38)	N/Y	($27)	N/N		N/N	
39	**Trash /Recycling**	Y/N	N/N	$23	Y/N		Y/N		Y/N		Y/N	
F.	**Adjustments Recap**		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	**# Adjustments B to D**		5	4	5	3	7	3	6	3	7	2
41	**Sum Adjustments B to D**		$48	($55)	$42	($33)	$56	($28)	$49	($30)	$39	($15)
42	**Sum Utility Adjustments**		$23			($38)		($27)				
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	*Net/ Gross Adjmts B to E*		*$16*	*$126*	*($29)*	*$113*	*$1*	*$111*	*$19*	*$79*	*$24*	*$54*
G.	**Adjusted & Market Rents**		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	**Adjusted Rent** (5+ 43)		**$1,209**		**$826**		**$846**		**$1,164**		**$924**	
45	Adj Rent/Last rent			101%		97%		100%		102%		103%
46	**Estimated Market Rent**	**$965**	**$0.80** ←	**Estimated Market Rent/ Sq. Ft**								

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are $820 for a two-bedroom unit and $965 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	$400 (50%) $460 (60%)	$820	51.22% 43.90%
Three-Bedroom	$445 (50%) $495 (60%)	$965	53.89% 48.70%
		Weighted Average	**47.98%**

The proposed collected Tax Credit rents represent market rent advantages between 43.90% and 53.89%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA.

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

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

7. Upon completion of construction, the subject project will be the newest property in the market. The comparable properties were built 1997 or later. As such, we have adjusted the rents at the selected properties by $1 per year to reflect the age of these properties.

8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.

9. One of the comparable properties is considered to be in a slightly inferior neighborhood than the subject site's neighborhood. As a result we made a slight positive adjustment to reflect this difference.

12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.

13.- 23. The subject project will offer a unit amenity package similar to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.

24.-32. The subject project offers a comprehensive project amenities package, but is slightly inferior to the comparable properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.

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

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2017
1	Bay Pointe I & II	100.0%	95.0%+
3	Carolina Cove	100.0%	95.0%+
4	Monticello Park I	100.0%	95.0%+
5	Monticello Park II	100.0%	95.0%+
6	Monticello Park III	100.0%	95.0%+
9	Piper's Pointe	100.0%	95.0%+
A	Carolina Oaks Village	-	95.0%+

Map ID A not included in field survey

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are all 100.0% occupied, nearly all of which maintain wait lists. Additionally, considering the strong demand and growing demographic base for affordable housing within the market, we expect the one LIHTC project under construction, Carolina Oaks Village, to reach full occupancy before development of the subject project. As illustrated earlier in Section G of this report, when considering the 48 units under construction at this property, the subject's capture rate is very low at 1.3%. This illustrates that significant demographic support exists for both Carolina Oaks Village and the proposed development to operate simultaneously within the Myrtle Beach Site PMA. Further, as of May 2016, 28 units (58.3%) at Carolina Oaks Village have applications which are pending approval. Assuming that these units will be occupied upon construction completion, illustrates that this new affordable rental property has been well-responded within the market. Overall, we believe there is significant demographic support for all existing, under construction and proposed Tax Credit units in the market and no long-term negative impact is expected on such units should the subject project receive Tax Credit allocations and is developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was $176,368. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a $176,368 home is $1,061, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	$176,368
Mortgaged Value = 95% of Median Home Price	$167,550
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	$849
Estimated Taxes and Insurance*	$212
Estimated Monthly Mortgage Payment	$1,061

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents for the subject property range from $400 to $495 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately $566 to $661 greater than the cost of renting at the subject project's Tax Credit units, depending on unit size and targeted income level. Therefore, it is very unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. As such, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As indicated throughout this section of the report, all competitive LIHTC units within the market are 100.0% occupied, nearly all of which maintain wait lists. This illustrates that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

I. INTERVIEWS

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

- Jessica McKracken, Property Manager of Bay Point I and II (Map ID 1) and Piper's Pointe (Map ID 9), both LIHTC communities within Myrtle Beach, stated that demand for affordable housing is strong as her projects are fully occupied and maintain a wait list.

- Josh Kay, President of the Myrtle Beach Regional Economic Development, stated that there is a need for affordable housing, especially for the individuals with families that live on the coast and are looking for seasonal and non-seasonal work. He also stated that that he believes there is a push toward single-family ownership in Myrtle Beach and the surrounding area.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 44 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. In fact, the proposed rents will be the lowest among the comparable LIHTC projects in the market, providing the subject project with a competitive advantage. This is demonstrated in Section IV.

Given the 100% occupancy rate and wait lists of affordable developments within the Site PMA, the subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 1.3% (SC Housing threshold is 30%) of income-qualified households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the Tax Credit developments in the Site PMA.

K. SIGNED STATEMENT REQUIREMENT

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

Certified:

Patrick M. Bowen

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Date: January 26, 2016

Jessica L Cassady

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Market Analyst
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Date: January 26, 2016

Jack Wiseman

Jack Wiseman
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Date: January 26, 2016

L. Qualifications

The Company

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

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

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

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jordana Baker, Market Analyst, is a licensed Realtor with experience in the property management and for-sale housing industries. This experience gives her the ability to analyze site-specific housing conditions and how they may impact the overall market. In addition, her property management experience gives her inside knowledge of the day-to-day operations of rental housing. Ms. Baker obtained her Bachelor of Business Administration from The Ohio State University and her Associate of Science in Real Estate from Columbus State Community College.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

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

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

Jessica Cassady, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. She is also experienced in evaluating projects in the development pipeline and economic trends. Ms. Cassady graduated from Eastern Kentucky University with a Bachelor of Arts in Public Relations.

