



REAL PROPERTY **RESEARCH** GROUP
WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

Autumn Glen Villas

Gaffney, Cherokee County, South Carolina

Prepared for:

Zimmerman Properties

Site Inspection: January 20, 2016

Effective Date: January 20, 2016



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EXECUTIVE SUMMARY

Proposed Site

- The site for Autumn Glen Villas is located on the southwestern side of Bufford Street, just northeast of its intersection with S. Oliver Street four blocks south of Highway 11, Gaffney, Cherokee County, South Carolina. The subject site is positioned approximately one mile northwest of downtown Gaffney, approximately 1.3 miles south of Interstate 85.
- The site is located in a residential neighborhood largely surrounded by single-family detached homes, which are generally of older vintage and modest condition/value.
- Community services, shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity, many within a reasonable walking distance.
- The subject site is appropriate for the proposed use and is comparable with the existing LIHTC communities in the market area.

Proposed Unit Mix and Rent Schedule

- The 60 units at Autumn Glen Villas will include 36 two bedroom units and 24 three bedroom units within one residential building. Unit sizes will be 1,035 square feet for two bedroom units and 1,190 square feet for three bedroom units. All units will have two bathrooms.
- The income targeting includes 12 units targeting households at or below 50 percent of the Area Median Income and 48 units targeting households at or below 60 percent of the Area Median Income.
- The proposed two bedroom rents are \$435 for 50 percent units and \$525 for 60 percent units. The proposed three bedroom rents are \$495 for 50 percent units and \$575 for 60 percent units.
- The proposed rents result in an overall rent advantage of 29.18 percent relative to the estimate of market rent. Individual rent advantages range from 24.79 percent to 38.25 percent.

Proposed Amenities

- Autumn Glen Villas' will consist of 60 units within one three story building. The amenity package will include a clubhouse with community rooms featuring libraries, kitchenettes, and computer stations, and a leasing office. Outdoor amenities include a picnic/barbecue area, and a playground.
- The newly constructed units at the subject property will offer kitchens with new energy star appliances (refrigerator, range, microwave, dishwasher, and disposal). Flooring will be a combination of carpeting and laminate. All units will include ceiling fans, patio/balcony, window blinds, central heat and air, and in unit washer and dryers.
- The proposed features and amenities at Autumn Glen Villas will be competitive in the Gaffney Market Area and are appropriate given the proposed rent levels.



Economic Analysis

- Cherokee County's economy suffered job loss and increased unemployment rates through the recent national recession and prolonged economic downturn, but has shown signs of stabilization with a net job gain since 2011.
- The unemployment rate in Cherokee County peaked at 15.8 percent in 2009 and has decreased significantly over the past 5 years to 7.5 percent in 2015 Q3.
- Cherokee County's At-Place Employment has followed a cyclical trend with a steady period of growth (2004 to 2007) bookended by periods of decline (2000 to 2003 and 2008 to 2010). After reaching a low of 17,319 jobs in 2010. Following the loss of 2,242 job during the recession, Cherokee County has recovered 1,472 jobs representing nearly 66 percent of the jobs lost.
- Manufacturing, Trade-Transportation-Utilities, and Government are the three largest employment sectors in Cherokee County, accounting for nearly two-thirds (65.8 percent) of total jobs through the first quarter of 2015.

Growth Trends

- Based applying Esri's projected growth rates to the 2010 census counts, the Gaffney Market Area increased by 1,062 people and 376 households between 2010 and 2015.
- RPRG further projects that the Gaffney Market Area's population will increase by 536 people between 2015 and 2018, bringing the total population to 43,598 people in 2018. This represents an annual increase of 0.4 percent or 179 people. The number of households will increase at the same rate, gaining 0.4 percent or 67 new households per annum resulting in a total of 16,884 households in 2018. Nearly 83 percent of the Gaffney Market Area's household growth is projected to be renter households.

Demographic Analysis

- Population and household projections are projected to increase through 2018. Employment is also slowly increasing as is building permits for new units.

The Gaffney Market Area lost owner households and gained renter households between the 2000 and 2010 census counts. As of the 2010 Census, 32.4 percent of all households in the Gaffney Market Area were renters compared to 30.3 percent in the Bi-County Market Area. Renter percentages in the Gaffney Market Area and are projected at 34.3 percent by 2018. This increase represents nearly 83 percent of all household growth in the Gaffney Market Area.

- The median age of the population is 38 for both the Gaffney Market Area and in the Bi-County Market Area. Adults age 35-61 comprise the largest age cohort in both areas.
- Working age households between the ages of 25 and 54 form the core of both the Gaffney Market Area (59.5 percent) and Bi-County Market Area's renters (59.4 percent). Young renters (under 25) comprise 10 percent of renters in the Gaffney Market Area and older adults over the age of 55 account for 31 percent of all Gaffney Market Area renters.
- RPRG estimates that the 2015 median income of \$38,477 is \$5,415 or 14 percent lower than the \$43,892 median in Bi-County Market Area.
- The Gaffney Market Area's median income by tenure in 2015 is estimated at \$28,288 for renter households and \$44,927 for owner households. Among renter households, 45.3 percent earn less than \$25,000 and 27.2 percent earn \$25,000 to \$49,999.



Affordability Analysis

- As proposed, Autumn Glen Villas will target households earning at or below 50 percent and 60 percent of the Area Median.
- The proposed 50 percent units will target renter households earning from \$18,103 to \$28,125. With 923 renter households earning within this range, the capture rate for the 12 units at 50 percent of Area Median Income is 1.3 percent.
- The proposed 60 percent units will target renter households earning from \$21,189 to \$33,750. The 1,056 income qualified renter households within this range result in a capture rate of 4.5 percent for the 48 units at 60 percent overall.
- The overall capture rate for the 60 units is 4.4 percent, which is based on 1,360 renter households earning between \$18,103 and \$33,750.

Demand and Capture Rates

- By income target, demand capture rates are 3.1 percent for 50 percent units, 10.9 percent for 60 percent units, and 10.6 percent for all units.
- As forty percent of the proposed units will be three bedroom units, the demand analysis by floorplan is refined to account for only larger households including 3+ persons for the three bedroom units. By floor plan, capture rates range from 2.7 percent to 14.0 percent.
- All capture rates are within acceptable ranges.

Competitive Environment

- The comparable communities without project based rental assistance combined for just 20 vacancies among 534 reporting units, a rate of only 3.7 percent. The LIHTC communities without PBRA had two vacancies among 144 total units, a rate of only 1.4 percent and two had waiting lists. Among the LIHTC/deeply subsidized communities, four were one hundred percent occupied with waiting lists, one had one vacant unit, and one had 6 vacant units. Vacancy rates by floorplan were 2 percent for one bedroom units, 4 percent for two bedroom units, 0.0 percent for three bedroom units.
- The overall average historic vacancy rate among the Gaffney Market Area's LIHTC communities 5.52 percent for the second and fourth quarter of 2014. This data is provided by SCSHFDA and does not match recent data provided by property managers. The current overall vacancy rate for all LIHTC communities was 2.5 percent and two communities had waiting lists.
- Among the all surveyed comparable rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
 - **Efficiency** rents average \$392 for 379 square feet or \$1.03 per square foot.
 - **One bedroom** rents average \$512 for 695 square feet or \$0.74 per square foot.
 - **Two bedroom** rents average \$558 for 905 square feet or \$0.62 per square foot.
 - **Three bedroom** units average \$636 for 1,147 square feet or \$0.55 per square foot.



- The estimated market rents for the units at Autumn Glen Villas are \$704 for two bedroom units and \$765 for three bedroom units. The proposed 50 percent rents result in market advantages of 35.25 percent to 38.25 percent. Market advantages for 60 percent units range from 24.79 percent to 25.47 percent. The overall weighted average market advantage is 29.18 percent.
- According to Donald Elder with the Cherokee County Building Inspectors Department and Tony Lavender at the City of Gaffney Community Development Department, no multifamily communities are planned, proposed or under construction in the city of Gaffney or in Cherokee County.

Final Conclusion/Recommendation

Based on an analysis of projected household trends, overall affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Gaffney Market Area, RPRG believes that the proposed Autumn Glen Villas will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following entrance into the rental market. Given the product to be constructed, the subject will be competitively positioned with existing market rate and LIHTC communities in the Gaffney Market Area and the units will be well received by the target market. The proposed rents are appropriately positioned and result in significant market advantages. In addition, sufficient income qualified households for the proposed rents exist in the Gaffney Market Area to support Autumn Glen Villas. We recommend proceeding with the project as proposed.

SCSHFDA Rent Calculation Worksheet

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
7	2 BR	\$435	\$3,045	\$704	\$4,928	
29	2 BR	\$495	\$14,355	\$704	\$20,416	
5	3 BR	\$525	\$2,625	\$765	\$3,825	
19	3 BR	\$575	\$10,925	\$765	\$14,535	
Totals	60		\$30,950		\$43,704	29.18%



SCSHFDA Summary Form – Exhibit S-2

3-10-10- Revised

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	Autumn Glen Villas	Total # Units:	60
Location:	W. Buford Street, Gaffney SC	# LIHTC Units:	60
PMA Boundary:	North: North Carolina, East: Broad River, South: SC Highway 29/Thicketty Creek, West: Spartanburg County		
Development Type :	General Occupancy	Farthest Boundary Distance to Subject:	12.3 miles

RENTAL HOUSING STOCK (found on page 3, 42, 44-45)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing*	11	752	27	96.4%
Market-Rate Housing	4	390	18	95.4%
Assisted/Subsidized Housing not to include LIHTC	0	0	0	N/A
LIHTC (All that are stabilized)**	3	144	2	98.6%
Stabilized Comps***	7	534	20	96.3%
Non-stabilized Comps				

*Excludes Stonecrest (community does not report vacancies) **Stabilized occupancy of at least 93% (Excludes Stonecrest).
 *** 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
7	2	2	1,035	\$435	\$704	\$0.62	38.25%	\$708	\$0.78
29	2	2	1,035	\$525	\$704	\$0.62	27.47%	\$833	\$0.56
5	3	2	1,190	\$495	\$765	\$0.64	35.25%	\$708	\$0.78
19	3	2	1,190	\$575	\$765	\$0.64	24.79%	\$833	\$0.56
Gross Potential Rent Monthly*					\$30,950	\$43,704	29.18%		

*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 37, 52)						
	2000		2015		2018	
Renter Households			5,626	33.7%	5,794	34.3%
Income-Qualified Renter HHs (LIHTC)			1,440	24.0%	1,360	23.5%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 63)						
Type of Demand	50%	60%				Overall
Renter Household Growth	11	12				16
Existing Households (Overburd + Substand)	386	441				568
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	386	441				568

CAPTURE RATES (found on page 63)				
Targeted Population	50%	60%		Overall
Capture Rate	3.1%	10.9%		10.6%

ABSORPTION RATE (found on page 66)		
Absorption Period	4-5	months



1. INTRODUCTION

A. Overview of Subject

The subject of this report is Autumn Glen Villas, a proposed multi-family rental community in Gaffney, Cherokee County, South Carolina. Autumn Glen Villas will be newly constructed and is expected to be financed in part by Low Income Housing Tax Credits (LIHTC) allocated by the South Carolina State Housing Finance Development Authority (SCSHFDA). Upon completion, Autumn Glen Villas will contain a total of 60 rental units with 12 units reserved for households earning at or below 50 percent of the Area Median Income (AMI) and 48 units reserved for households at 60 percent AMI, adjusted for household size.

B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis. RPRG expects this study to be submitted along with an application for Low Income Housing Tax Credits to the South Carolina State Housing Finance Development Authority (SCSHFDA).

C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2016 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is Zimmerman Properties. Along with the Client, the intended users are SCSHFDA and potential investors.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- SCSHFDA's 2016 Market Study Requirements
- The National Council of the Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Index.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Tad Scepaniak (Principal) conducted visits to the subject site, neighborhood, and market area on January 20, 2016.



- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Donald Elder with the Cherokee County Building Inspectors Department, Tony Lavender at the City of Gaffney Community Development Department, The South Carolina Regional Housing Authority No.1, and Robbie Duncan at the Gaffney Housing Authority.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

H. Other Pertinent Remarks

None.



2. PROJECT DESCRIPTION

A. Project Overview

Autumn Glen Villas will contain 60 units, all of which will benefit from Low Income Housing Tax Credits. The LIHTC units will be subject to maximum allowable rents and prospective renters will be subject to maximum income limits.

B. Project Type and Target Market

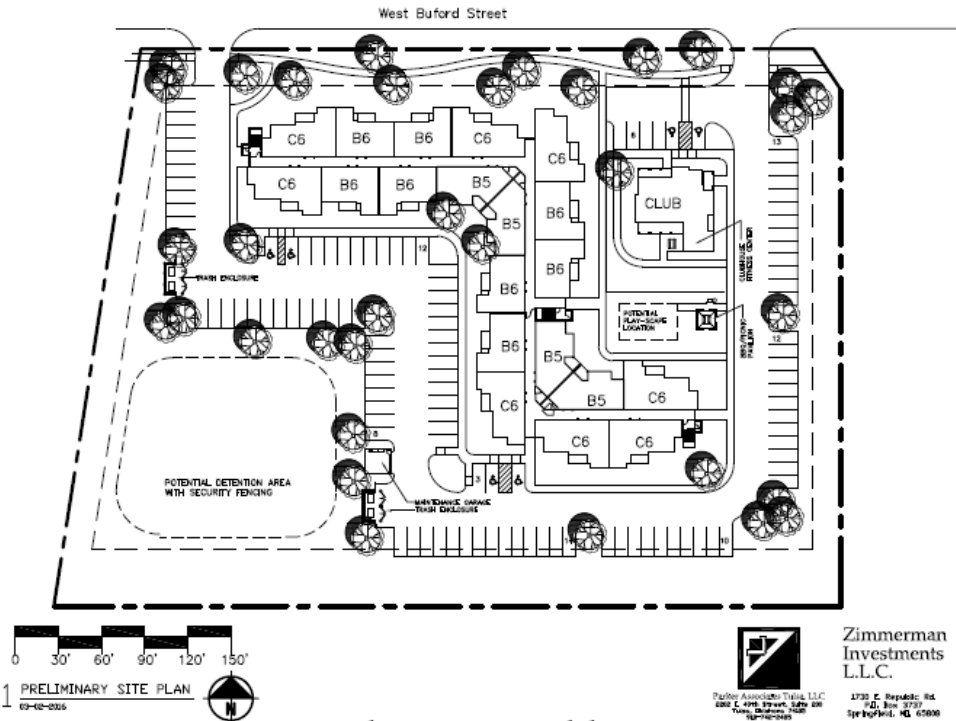
Autumn Glen Villas will target low to moderate income renter households including 12 units at 50 percent AMI and 48 units at 60 percent AMI. With a unit mix of two and three bedroom units, the property will target a wide range of renter households. The units will be especially appealing to households with children, but will also attract smaller renter households desiring additional space.

C. Building Type and Placement

Autumn Glen Villas will consist of a three-story, Garden style, residential building. The somewhat “z” shaped residential buildings will be positioned in the center of the tract with parking along the perimeter of the site. A detention area will be positioned in southwestern corner of the site, while the community building will be located in the northeastern corner of the site.



Figure 1 Proposed Site Plan, Autumn Glen Villas



Autumn Glen Villas

A 60 Unit Family Apartment Community in Gaffney, S.C.

D. Detailed Project Description

1. Project Description

- The 60 units at Autumn Glen Villas include 36 two-bedroom units and 24 three-bedroom units (Table 1).
- The proposed unit sizes are 1,035 square feet for two bedroom units and 1,190 square feet for three bedroom units. All units will have two bathrooms. Three of the 60 units will be handicap accessible.

The proposed rents for Autumn Glen Villas are listed in Table 1.

- All rents will include the cost of water/sewer and trash removal. Tenants will bear the cost of all other utilities.
- Monthly utility allowances are \$93 for two bedroom units and \$115 for three bedroom units.

The following **unit features** are planned:

- Kitchens with refrigerator, range, dishwasher, microwave, disposal.
- Washer and dryer connections.
- Ceiling fans.
- Patio or balcony.
- Wall-to-wall carpeting and laminate flooring in all living areas.
- Central air conditioning.
- In Unit Washer and Dryers.

The following **community amenities** are planned:



- Clubhouse
- Leasing office.
- Community rooms with libraries, kitchenettes, and computer stations.
- Playground.
- Mail kiosk.
- Outdoor picnic and BBQ area.
- Playground.

Table 1 Autumn Glen Villas Project Summary

Unit Mix/Rents							
# Bed	# Bath	% AMI	Size (sqft)	Quantity	Net Rent	Utility Allowance	Gross Rent
2	2	50%	1,035	7	\$435	\$93	\$528
3	2	50%	1,190	5	\$495	\$115	\$610
2	2	60%	1,035	29	\$525	\$93	\$618
3	2	60%	1,190	19	\$575	\$115	\$690
Total/Avg			\$1,160	60	\$510		
Project Information				Additional Information			
Number of Residential Buildings		1		Construction Start Date		1/1/2017	
Building Type		Garden		Date of First Move-In		1/1/2018	
Number of Stories		3		Construction Finish Date		12/31/2017	
Construction Type		New Const.		Parking Type		open parking	
Design Characteristics (exterior)		Brick/Hardi Plank		Parking Cost		free	
Community Amenities	Clubhouse with community room with kitchenettes and a library, computer room with two work stations, fitness room, and leasing office; outdoor picnic area and barbeque area; playground.			Kitchen Amenities			
				Dishwasher		Yes	
				Disposal		Yes	
				Microwave		Yes	
				In Unit Laundry		Yes	
W/D Connections		Yes					
Unit Features	Carpet in living areas, laminate in kitchen and baths, ceiling fans, energy star appliances and fixtures, washer dryers included, blinds on all windows, patio/balcony, three (3) units will be set aside for HC individuals.			Utilities Included			
				Water/Sewer		Owner	
				Trash		Owner	
				Heat		Tenant	
				Heat Source		Elec	
				Hot/Water		Tenant	
Electricity		Tenant					
Other:							

2. Other Proposed Uses

None.



3. Pertinent Information on Zoning and Government Review

As of this report, the site for the proposed development is zoned RM-16, Residential Multi-Family District. The intent of the RM-16 Zoning District is to be developed and reserved for medium-to-high density residential purposes.

4. Proposed Timing of Construction

Autumn Glen Villas is expected to begin construction in January 2017 and the estimated construction completion is December 2017.



3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The site for Autumn Glen Villas is located on the southwestern side of Buford Street, just northeast of its intersection with S. Oliver Street four blocks south of Highway 11, Gaffney, Cherokee County, South Carolina. The subject site is positioned approximately one mile northwest of downtown Gaffney, approximately 1.3 miles south of Interstate 85 (Map 1).

The site is located in a residential neighborhood largely surrounded by single-family detached homes, which are generally of older vintage and modest condition/value. Single-family detached homes line the northern side of Buford Street opposite the subject site and are the most common land use moving north of the site towards Floyd Baker Road including Holmes Street one block north of Buford Street.

2. Existing Uses

The subject site is a grassy field and does not include any existing structures. Mature hardwood trees line the northern portion of the site along Buford Street. Buford Street has a sidewalk on the site's side of the road, which creates walkability to neighboring land uses. At the time of our site visit, we did not observe any environmental conditions that would restrict the property's use.

3. Size, Shape, and Topography

According to the information provided by the developer and field observations, the Autumn Glen Villas site consists of an approximate 4.57 acre grassy field, with a generally flat topography. Large hardwood trees border the northern portion of the site along Buford Street.