Jordan Resnick, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Resnick holds a Bachelor of Science degree in Business Administration for The Ohio State University.

Jody LaCava, Market Analyst, has researched housing trends throughout the United States since 2012. She is knowledgeable of various rental housing programs and for-sale housing development. In addition, she is able to analyze economic trends and pipeline data.

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

Christine Sweat, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, she has the ability to analyze market and economic trends and conditions. Ms. Sweat holds a Bachelor of Arts in Communication from the University of Cincinnati.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

  - A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst

- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.

- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.

- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SCSHFDA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.

- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

MYRTLE BEACH, SOUTH CAROLINA

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

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

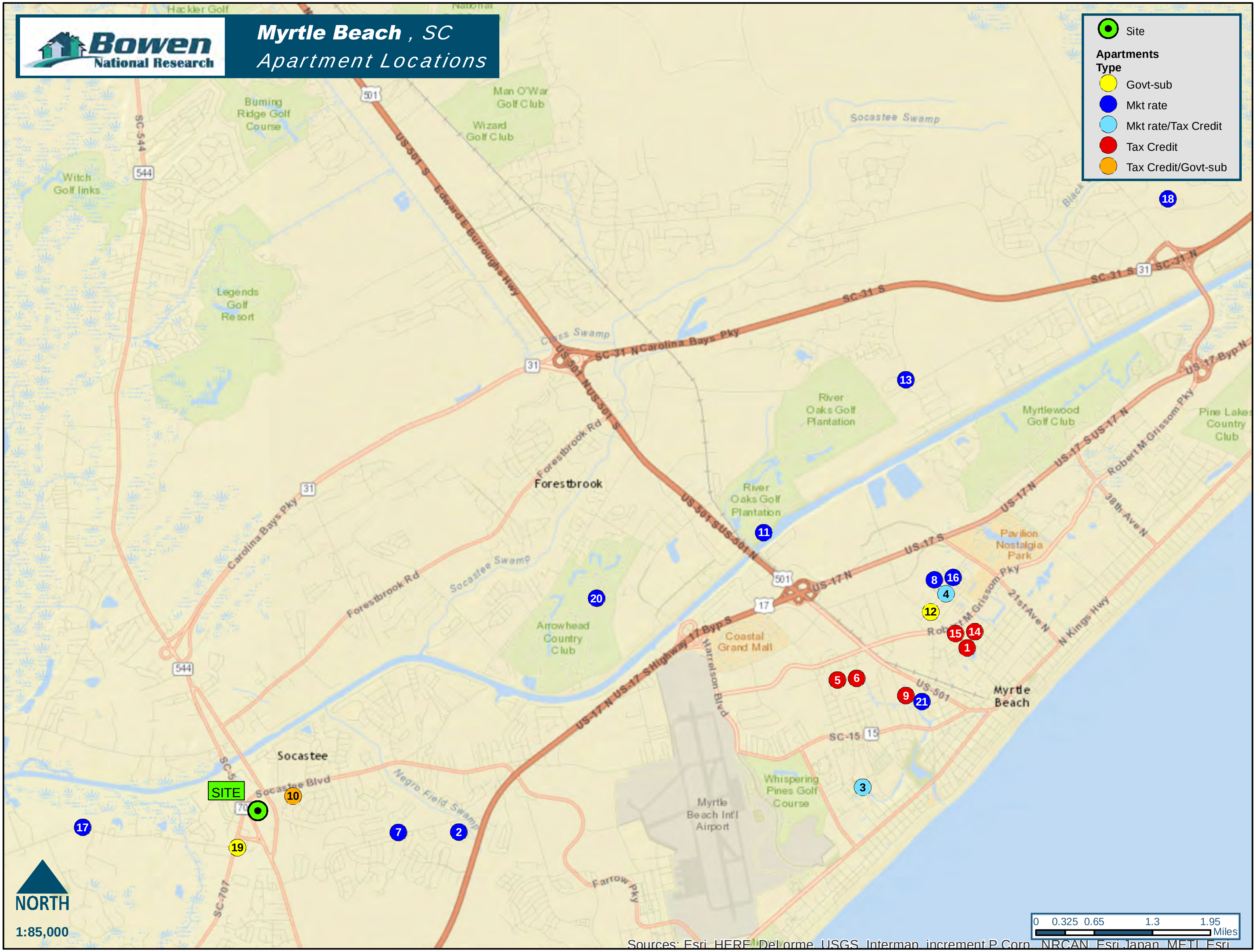
- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives,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

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.

- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).

- A utility allowance worksheet.