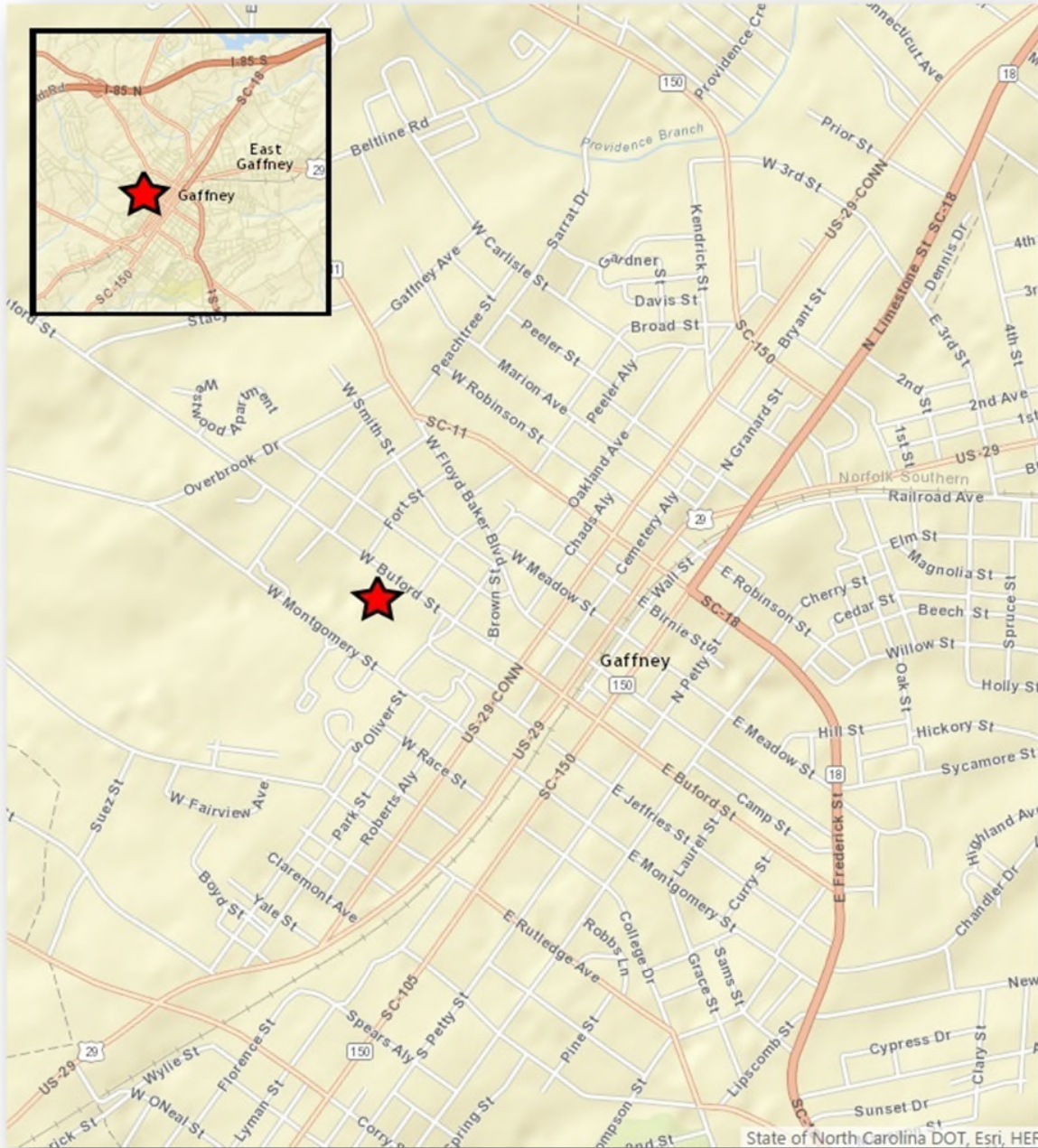
4. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject property include:

- **North:** Buford Street and single-family detached homes.
- **South:** Trees and Montgomery Street (apartment complex on Montgomery).
- **East:** Hamrick Mills Corporate Office.
- **West:** The Church of Jesus Christ of Latter Day Saints.



Map 1 Site Location.





View of site facing south.



View of site facing south.



View of site from across Buford Street.



View of site facing south near church.



View of site facing east toward mill.



View of site facing west toward church.

Figure 4 Views of Surrounding Land Uses



Single family homes across Bufford Street from Site.



Single family homes across Bufford Street from Site.



Hamrick Mill to the east.



Church to the west.



Heritage Square Apartments to the west.



Elementary School to the west.



B. Neighborhood Analysis

1. General Description of Neighborhood

The subject site is located in the city of Gaffney a modest size municipality approximately five miles south of the South Carolina/North Carolina state line. Situated along the Interstate 85 corridor, Gaffney is centrally located between the major metropolitan areas of Charlotte, North Carolina to the northeast and Greenville, South Carolina to the southwest. Overall, the character of development throughout the city is primarily residential, consisting of low to moderate value single-family detached homes surrounding a major retail corridor along SC Highway 11 (West Floyd Baker Blvd.) and a small historic district. Overall, the condition of development in the subject site's immediate area ranges from good to poor, which is similar to most areas of Gaffney.

Land uses become more commercial oriented moving east of the subject site including an adjacent office building and several retailers east of the intersection of Buford Street and Granard Street. Notable retailers in this area include CVS Pharmacy, Ace Hardware, and Family Dollar. Gaffney's downtown business district is within one-half mile of the site to the northeast along Limestone Street with several large churches, Gaffney's City Hall, and small retailers. The Church of Jesus Christ of Latter Day Saints is adjacent to the western edge of the site and B.D. Elementary Schools is one block further west at the intersection of Buford Street and Overlook Drive.

Heritage Apartments, an older community in poor condition, located west of the subject appears to be vacant. We were unable to find out any information on the current status of this community. The property was previously listed for sale on Loopnet, however, was taken off the market and no contact information was listed.

2. Neighborhood Investment and Planning Activities

According to our research, including field observations at the time of the site visit, no current neighborhood investment / development activities were noted in the subject site's immediate area.

3. Crime Index

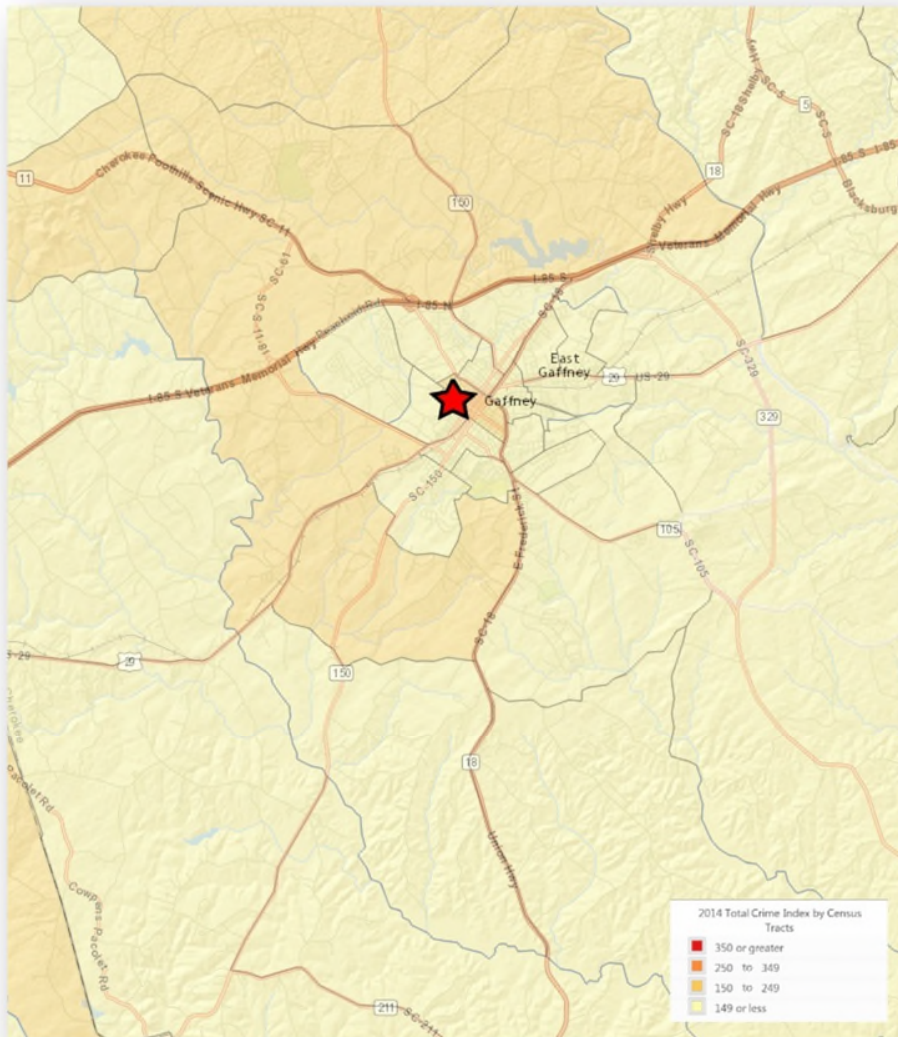
CrimeRisk data is an analysis tool for crime provided by Applied Geographic Solutions (AGS). CrimeRisk is a block-group level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block group level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 2 displays the 2013 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject site's census tract and those in the immediately surrounding area are light orange to dark orange, indicating they have a modest crime risk (50-200) slightly above the national average (100). This crime risk is comparable to areas in and around Gaffney including portions of the city that contain the existing multi-family rental stock. The only census tracts with a lower crime risk encompass rural areas with a significantly lower population density. Based on this data and field



observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability. Extensive security measures such as gated entries are not prevalent in the primary market area.

Map 2 Crime Index Map



C. Site Visibility and Accessibility

1. Visibility

Autumn Glen Villas will have good visibility from both directions of W. Buford Street.



2. Vehicular Access

Autumn Glen Villas will be accessible from both direction of W. Buford Street, which is primarily residential with low traffic, and no problems with ingress or egress are anticipated.

3. Availability of Public Transit

Gaffney does not have fixed-route public bus transportation.

4. Inter Regional Transit

From W. Buford Street, West Floyd Baker Blvd. (SC Highway 11) is just three blocks northeast. This four-lane plus center turning lane road is the retail center of Gaffney. West Floyd Baker Boulevard also provides access to Interstate 85, a major interstate used for local and regional travel. The subject site is 1.3 miles from the onramp to I-85, which offers easy connections to Atlanta, Greenville, and Charlotte. Several U.S. and S.C. State Highways including Highways 11, 18, 29, 105, 150, and 329 also serve Gaffney. Highway 29 is three blocks southeast from the site and runs generally parallel to I-85 heading north to Blacksburg and south to Spartanburg.