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



Bowen National Research
Myrtle Beach , SC
Apartment Locations
Site
Apartments Type
Govt-sub
Mkt rate
Mkt rate/Tax Credit
Tax Credit
Tax Credit/Govt-sub
SITE
NORTH
1:85,000
0 0.325 0.65 1.3 1.95 Miles
Forestbrook
Socastee
Myrtle Beach
Myrtle Beach Int'l Airport
Coastal Grand Mall
Pavilion Nostalgia Park
Arrowhead Country Club
River Oaks Golf Plantation
Myrtlewood Golf Club
Whispering Pines Golf Course
Legends Golf Resort
Burning Ridge Golf Course
Man O'War Golf Club
Wizard Golf Club
Witch Golf links
Pine Lakes Country Club
Socastee Swamp
Negro Field Swamp
SC-31 N Carolina Bays Pky
SC-31 S
US-501 S Edward E Burroughs Hwy
US-17 N US-17 S Highway 17 Byp S
US-17 Byp N
Robert M Grissom Pky
Forestbrook Rd
Carolina Bays Pky
Socastee Blvd
Harrelson Blvd
N Kings Hwy
Farrow Pky
SC-544
SC-707
SC-15
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

MAP IDENTIFICATION LIST - MYRTLE BEACH, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Bay Pointe I & II	TAX	A	2010	106	0	100.0%	8.2
2	Cape Landing at Palmetto Pointe	MRR	B	1997	288	17	94.1%	3.7
3	Carolina Cove	MRT	B	2003	73	1	98.6%	8.1
4	Monticello Park I	MRT	B+	2004	80	0	100.0%	8.1
5	Monticello Park II	TAX	A	2006	56	0	100.0%	7.4
6	Monticello Park III	TAX	A	2008	56	0	100.0%	7.4
7	Palmetto Pointe	MRR	B+	1999	320	0	100.0%	4.2
8	Park Place	MRR	B	1999	28	0	100.0%	8.3
9	Piper's Pointe	TAX	A	2006	72	0	100.0%	7.8
♦ 10	Plantation (Family & Senior)	TGS	B	1980	110	0	100.0%	1.4
11	River Landing	MRR	B+	2002	340	44	87.1%	8.0
12	Sandygate Village	GSS	B-	1979	104	0	100.0%	7.9
13	Seaside Grove	MRR	A	2002	312	24	92.3%	9.6
♦ 14	Swansgate I	TAX	B	1995	34	0	100.0%	8.2
♦ 15	Swansgate II & III	TAX	B	2001	88	0	100.0%	8.2
16	Patriots Way	MRR	C	1997	71	7	90.1%	8.1
17	Ivystone Apts.	MRR	A	2002	664	30	95.5%	2.0
18	Alta Surf Apts.	MRR	A	2007	216	13	94.0%	12.7
19	Foxtrot Villas	GSS	B	1985	48	0	100.0%	0.5
20	Flintlake Apts.	MRR	A-	1999	272	24	91.2%	6.2
21	Carolina Breeze	MRR	B-	1980	131	5	96.2%	8.4

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	10	2,642	164	93.8%	0
MRT	2	153	1	99.3%	0
TAX	6	412	0	100.0%	0
TGS	1	110	0	100.0%	0
GSS	2	152	0	100.0%	0

- ♦ Senior Restricted
- Market-rate
- Market-rate/Tax Credit
- Market-rate/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized
- Tax Credit
- Tax Credit/Government-subsidized
- Government-subsidized

* - Drive Distance (Miles)

Survey Date: December 2015

Bowen National Research

DISTRIBUTION OF UNITS - MYRTLE BEACH, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	**BATHS**	**UNITS**	**DISTRIBUTION**	**VACANT**	**%VACANT**	**MEDIAN GROSS RENT**
1	1	658	24.7%	42	6.4%	$979
2	1	116	4.3%	3	2.6%	$1,042
2	1.5	40	1.5%	2	5.0%	$831
2	2	1,480	55.5%	93	6.3%	$1,112
3	1	7	0.3%	0	0.0%	$951
3	1.5	6	0.2%	0	0.0%	$971
3	2	294	11.0%	19	6.5%	$1,243
3	2.5	68	2.5%	6	8.8%	$1,322
TOTAL		**2,669**	**100.0%**	**165**	**6.2%**	

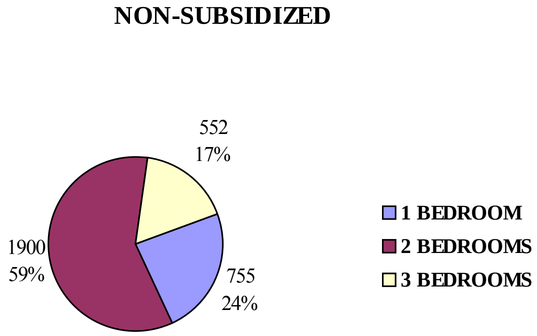
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	**BATHS**	**UNITS**	**DISTRIBUTION**	**VACANT**	**%VACANT**	**MEDIAN GROSS RENT**
1	1	97	18.0%	0	0.0%	$568
2	2	264	49.1%	0	0.0%	$681
3	2	165	30.7%	0	0.0%	$773
3	2.5	12	2.2%	0	0.0%	$782
TOTAL		**538**	**100.0%**	**0**	**0.0%**	