The subject site is centrally located between the Greenville-Spartanburg International Airport (GSP) 35 miles to the southwest and the Charlotte/Douglas International Airport (CLT) 41 miles to the northeast. Together, both airports serve more than 30 million passengers per year offering non-stop daily departures to most major cities across the United States.

5. Pedestrian Access

The site for Autumn Glen Villas is located within a short walking distance (less than one-half mile) of various community amenities, retail establishments, and neighborhoods. Pedestrian access will be facilitated by sidewalks on both sides of W. Buford Street.

6. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects impacting road, transit, or pedestrian access to the subject site are currently underway or likely to commence in the next few years. The primary documents considered were the Fiscal Year 2014 to 2019 South Carolina Statewide Transportation Improvement Program and the Fiscal Year 2014 to 2019 Greenville-Pickens Area Transportation Study (GPATS) Transportation Improvement Program. Observations made during the site visit contributed to this process. Through this research, no major roadway improvements were identified that would have a direct impact on this market.

Transit and Other Improvements under Construction and/or Planned

None identified.

D. Residential Support Network

1. Key Facilities and Services near the Subject Sites

The appeal of any given community is often based in part to its proximity to those facilities and services required on a daily basis. Key facilities and services and their driving distances from the subject site are listed in Table 2. The location of those facilities is plotted on Map 3.

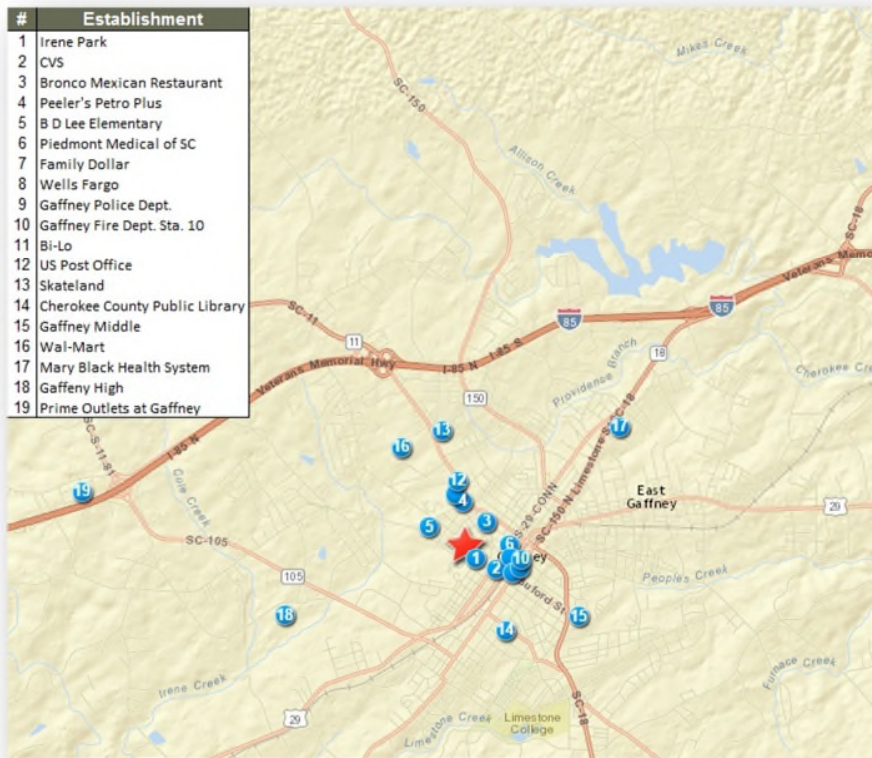


Table 2 Key Facilities and Services

Establishment	Type	Address	Driving Distance
Irene Park	Public Park	Irene Park Dr.	0.3 mile
CVS	Pharmacy	229 W Buford St.	0.3 mile
Bronco Mexican Restaurant	Restaurant	600 W Floyd Baker Blvd.	0.3 mile
Peeler's Petro Plus	Convenience Store	901 W Floyd Baker Blvd.	0.4 mile
B D Lee Elementary	Public School	401 Overbrook Dr.	0.4 mile
Piedmont Medical of SC	Doctor/Medical	317 N Logan St.	0.5 mile
Family Dollar	General Retail	205 N Granard St.	0.5 mile
Wells Fargo	Bank	101 N Limestone St.	0.5 mile
Gaffney Police Dept.	Police Station	201 N Limestone St.	0.5 mile
Gaffney Fire Dept. Sta. 10	Fire Station	205 N Limestone St.	0.6 mile
Bi-Lo	Grocery Store	1013 W Floyd Baker Blvd.	0.6 mile
US Post Office	Post Office	1208 W Floyd Baker Blvd.	0.6 mile
Skateland	Recreation	102 Ellis Ferry Ave.	1 mile
Cherokee County Public Library	Library	300 E Rutledge Ave.	1 mile
Gaffney Middle	Public School	805 East Frederick St.	1.2 miles
Wal-Mart	General Retail	165 Walton Dr.	1.3 miles
Mary Black Health System	Hospital	1530 N Limestone St.	1.9 miles
Gaffney High	Public School	149 Twin Lake Rd.	2.4 miles
Prime Outlets at Gaffney	Retail	1 Factory Shops Blvd.	3.8 miles

Source: Field and Internet Research, RPRG, Inc.

Map 3 Location of Key Facilities and Services





2. Essential Services

Health Care

The Novant Health Gaffney Medical Center, located in northeastern Gaffney, is the primary healthcare provider for residents of Cherokee County. As a 125 bed acute-care hospital, Novant Health Gaffney Medical Center offers a full range of medical services including 24-hour emergency care, diabetes management, pediatrics, diagnostics, women's services, wound center, outpatient services, and an intensive-care unit. This facility is located 1.8 miles from the subject site.

Novant Health Gaffney Family Medical Care houses a variety of primary medical services and offers both early morning and evening hours. Services include annual checkups and DOT physicals; care for chronic illnesses, such as diabetes and hypertension; women's health services, including annual gynecologic exams; and on-site lab services. The office on Stuard Street is one-half mile from the subject site.

Education

The subject site is located within Cherokee County School District. The closest schools to the subject site are BD Lee Elementary School (0.4 mile), Gaffney Middle School (1.2 miles), and Gaffney High School (2.4 miles).

Nearby institutions of higher education include Limestone College and Spartanburg Community College (SCC) Cherokee County Campus. Limestone College is an independent, four-year liberal arts non-denominational Christian college. Its programs lead to the Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Science, Bachelor of Social Work, Associate of Arts, Associate of Science and Master of Business Administration degree. Also located in Gaffney, SCC's 62-acre Cherokee County Campus opened in 2007. The Cherokee County Campus offers a full array of general education courses and the Transitional Studies Department allows students to take prerequisite courses that may be necessary for acceptance into SCC's curriculum programs. The Cherokee County Campus is also home to the Radiation Protection Technician Program. Through a unique partnership with Duke Energy, SCC students can train for a career in the high demand field of nuclear energy by acquiring the knowledge and skills needed for a career as a radiation protection technician in a nuclear power facility.

3. Commercial Goods and Services

Convenience Goods

The term "convenience goods" refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

The majority of Gaffney's commercial/retail development is situated along West Floyd Baker Boulevard (State Highway 11) between Interstate 85 and downtown Gaffney. West Floyd Baker Boulevard is three blocks northeast from the subject site and is easily accessed via the sidewalks along W. Buford Street and Liberty Street. The closest retail establishments to the site include Bi-Lo grocery store, Rite Aid Pharmacy, CVS Pharmacy, and Dollar General; all are located along West Floyd Baker Boulevard and within approximately one-half mile of the site. Other shopping destinations along West Floyd Baker Boulevard include a Wal-Mart Supercenter, Belk, Lowes Home Improvement, and several restaurants.



Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers’ goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

In addition to the general retail development within the city, Prime Outlets of Gaffney is located at the State Highway 105 and Interstate 85 interchange approximately 3.8 miles from the subject site. Prime Outlets of Gaffney provides a broad range of retailers containing over 80 brand name stores as well as an enclosed food court and children’s playground. The shopping outlet mall is a regional attraction and is a major employment concentration in Cherokee County.

Recreation Amenities

The Cherokee Recreation District owns and operates over 18 athletic fields and parks in Cherokee County and offers a variety of youth sports. The closest district park to the site is Irene Park. Irene Park, located 0.3 mile from the site and contains a swimming pool with bathhouse, skateboard park, as well as a lighted youth baseball field with concession stand, restrooms and press box. This is the site for Dixie Youth Major League (10-12 years old), Pee Wee, and Minor League baseball regular season and tournament play. The closest branch of the Cherokee Public Library is one mile from the site.



4. ECONOMIC CONTEXT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Cherokee County, the jurisdiction in which Autumn Glen Villas is located. For purposes of comparison, economic trends in South Carolina and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

The Cherokee County labor force peaked in 2009 at 25,594 people. The labor force decreased in 2010 and 2011 to 23,597 people. The more recent trend is stabilization with a net gain of 468 total workers from 2011 to 2015(Q3). The employed portion of the labor force increased by 2,134 people since 2011. The number of workers classified as unemployed in the county has decreased by 51.5 percent from 3,727 in 2010 to 1,807 in 2015(Q3). (Table 3).

2. Trends in County Unemployment Rate

The unemployment rate in Cherokee County peaked at 15.8 percent in 2009 compared to 11.2 percent in South Carolina, and 9.6 percent in the nation. The unemployment rates have decreased significantly in all three geographies yet the local county rates remain above state and national levels. Unemployment rates through the third quarter of 2015 were 7.5 percent for Cherokee County, 6.4 percent for South Carolina, and 5.6 percent for the United States.

C. Commutation Patterns

According to 2010-2014 American Community Survey (ACS) roughly 41 percent of the workers residing in the Gaffney Market Area spent less than 15 minutes commuting to/from work (Table 4). Over one-third (37 percent) of workers commuted 15-29 minutes and 20.2 percent commuted 30 minutes or longer.

The vast majority (72.1 percent) of Gaffney Market Area workers work in Cherokee County. Approximately 21.9 percent of Gaffney Market Area workers work in another South Carolina County and six percent work outside the state, presumably in nearby North Carolina.



Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Q3
Labor Force	25,095	24,899	25,102	25,257	25,546	25,594	23,684	23,597	23,660	23,624	23,475	24,065
Employment	22,870	22,938	23,177	23,543	23,231	21,538	19,957	20,124	20,629	21,135	21,537	22,258
Unemployment	2,225	1,961	1,925	1,714	2,315	4,056	3,727	3,473	3,031	2,489	1,938	1,807
Unemployment Rate												
Cherokee County	8.9%	7.9%	7.7%	6.8%	9.1%	15.8%	15.7%	14.7%	12.8%	10.5%	8.3%	7.5%
South Carolina	6.8%	6.7%	6.4%	5.7%	6.8%	11.2%	11.2%	10.5%	9.2%	7.6%	6.4%	6.4%
United States	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.6%

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

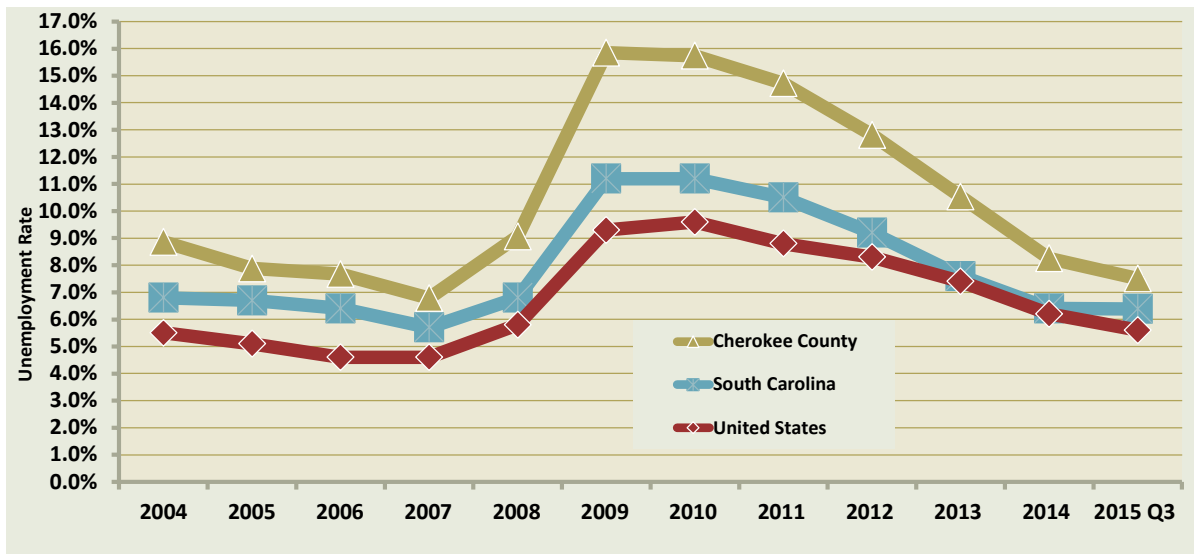
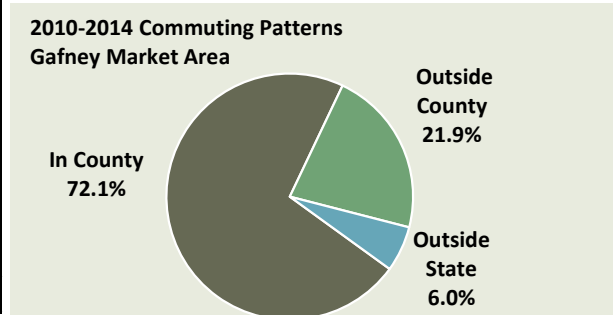


Table 4 Commutation Data

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	15,949	98.4%	Worked in state of residence:	15,227	94.0%
Less than 5 minutes	713	4.4%	Worked in county of residence	11,675	72.1%
5 to 9 minutes	2,686	16.6%	Worked outside county of residence	3,552	21.9%
10 to 14 minutes	3,254	20.1%	Worked outside state of residence	975	6.0%
15 to 19 minutes	3,264	20.1%	Total	16,202	100%
20 to 24 minutes	2,002	12.4%			
25 to 29 minutes	752	4.6%			
30 to 34 minutes	1,507	9.3%			
35 to 39 minutes	216	1.3%			
40 to 44 minutes	385	2.4%			
45 to 59 minutes	548	3.4%			
60 to 89 minutes	455	2.8%			
90 or more minutes	167	1.0%			
Worked at home	253	1.6%			
Total	16,202				

Source: American Community Survey 2010-2014



Source: American Community Survey 2010-2014

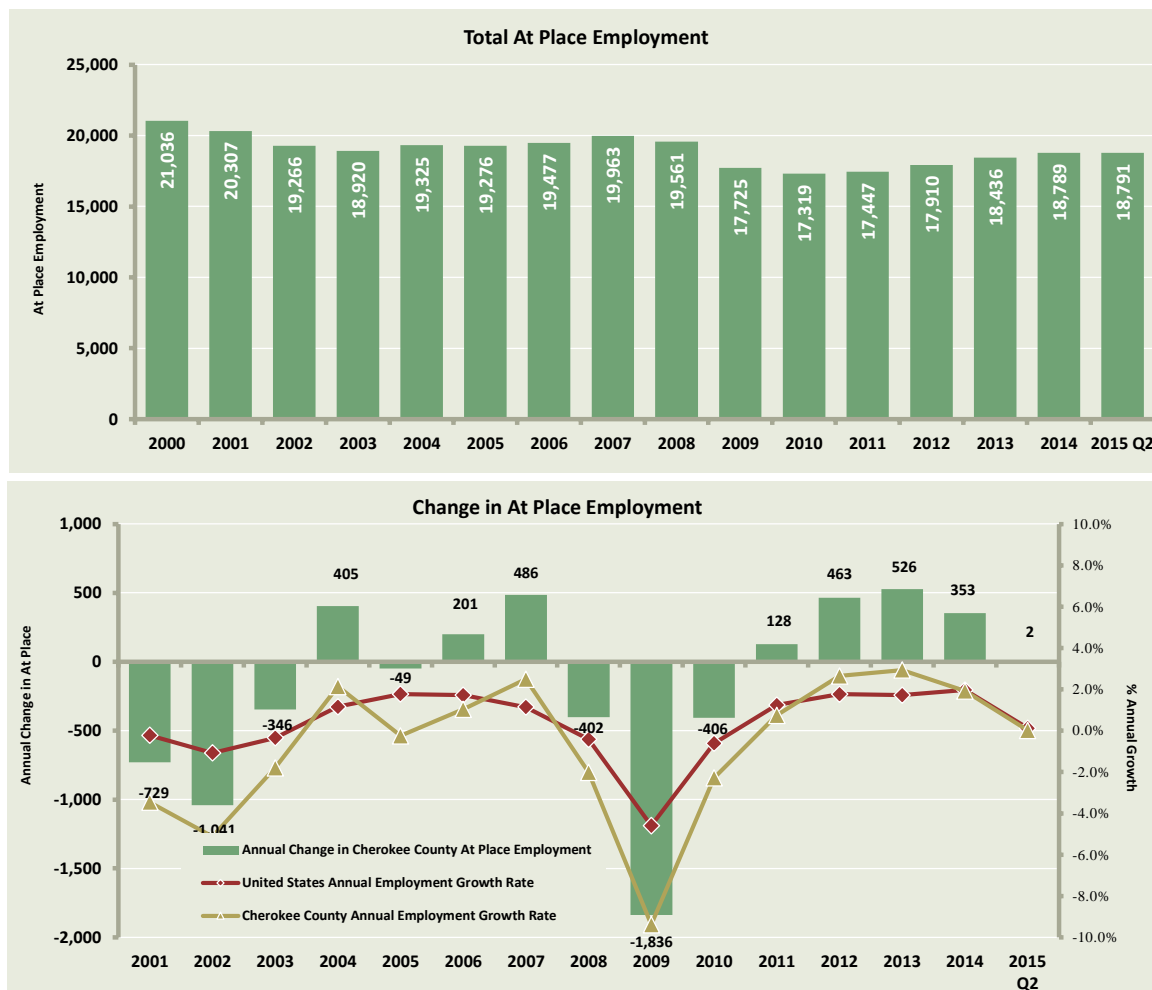


D. At-Place Employment

1. Trends in Total At-Place Employment

Over the past fifteen years, Cherokee County’s At-Place employment has followed a cyclical trend with a steady period of growth (2004 to 2007) bookended by periods of decline (2000 to 2003 and 2008 to 2010) (Figure 5). After reaching a low of 17,319 jobs in 2010, employment has begun to recover, climbing back to 18,791 by second quarter 2015. Overall, the county experienced a net loss of 2,245 jobs or 10.7 percent from 2000 to second quarter 2015. The 1,472 jobs added since 2011 represent nearly two-thirds of recession-era losses.

Figure 5 At-Place Employment



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

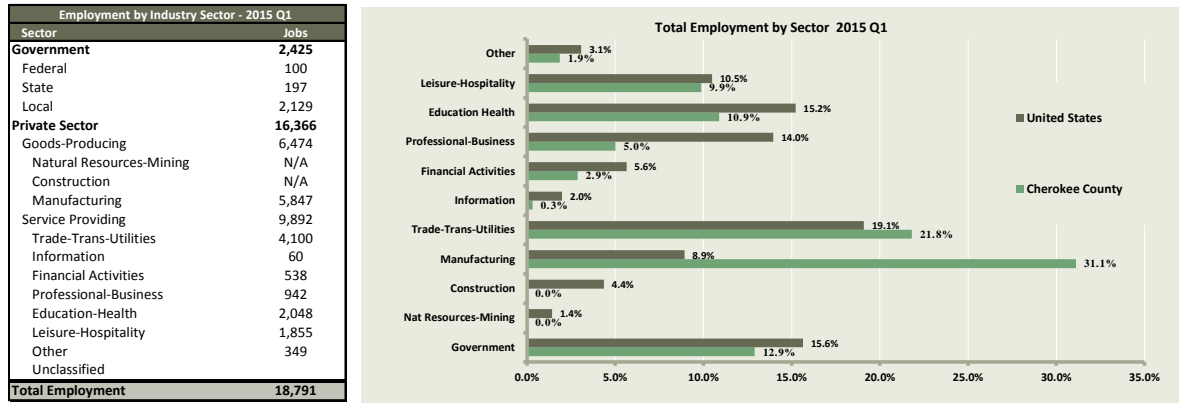
2. At-Place Employment by Industry Sector

Manufacturing, Trade-Transportation-Utilities, and Government are the largest employment sectors in Cherokee County, accounting for nearly two-thirds (65.8 percent) of total jobs through the first quarter of 2015 (Figure 6). Overall, Manufacturing has the largest disparity relative to national figures, accounting for 31.1 percent of employment in Cherokee County versus just 8.9 percent of



jobs nationally. Cherokee County has a significantly smaller percentage of its job base employed in the Professional Business, Education Health, and Financial Activities compared to the nation.