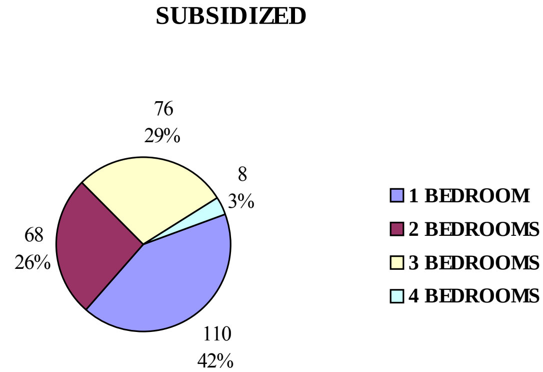
TAX CREDIT, GOVERMENT-SUBSIDIZED						
BEDROOMS	**BATHS**	**UNITS**	**DISTRIBUTION**	**VACANT**	**%VACANT**	**MEDIAN GROSS RENT**
1	1	54	49.1%	0	0.0%	N.A.
2	1.5	20	18.2%	0	0.0%	N.A.
3	1.5	28	25.5%	0	0.0%	N.A.
4	1.5	8	7.3%	0	0.0%	N.A.
TOTAL		**110**	**100.0%**	**0**	**0.0%**	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	**BATHS**	**UNITS**	**DISTRIBUTION**	**VACANT**	**%VACANT**	
1	1	56	36.8%	0	0.0%	N.A.
2	1.5	48	31.6%	0	0.0%	N.A.
3	1.5	48	31.6%	0	0.0%	N.A.
TOTAL		**152**	**100.0%**	**0**	**0.0%**	
GRAND TOTAL		**3,469**	**-**	**165**	**4.8%**	

DISTRIBUTION OF UNITS - MYRTLE BEACH, SOUTH CAROLINA

DISTRIBUTION OF UNITS BY BEDROOM





SURVEY OF PROPERTIES - MYRTLE BEACH, SOUTH CAROLINA

1 Bay Pointe I & II

Address 1401 Mako Ct.
Myrtle Beach, SC 29577
Phone (843) 626-4848
(Contact in person)
Year Built 2010
Contact Jessica
Comments 50% & 60% AMHI; HCV (18 units); Phase II built in 2011; Square footage estimated

Total Units	106
Vacancies	0
Occupied	100.0%
Floors	2
Quality Rating	A

Waiting List
10 households

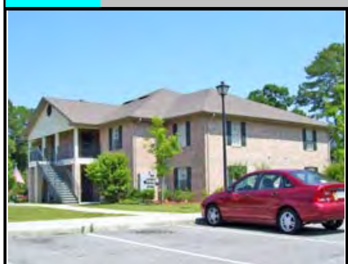
2 Cape Landing at Palmetto Pointe

Address 3851 Cape Landing Dr.
Myrtle Beach, SC 29588
Phone (843) 293-2273
(Contact in person)
Year Built 1997
Contact Kimberly
Comments Does not accept HCV; Rents change daily; 2nd & 3rd floor units have fireplace

Total Units	288
Vacancies	17
Occupied	94.1%
Floors	3
Quality Rating	B

Waiting List
None

3 Carolina Cove



Address 830 Pridgen Rd.
Myrtle Beach, SC 29577
Phone (843) 445-7899
(Contact in person)
Year Built 2003
Contact Lori
Comments Market-rate (15 units); 50% & 60% AMHI (58 units); HCV (48 units)

Total Units	73
Vacancies	1
Occupied	98.6%
Floors	2
Quality Rating	B

Waiting List
50% AMHI: 6-8 HH

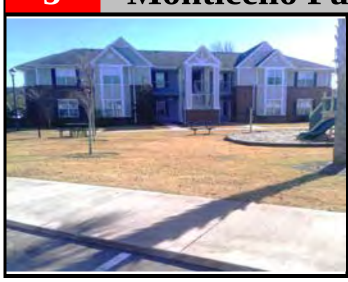
4 Monticello Park I

Address 1300 Osceola St.
Myrtle Beach, SC 29577
Phone (843) 946-0051
(Contact in person)
Year Built 2004
Contact Tiffany
Comments Market-rate (12 units); 50% & 60% AMHI (68 units); HCV (15 units)

Total Units	80
Vacancies	0
Occupied	100.0%
Floors	2
Quality Rating	B+

Waiting List
4 months

5 Monticello Park II



Address 1223 Winchester Ct.
Myrtle Beach, SC 29577
Phone (843) 445-2583
(Contact in person)
Year Built 2006
Contact Alexis
Comments 50% & 60% AMHI; HCV (6 units); Unit mix estimated

Total Units	56
Vacancies	0
Occupied	100.0%
Floors	2,3
Quality Rating	A

Waiting List
None

Project Type

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

Survey Date: December 2015

Bowen National Research

6 Monticello Park III

Address 1300 Oscelola St.
Myrtle Beach, SC 29577
Phone (843) 946-0051
(Contact in person)
Year Built 2008
Contact Alexis
Comments 50% & 60% AMHI; HCV (1 unit); Unit mix estimated

Total Units	56
Vacancies	0
Occupied	100.0%
Floors	3
Quality Rating	A

Waiting List
25 households

7 Palmetto Pointe

Address 3919 Carnegie Ave.
Myrtle Beach, SC 29588
Phone (843) 293-7256
(Contact in person)
Year Built 1999
Contact Amanda
Comments Does not accept HCV

Total Units	320
Vacancies	0
Occupied	100.0%
Floors	3
Quality Rating	B+

Waiting List
25 households

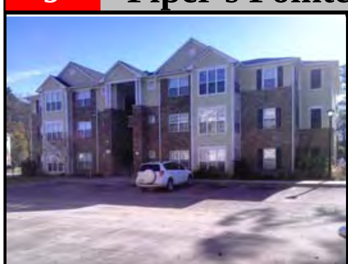
8 Park Place

Address 1750 Greens Blvd.
Myrtle Beach, SC 29577
Phone (843) 626-8797
(Contact in person)
Year Built 1999
Contact Judy
Comments Does not accept HCV; Select units have washer/dryer