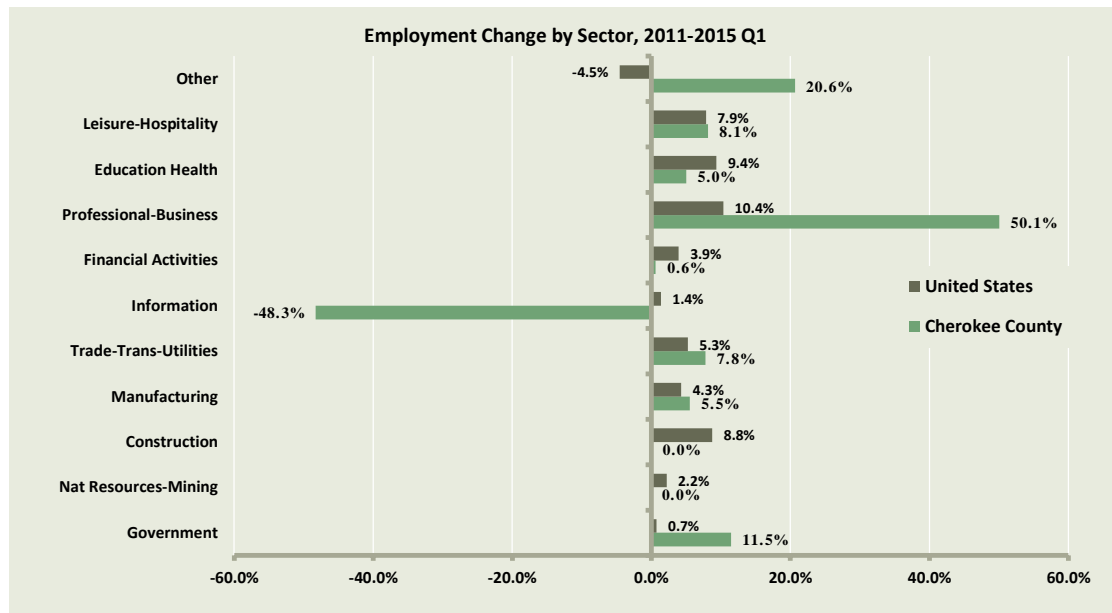
Figure 6 Total Employment by Sector 2015 (Q1)



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Seven of eleven economic sectors added jobs in Cherokee County between 2011 and the first quarter of 2015, (Figure 7). The largest percentage increase was in Professional Business at 50.1 percent. Other sectors with net growth included Government at 11.5 percent, Leisure-Hospitality at 8.1 percent, Education-Health at 9.4 percent, Trade-Transportation-Utilities at 7.8 percent, Manufacturing at 5.5 percent, Financial Activities at 0.6 percent. The only sector to lose jobs was the Information sector, one of the county’s smallest industries, at a loss of 48.3 percent but only 0.3 percent of the county’s total jobs.

Figure 7 Change in Employment by Sector 2011-2015 (Q1)



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



3. Major Employers

The single-largest employer in Cherokee County is Nestle USA Prepared Food Division (Table 5). With a total employment of 1,200, Nestle is by far the largest private employer in the county, followed by The Timken Company (940 total employees) and the School District of Cherokee County (846 total employees). Other major employers in the county include four manufacturing companies.

The major employers (except for the local school district which employee staff at various locations throughout the county) are noted on Map 4. All of these major employers are located within five miles of the subject site; most are located in and around Gaffney, with the exception being Milliken which is located eight miles north in Blacksburg. In addition to these major employers, the subject site is located in close proximity to retail shopping centers and various local service providers, which provide alternative options for employment.

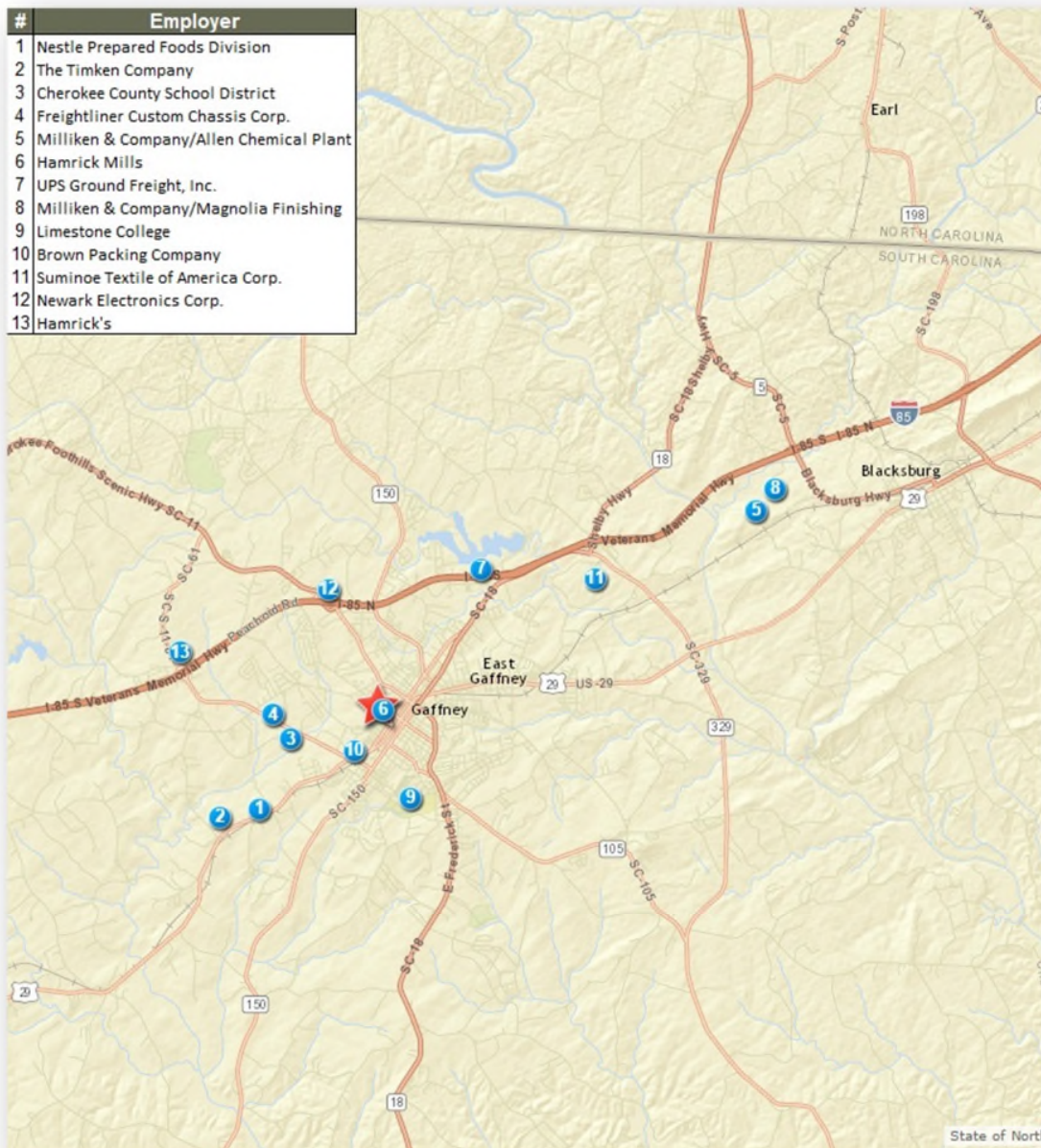
Table 5 Major Employers, Cherokee County

Company	Employees	City
Nestle Prepared Foods Division	1,200	Gaffney
The Timken Company	940	Gaffney
Cherokee County School District	846	Gaffney
Freightliner Custom Chassis Corporation	550	Gaffney
Milliken & Company/Allen Chemical Plant	442	Blacksburg
Hamrick Mills, Inc.	400	Gaffney
UPS Ground Freight, Inc.	400	Gaffney
Milliken & Company/Magnolia Finishing	367	Blacksburg
Limestone College	340	Gaffney
Brown Packing Co., Inc.	300	Gaffney
Suminoe Textile of America Corp.	300	Gaffney
Newark Electronics Corporation	260	Gaffney
Hamrick's	250	Gaffney

Source: UpstateSCAlliance



Map 4 Major Employers



4. Wages

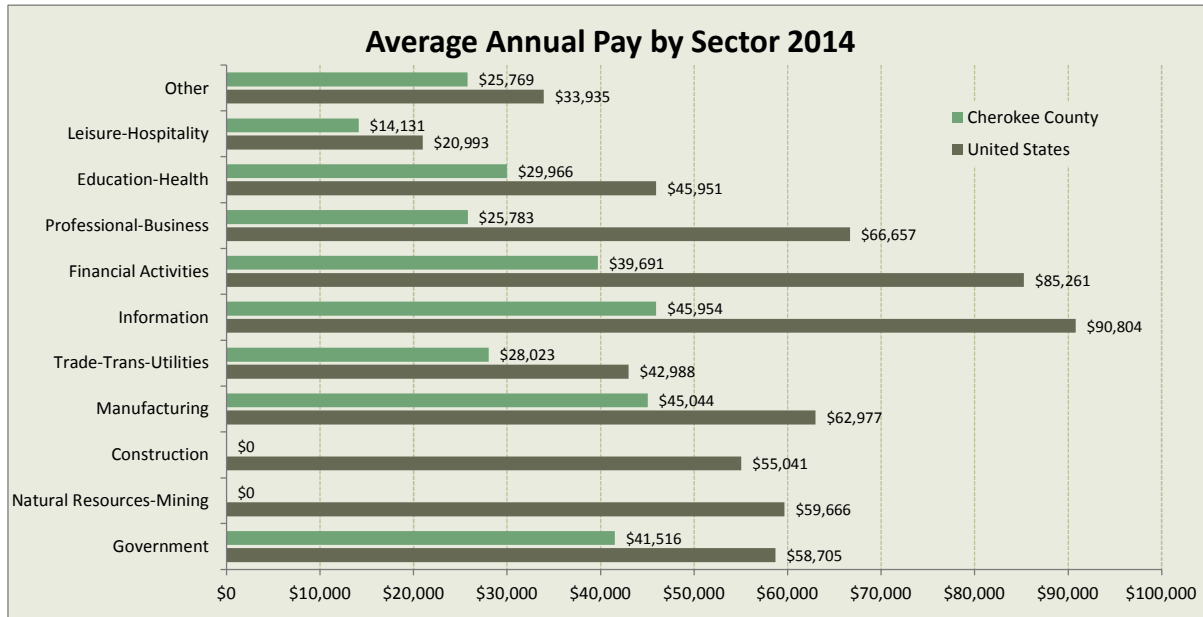
The average annual wage in 2014 for Cherokee County was \$33,746, which is 20.9 percent lower than the \$40,797 average in South Carolina (Table 6). The state’s average wage is \$10,564 or 25.9 percent below the national average. Cherokee County’s average annual wage in 2014 represents an increase of 11.7 percent since 2004.