Total Units	28
Vacancies	0
Occupied	100.0%
Floors	2
Quality Rating	B

Waiting List
None

9 Piper's Pointe



Address 1310 Pipers Pointe Ln.
Myrtle Beach, SC 29577
Phone (843) 448-0400
(Contact in person)
Year Built 2006
Contact Jessica
Comments 50% & 60% AMHI; HCV (23 units)

Total Units	72
Vacancies	0
Occupied	100.0%
Floors	3
Quality Rating	A

Waiting List
5 households

10 Plantation (Family & Senior)

Address 200 Rittenhouse Rd.
Socastee, SC 29588
Phone (843) 293-2133
(Contact in person)
Year Built 1980 **Renovated** 2006
Contact Gloria
Comments 60% AMHI; HUD Section 8; 40 1-br are senior designated

Total Units	110
Vacancies	0
Occupied	100.0%
Floors	1,2,3
Quality Rating	B

Senior Restricted (62+)
Waiting List
170 households

Project Type

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

Survey Date: December 2015

Bowen National Research

SURVEY OF PROPERTIES - MYRTLE BEACH, SOUTH CAROLINA

11 River Landing

Address 200 River Landing Blvd.
Myrtle Beach, SC 29579
Phone (843) 903-3434
(Contact in person)
Year Built 2002
Contact Tara
Comments Does not accept HCV; Rents change daily; 3-br have sunroom

Total Units 340
Vacancies 44
Occupied 87.1%
Floors 3
Quality Rating B+

Waiting List
None

12 Sandygate Village

Address 1011 Osceola St.
Myrtle Beach, SC 29577
Phone (843) 626-7061
(Contact in person)
Year Built 1979
Contact Donna
Comments HUD Section 8; Square footage estimated

Total Units 104
Vacancies 0
Occupied 100.0%
Floors 2
Quality Rating B-

Waiting List
6-12 months

13 Seaside Grove

Address 101 Augusta Plantation Dr.
Myrtle Beach, SC 29579
Phone (843) 236-9292
(Contact in person)
Year Built 2002
Contact Carey
Comments Does not accept HCV; Rents change daily; Rent range based on floor level

Rent Special Security deposit wavied

Total Units 312
Vacancies 24
Occupied 92.3%
Floors 3
Quality Rating A

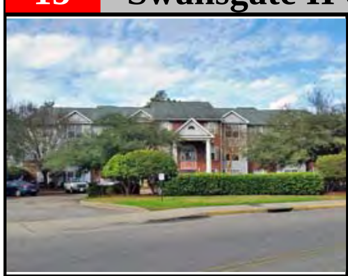
Waiting List
None

14 Swansgate I

Address 1050 10th Ave. N
Myrtle Beach, SC 29577
Phone (843) 946-6226
(Contact in person)
Year Built 1995
Contact Nancy
Comments 45% & 50% AMHI (34 units); Accepts HCV; Shares waitlist with Swangate II & III; 8 units have patio

Total Units 34
Vacancies 0
Occupied 100.0%
Floors 1
Quality Rating B
Senior Restricted (62+)
Waiting List
6 months

15 Swansgate II & III



Address 1050 10th Ave. N
Myrtle Beach, SC 29577
Phone (843) 946-6226
(Contact in person)
Year Built 2001
Contact Nancy
Comments 50% & 60% AMHI; Accepts HCV; Handicap accessible (14 units); Shares waitlist with Swansgate I; Unit mix estimated

Total Units 88
Vacancies 0
Occupied 100.0%
Floors 3
Quality Rating B
Senior Restricted (62+)
Waiting List
6 months

Project Type

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

Survey Date: December 2015

Bowen National Research

SURVEY OF PROPERTIES - MYRTLE BEACH, SOUTH CAROLINA

16 Patriots Way

Address 1500 Coastal Ln.
Myrtle Beach, SC 29577
Phone (843) 448-0027
(Contact in person)
Year Built 1997
Contact Tina
Comments One manager unit not included in total

Total Units	71
Vacancies	7
Occupied	90.1%
Floors	2
Quality Rating	C

Waiting List
None

17 Ivystone Apts.

Address 305 Brookfield Dr.
Myrtle Beach, SC 29588
Phone (843) 293-4919
(Contact in person)
Year Built 2002
Contact Judy
Comments Does not accept HCV

Total Units	664
Vacancies	30
Occupied	95.5%
Floors	2
Quality Rating	A

Waiting List
None

18 Alta Surf Apts.

Address 101 Breakers Dr.
Myrtle Beach
Phone (843) 903-0403
(Contact in person)
Year Built 2007
Contact Melissa
Comments Does not accept HCV; Typical rent: 2-br (1,064 sf) $1,060; Some units have screened patio or sunroom; Some 1-br & 2-br have patio/balcony storage or storage closet just outside of interior hallway door
Rent Special Reported 2-br (1,064 sf) rent discounted