The average wage in Cherokee County falls below the national average for every economic sector. The highest paying sectors in Cherokee County are Information and Manufacturing.



Table 6 Average Annual Pay and Annualized Wage Data by Sector, Cherokee County

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cherokee County	\$30,201	\$30,343	\$31,049	\$32,312	\$32,471	\$32,305	\$32,841	\$33,001	\$33,425	\$33,283	\$33,746
South Carolina	\$31,839	\$32,927	\$34,281	\$35,393	\$36,252	\$36,759	\$37,553	\$38,427	\$39,286	\$39,792	\$40,797
United States	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,043	\$49,289	\$49,804	\$51,361



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



5. HOUSING MARKET AREA

A. Introduction

The primary market area for the proposed Autumn Glen Villas is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Gaffney Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The Gaffney Market Area consists of ten 2010 Census tracts in Cherokee County, including most of the city of Gaffney and its immediately surrounding areas. The boundaries of the Gaffney Market Area and their approximate distance from the subject site are:

- **North:** North Carolina (6.3 miles)
- **East:** Broad River (5.7 miles)
- **South:** SC Highway 29/Thicketty Creek (12.3 miles)
- **West:** Spartanburg County (9.6 miles)

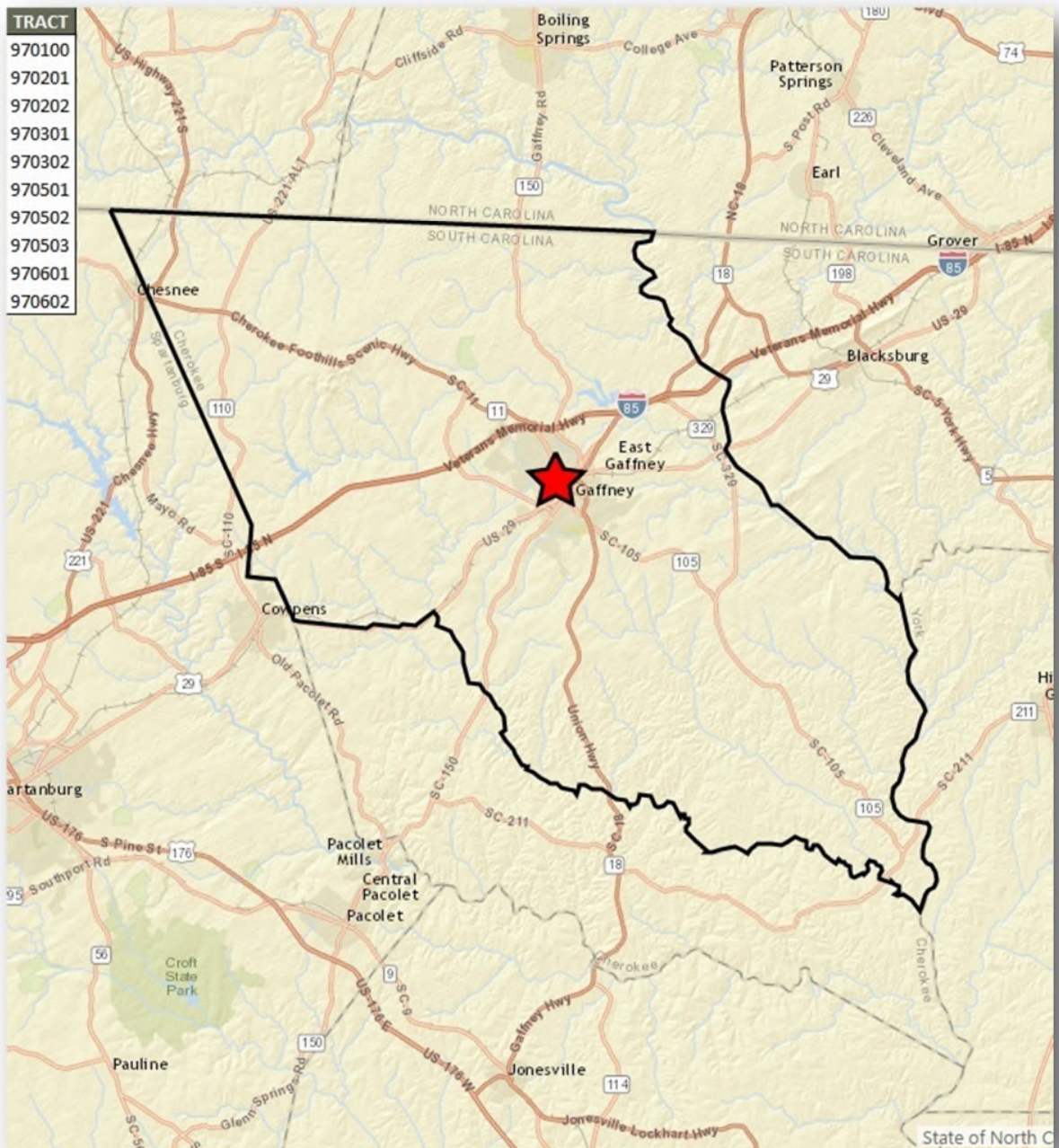
This portion of Cherokee County is compatible with the housing stock immediately surrounding the subject site. The exact size of the market area was influenced by the relatively large size and irregular shape of the census tracts. For example, to the northwest of the market area, the geographically large tract 9701.00 was included, as its exclusion would limit the PMA's western border to three miles from the subject property. As a result, removing this tract would be overly restrictive. Despite its large size, this census tract is sparsely developed and will likely add few renter households to the primary market area.

The market area does not include the town of Blacksburg to the northeast or the southernmost census tract in Cherokee County. Due to the Geographic distance from the subject site and the size of the remaining census tracts, including these areas would increase the size of the market area to encompass all of Cherokee County.

This market area is depicted in Map 5. As appropriate for this analysis, the Gaffney Market Area is compared to a bi-county market area consisting of Cherokee County and Spartanburg County. Demand estimates, however, are based solely on the Gaffney Market Area which does not include any of Spartanburg County.



Map 5 Gaffney Market Area





6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Gaffney Market Area and Cherokee County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population in the Gaffney Market Area increased by 5.5 percent, rising from 39,809 to 42,000 people. This equates to an annual growth rate of 0.5 percent or 219 people. During the same time period, the number of households in the Gaffney Market Area increased by 5.4 percent from 15,470 to 16,306 with annual increases of 84 households or 0.5 percent (Table 7).

Similar to the Gaffney Market Area, the Bi-County Market Area experienced steady population and household growth during the past decade. Overall, the population of the Bi-County Market Area expanded by 10.9 percent from 2000 to 2010 (1.0 percent annually), while the number of households in the Bi-County Market Area increased by 10.6 percent (1.0 percent annually).

2. Projected Trends

The Bi-County Market Area's population and household base are projected to increase by 1.9 percent per year between 2015 and 2018.

The average person per household in the Gaffney Market Area only slightly increased from 2.53 persons in 2010 to 2.54 persons in 2010. The average size is not expected to change between 2015 and 2018 (Table 8).



Table 7 Population and Household Projections

Bi-County Market Area						Gaffney Market Area					
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2000	306,328					39,809					
2010	339,649	33,321	10.9%	3,332	1.0%	42,000	2,191	5.5%	219	0.5%	
2015	350,468	10,819	3.2%	2,164	0.6%	43,062	1,062	2.5%	212	0.5%	
2018	357,270	6,802	1.9%	2,267	0.6%	43,598	536	1.2%	179	0.4%	

Bi-County Market Area						Gaffney Market Area					
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2000	118,230					15,470					
2010	130,765	12,535	10.6%	1,254	1.0%	16,306	836	5.4%	84	0.5%	
2015	135,013	4,248	3.2%	850	0.6%	16,682	376	2.3%	75	0.5%	
2018	137,643	2,630	1.9%	877	0.6%	16,884	202	1.2%	67	0.4%	

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.