Total Units	216
Vacancies	13
Occupied	94.0%
Floors	3
Quality Rating	A

Waiting List
None

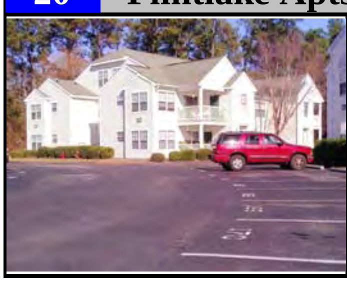
19 Foxtrot Villas

Address 5600 Enterprise Rd.
Myrtle Beach, SC 29575
Phone (843) 650-3200
(Contact in person)
Year Built 1985
Contact Evette
Comments RD 515, has RA (10 units); HCV (11 units); 2-br have balcony; Square footage estimated

Total Units	48
Vacancies	0
Occupied	100.0%
Floors	2
Quality Rating	B

Waiting List
5 households

20 Flintlake Apts.



Address 650 W. Flintlake Ct.
Myrtle Beach, SC 29579
Phone (843) 236-5735
(Contact in person)
Year Built 1999
Contact Brittany
Comments Does not accept HCV; Rent range base on view, storage & unit location; Guest suite available; Laminate wood flooring in 1st floor units only; 2nd floor units have exterior storage; Unit mix estimated

Total Units	272
Vacancies	24
Occupied	91.2%
Floors	2,3
Quality Rating	A-

Waiting List
None

Project Type

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

21 Carolina Breeze

Address 100 Cedar St.
Myrtle Beach, SC 29577

Phone (843) 626-2866
(Contact in person)

Year Built 1980

Contact Nicki

Comments HCV (7 units); Offers short term leases for add'l cost; 3-br rent range based on renovated units

Rent Special $59 deposit

Total Units	131
Vacancies	5
Occupied	96.2%
Floors	1,2
Quality Rating	B-

Waiting List
None

Project Type

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

COLLECTED RENTS - MYRTLE BEACH, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1			$524 to $648	$601 to $744					
2		$728 to $856	$856 to $1008	$1193					
3			$535 to $760	$610 to $855					
4			$482 to $745	$554 to $845					
5			$497	$554					
6		$401 to $507	$482 to $609	$554 to $700					
7		$765 to $825	$865 to $935	$1145					
8			$650						
9			$468 to $609	$539 to $700					
11		$815	$1004	$1010					
13		$815 to $895	$945 to $1025	$1105 to $1250					
♦ 14		$451							
♦ 15		$451 to $557	$538 to $665						
16			$825						
17			$750	$900					
18		$799 to $975	$999 to $1070						
20		$839 to $999	$929 to $1069					$1089 to $1249	
21		$555					$665 to $685	$779 to $799	

♦ Senior Restricted
Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: December 2015

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PRICE PER SQUARE FOOT - MYRTLE BEACH, SOUTH CAROLINA

MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	$ / SQ. FT.
ONE-BEDROOM UNITS					
2	Cape Landing at Palmetto Pointe	1	695 to 744	$892 to $1020	$1.28 to $1.37
7	Palmetto Pointe	1	652 to 736	$906 to $966	$1.31 to $1.39
11	River Landing	1	685	$979	$1.43
13	Seaside Grove	1	787	$979 to $1059	$1.24 to $1.35
18	Alta Surf Apts.	1	761 to 833	$963 to $1139	$1.27 to $1.37
20	Flintlake Apts.	1	810	$1003 to $1163	$1.24 to $1.44
21	Carolina Breeze	1	573	$672	$1.17
6	Monticello Park III	1	800	$525 to $631	$0.66 to $0.79
♦ 14	Swansgate I	1	695	$568	$0.82
♦ 15	Swansgate II & III	1	695	$568 to $674	$0.82 to $0.97
TWO-BEDROOM UNITS					
MAP ID	**PROJECT NAME**	**BATHS**	**UNIT SIZE**	**GROSS RENT**	**$ / SQ. FT.**
2	Cape Landing at Palmetto Pointe	2	883 to 1108	$1056 to $1208	$1.09 to $1.20
7	Palmetto Pointe	1 to 2	933 to 1040	$1042 to $1112	$1.07 to $1.12
8	Park Place	2	1000	$850	$0.85
11	River Landing	2	1035	$1204	$1.16
13	Seaside Grove	2	989	$1145 to $1225	$1.16 to $1.24
16	Patriots Way	2	960	$971	$1.01
17	Ivystone Apts.	2	1000	$927	$0.93
18	Alta Surf Apts.	2	1064 to 1140	$1199 to $1270	$1.11 to $1.13
20	Flintlake Apts.	2	1086 to 1145	$1129 to $1269	$1.04 to $1.11
21	Carolina Breeze	1 to 1.5	860	$811 to $831	$0.94 to $0.97
3	Carolina Cove	2	979	$681 to $906	$0.70 to $0.93
4	Monticello Park I	2	1047	$637 to $900	$0.61 to $0.86
1	Bay Pointe I & II	2	1100	$670 to $794	$0.61 to $0.72
5	Monticello Park II	2	1047	$652	$0.62
6	Monticello Park III	2	1047	$637 to $764	$0.61 to $0.73
9	Piper's Pointe	2	1082	$668 to $809	$0.62 to $0.75
♦ 15	Swansgate II & III	2	900	$684 to $811	$0.76 to $0.90
THREE-BEDROOM UNITS					
MAP ID	**PROJECT NAME**	**BATHS**	**UNIT SIZE**	**GROSS RENT**	**$ / SQ. FT.**
2	Cape Landing at Palmetto Pointe	2	1356	$1426	$1.05
7	Palmetto Pointe	2	1276	$1355	$1.06
11	River Landing	2	1456	$1243	$0.85
13	Seaside Grove	2	1229	$1338 to $1483	$1.09 to $1.21

♦ Senior Restricted
Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: December 2015

Bowen National Research

PRICE PER SQUARE FOOT - MYRTLE BEACH, SOUTH CAROLINA

THREE-BEDROOM UNITS					
MAP ID	**PROJECT NAME**	**BATHS**	**UNIT SIZE**	**GROSS RENT**	**$ / SQ. FT.**
17	Ivystone Apts.	2	1200	$1110	$0.93
20	Flintlake Apts.	2.5	1508	$1322 to $1482	$0.88 to $0.98
21	Carolina Breeze	1 to 1.5	931	$951 to $971	$1.02 to $1.04
3	Carolina Cove	2.5	1166	$782 to $1027	$0.67 to $0.88
4	Monticello Park I	2	1268	$737 to $1028	$0.58 to $0.81
1	Bay Pointe I & II	2	1200	$773 to $916	$0.64 to $0.76
5	Monticello Park II	2	1268	$737	$0.58
6	Monticello Park III	2	1268	$737 to $883	$0.58 to $0.70
9	Piper's Pointe	2	1304	$772 to $933	$0.59 to $0.72

- ♦ Senior Restricted
- Market-rate
- Market-rate/Tax Credit
- Market-rate/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized
- Tax Credit
- Tax Credit/Government-subsidized
- Government-subsidized

Survey Date: December 2015

Bowen National Research

AVERAGE GROSS RENT PER SQUARE FOOT - MYRTLE BEACH, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	**ONE-BR**	**TWO-BR**	**THREE-BR**
GARDEN	$1.33	$1.05	$1.00
TOWNHOUSE	$0.00	$0.95	$0.95

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	**ONE-BR**	**TWO-BR**	**THREE-BR**
GARDEN	$0.81	$0.69	$0.65
TOWNHOUSE	$0.00	$0.00	$0.00

COMBINED			
UNIT TYPE	**ONE-BR**	**TWO-BR**	**THREE-BR**
GARDEN	$1.27	$0.99	$0.87
TOWNHOUSE	$0.00	$0.95	$0.95

TAX CREDIT UNITS - MYRTLE BEACH, SOUTH CAROLINA

	ONE-BEDROOM UNITS						
	MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
	6	Monticello Park III	12	800	1	50%	$401
♦	15	Swansgate II & III	38	695	1	50%	$451
♦	14	Swansgate I	27	695	1	50%	$451
♦	14	Swansgate I	7	695	1	45%	$451
	6	Monticello Park III	4	800	1	60%	$507
♦	15	Swansgate II & III	9	695	1	60%	$557
♦	10	Plantation (Family & Senior)	14	646	1	60%	$802
♦	10	Plantation (Family & Senior)	40	646	1	60%	$939

	TWO-BEDROOM UNITS						
	MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
	9	Piper's Pointe	21	1082	2	50%	$468
	6	Monticello Park III	15	1047	2	50%	$482
	4	Monticello Park I	26	1047	2	50%	$482
	5	Monticello Park II	14	1047	2	60%	$497
	5	Monticello Park II	14	1047	2	50%	$497
	1	Bay Pointe I & II	21	1100	2	50%	$524
	3	Carolina Cove	30	979	2	50%	$535
♦	15	Swansgate II & III	38	900	2	50%	$538
	6	Monticello Park III	5	1047	2	60%	$609
	9	Piper's Pointe	15	1082	2	60%	$609
	4	Monticello Park I	26	1047	2	60%	$609
	1	Bay Pointe I & II	20	1100	2	60%	$648
	3	Carolina Cove	16	979	2	60%	$655
♦	15	Swansgate II & III	3	900	2	60%	$665
♦	10	Plantation (Family & Senior)	20	959	1.5	60%	$939

♦ - Senior Restricted

TAX CREDIT UNITS - MYRTLE BEACH, SOUTH CAROLINA

	THREE-BEDROOM UNITS						
	MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
	9	Piper's Pointe	21	1304	2	50%	$539
	5	Monticello Park II	14	1268	2	60%	$554
	6	Monticello Park III	15	1268	2	50%	$554
	4	Monticello Park I	8	1268	2	50%	$554
	5	Monticello Park II	14	1268	2	50%	$554
	1	Bay Pointe I & II	35	1200	2	50%	$601
	3	Carolina Cove	8	1166	2.5	50%	$610
	9	Piper's Pointe	15	1304	2	60%	$700
	4	Monticello Park I	8	1268	2	60%	$700
	6	Monticello Park III	5	1268	2	60%	$700
	1	Bay Pointe I & II	30	1200	2	60%	$744
	3	Carolina Cove	4	1166	2.5	60%	$750
♦	10	Plantation (Family & Senior)	28	1217	1.5	60%	$1130
	FOUR-BEDROOM UNITS						
	MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
♦	10	Plantation (Family & Senior)	8	1374	1.5	60%	$1337

♦ - Senior Restricted

QUALITY RATING - MYRTLE BEACH, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

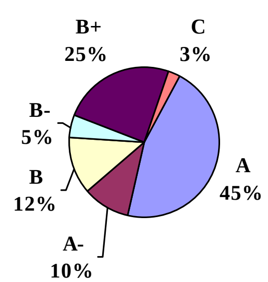
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	3	1,192	5.6%		$979	$927	$1,110	
A-	1	272	8.8%		$1,003	$1,129	$1,322	
B+	3	672	6.5%		$966	$1,204	$1,243	
B	3	331	5.4%		$892	$1,056	$1,426	
B-	1	131	3.8%		$672	$811	$971	
C	1	71	9.9%			$971		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

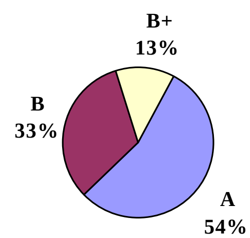
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	4	290	0.0%		$525	$668	$773	
B+	1	68	0.0%			$637	$737	
B	3	180	0.0%		$568	$684	$782	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



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YEAR BUILT - MYRTLE BEACH, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	1	131	5	3.8%	131	4.1%
1990 to 1999	6	1013	48	4.7%	1144	31.6%
2000 to 2005	6	1557	99	6.4%	2701	48.6%
2006	2	128	0	0.0%	2829	4.0%
2007	1	216	13	6.0%	3045	6.7%
2008	1	56	0	0.0%	3101	1.7%
2009	0	0	0	0.0%	3101	0.0%
2010	1	106	0	0.0%	3207	3.3%
2011	0	0	0	0.0%	3207	0.0%
2012	0	0	0	0.0%	3207	0.0%
2013	0	0	0	0.0%	3207	0.0%
2014	0	0	0	0.0%	3207	0.0%
2015**	0	0	0	0.0%	3207	0.0%
TOTAL	**18**	**3207**	**165**	**5.1%**	**3207**	**100.0 %**

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

** As of December 2015

APPLIANCES AND UNIT AMENITIES - MYRTLE BEACH, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	18	100.0%	3,207
REFRIGERATOR	18	100.0%	3,207
ICEMAKER	13	72.2%	2,855
DISHWASHER	17	94.4%	3,173
DISPOSAL	17	94.4%	3,136
MICROWAVE	11	61.1%	2,063
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	18	100.0%	3,207
AC - WINDOW	0	0.0%	
FLOOR COVERING	18	100.0%	3,207
WASHER/DRYER	1	5.6%	28
WASHER/DRYER HOOK-UP	15	83.3%	2,954
PATIO/DECK/BALCONY	11	61.1%	2,409
CEILING FAN	13	72.2%	2,595
FIREPLACE	1	5.6%	288
BASEMENT	0	0.0%	
INTERCOM SYSTEM	3	16.7%	410
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	18	100.0%	3,207
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	11.1%	122

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

PROJECT AMENITIES - MYRTLE BEACH, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	8	44.4%	2,485
ON-SITE MANAGEMENT	17	94.4%	3,179
LAUNDRY	14	77.8%	2,172
CLUB HOUSE	9	50.0%	1,789
MEETING ROOM	5	27.8%	834
FITNESS CENTER	8	44.4%	2,485
JACUZZI/SAUNA	1	5.6%	288
PLAYGROUND	7	38.9%	783
COMPUTER LAB	6	33.3%	1,200
SPORTS COURT	4	22.2%	1,013
STORAGE	2	11.1%	504
LAKE	2	11.1%	584
ELEVATOR	1	5.6%	88
SECURITY GATE	0	0.0%	
BUSINESS CENTER	1	5.6%	216
CAR WASH AREA	4	22.2%	1,120
PICNIC AREA	7	38.9%	1,828
CONCIERGE SERVICE	2	11.1%	632
SOCIAL SERVICE PACKAGE	3	16.7%	202

DISTRIBUTION OF UTILITIES - MYRTLE BEACH, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	20	3,365	97.0%
GAS	1	104	3.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	21	3,469	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	20	3,365	97.0%
GAS	1	104	3.0%
			100.0%
ELECTRIC			
TENANT	21	3,469	100.0%
			100.0%
WATER			
LANDLORD	8	717	20.7%
TENANT	13	2,752	79.3%
			100.0%
SEWER			
LANDLORD	11	909	26.2%
TENANT	10	2,560	73.8%
TRASH PICK-UP			
LANDLORD	14	1,941	56.0%
TENANT	7	1,528	44.0%
			100.0%

UTILITY ALLOWANCE - MYRTLE BEACH, SOUTH CAROLINA

		HEATING				HOT WATER		COOKING						
BR	UNIT TYPE	GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC	ELEC	WATER	SEWER	TRASH	CABLE
0	GARDEN	$11	$18		$8	$11	$22	$5	$7	$40	$7	$14	$23	$20
1	GARDEN	$12	$25		$11	$16	$30	$7	$10	$52	$7	$17	$23	$20
1	TOWNHOUSE	$12	$25		$11	$16	$30	$7	$10	$52	$7	$17	$23	$20
2	GARDEN	$15	$31		$14	$20	$38	$8	$12	$65	$9	$22	$23	$20
2	TOWNHOUSE	$15	$31		$14	$20	$38	$8	$12	$65	$9	$22	$23	$20
3	GARDEN	$19	$37		$18	$25	$46	$10	$15	$74	$11	$27	$23	$20
3	TOWNHOUSE	$19	$37		$18	$25	$46	$10	$15	$74	$11	$27	$23	$20
4	GARDEN	$24	$46		$22	$32	$57	$13	$19	$91	$14	$34	$23	$20
4	TOWNHOUSE	$24	$46		$22	$32	$57	$13	$19	$91	$14	$34	$23	$20

SC-City of Myrtle Beach E Horry County (11/2015)

ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

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

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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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