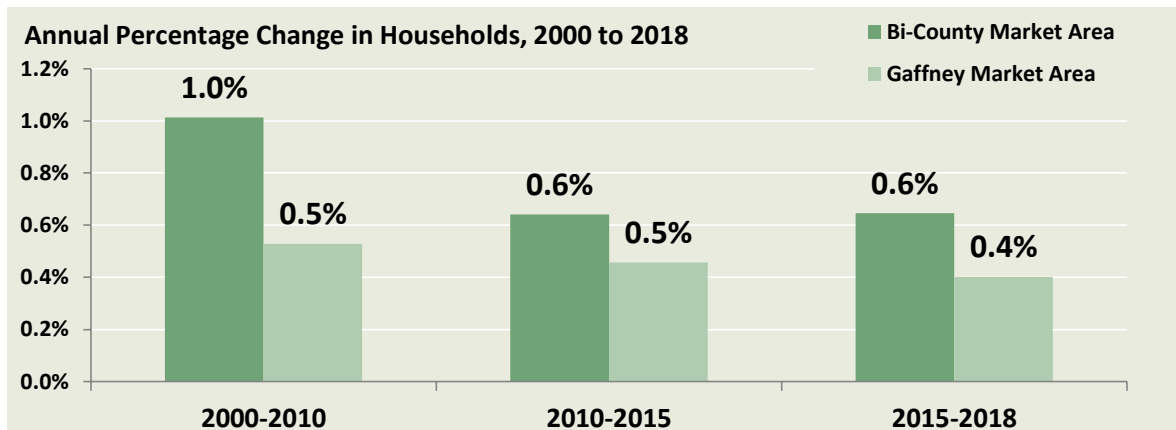


Table 8 Persons per Household, Gaffney Market Area

Persons per HH, Market Area			
Year	2010	2015	2018
Population	42,000	43,062	43,598
Group Quarters	707	707	707
Households	16,306	16,682	16,884
Households Size	2.53	2.54	2.54

Source: Census, Esri, RPRG

3. Building Permit Trends

Building permit activity in the Bi-County Market Area averaged 2,109 units permitted from 2000 to 2006. Beginning in 2007, the number of permits issued declined for five straight years reaching a low of 603 units permitted in 2011. Overall, an average of 1,544 units was permitted annually from 2000-2014, which is over the annual average growth of 854 households in the county. This disparity in household growth relative to units permitted could indicate an overbuilt market; however, these figures also do not take the replacement of existing housing units into account. Following the



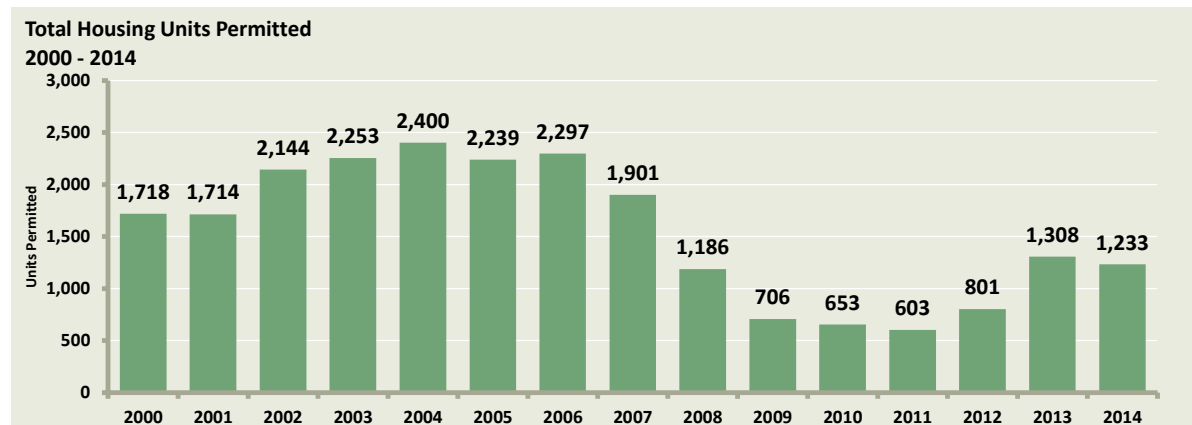
decline from 2007 to 2011, building permit activity has increased to 801, 1,308 and 1,233 units permitted in 2012, 2013 and 2014, respectively (Table 9).

By structure type, 92 percent of all residential permits issued in Cherokee County were for single-family detached homes. Multi-family structures (5+ units) accounted for six percent of units permitted while buildings with 2-4 units contain less than one percent of permitted units.

Table 9 Building Permits by Structure Type, Cherokee County

Bi-County Market Area																2000-2014	Annual Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
Single Family	1,662	1,538	1,681	1,945	2,128	2,231	2,297	1,787	1,184	678	653	603	799	1,038	1,153	21,377	1,425
Two Family	20	22	82	48	4	4	0	0	2	0	0	0	2	16	20	220	15
3 - 4 Family	16	0	29	12	4	4	0	0	0	0	0	0	0	0	0	65	4
5+ Family	20	154	352	248	264	0	0	114	0	28	0	0	0	254	60	1,494	100
Total	1,718	1,714	2,144	2,253	2,400	2,239	2,297	1,901	1,186	706	653	603	801	1,308	1,233	23,156	1,544

Source: U.S. Census Bureau, C-40 Building Permit Reports.



C. Demographic Characteristics

1. Age Distribution and Household Type

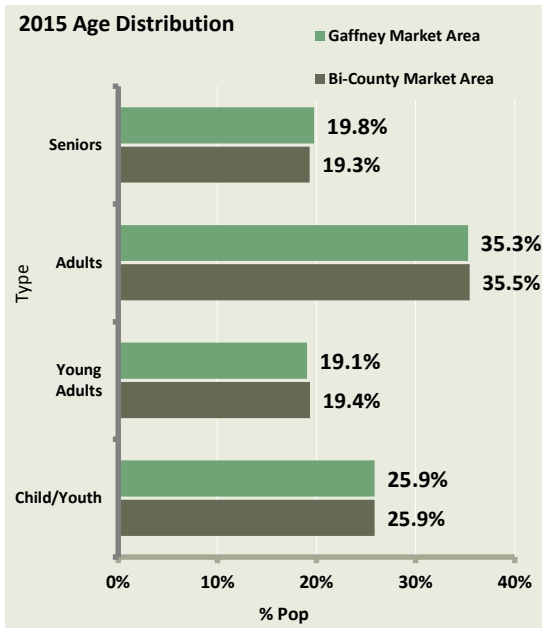
Based on Esri estimates for 2015, the population of the Gaffney Market Area was very similar to the population in the Bi-County Market Area with a median age of 38 for both areas (Table 10). Adults age 35-61 comprise the largest percentage of the population at 35.3 percent in the market area and 35.5 percent in the Bi-County Market Area. Children/Youth represent the second largest percentage of the population at 25.9 percent of both the Gaffney Market Area and the Bi-County Market Area. Young Adults age 20-34 were also similar at 19.1 percent in the Gaffney Market Area and 19.4 percent in the Bi-County Market Area. Seniors age 62 and older make up 19.8 percent of the Gaffney Market Area and 19.3 of the Bi-County Market Area .



Table 10 2015 Age Distribution

	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
Children/Youth	90,623	25.9%	11,140	25.9%
Under 5 years	22,245	6.3%	2,803	6.5%
5-9 years	22,833	6.5%	2,862	6.6%
10-14 years	22,620	6.5%	2,778	6.5%
15-19 years	22,925	6.5%	2,697	6.3%
Young Adults	67,817	19.4%	8,208	19.1%
20-24 years	23,822	6.8%	2,713	6.3%
25-34 years	43,995	12.6%	5,495	12.8%
Adults	124,283	35.5%	15,198	35.3%
35-44 years	43,758	12.5%	5,375	12.5%
45-54 years	48,713	13.9%	5,872	13.6%
55-61 years	31,812	9.1%	3,951	9.2%
Seniors	67,745	19.3%	8,516	19.8%
62-64 years	13,634	3.9%	1,693	3.9%
65-74 years	33,150	9.5%	4,172	9.7%
75-84 years	15,165	4.3%	1,871	4.3%
85 and older	5,796	1.7%	780	1.8%
TOTAL	350,468	100%	43,062	100%
Median Age	38		38	

Source: Esri; RPRG, Inc.

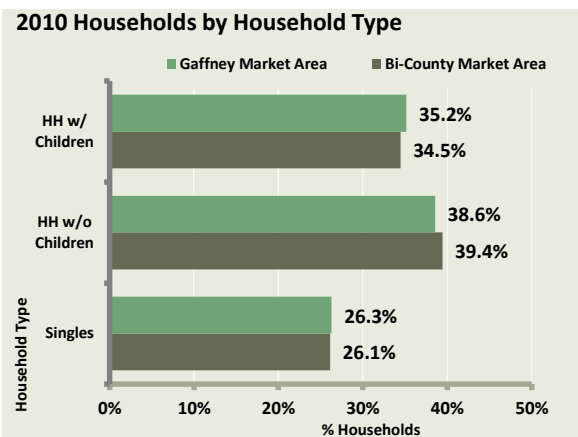


Households with two or more adults, but no children comprise 38.6 percent of households in the Gaffney Market Area and 39.4 percent of households in the Bi-County Market Area. Children are present in 35.2 percent of households in the Gaffney Market Area compared to 34.5 percent of the households in the Bi-County Market Area (Table 11). Single person households account for 26.3 percent of households in the Gaffney Market Area and 26.1 percent of the households in the Bi-County Market Area.

Table 11 2010 Households by Household Type

Households by Household Type	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
Married w/Children	27,276	20.9%	3,091	19.0%
Other w/ Children	17,773	13.6%	2,641	16.2%
Households w/ Children	45,049	34.5%	5,732	35.2%
Married w/o Children	36,069	27.6%	4,268	26.2%
Other Family w/o Children	9,652	7.4%	1,309	8.0%
Non-Family w/o Children	5,828	4.5%	709	4.3%
Households w/o Children	51,549	39.4%	6,286	38.6%
Singles Living Alone	34,167	26.1%	4,288	26.3%
Singles	34,167	26.1%	4,288	26.3%
Total	130,765	100%	16,306	100%

Source: 2010 Census; RPRG, Inc.





2. Renter Household Characteristics

As of the 2010 Census, 27.3 percent of all households in the Gaffney Market Area were renters compared to 27.7 percent in the Bi-County Market Area (Table 12). Both the Gaffney Market Area and the Bi-County Market Area lost owner households and gained renter households between the 2000 and 2010 census counts. Renter percentages are expected to continue to increase in both areas and are projected at 34.9 percent in the Gaffney Market Area and 33.2 percent in the Bi-County Market Area by 2018. Renter households are projected to increase by 168 households in the Gaffney Market Area over the next three years, accounting for 82.9 percent of total net household growth.

Table 12 Households by Tenure

Bi-County Market Area	2000		2010		Change 2000-2010		2015		2018		Change 2015-2018	
	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units												
Owner Occupied	85,485	72.3%	91,093	69.7%	5,608	44.7%	92,014	68.2%	92,865	67.5%	851	32.4%
Renter Occupied	32,745	27.7%	39,672	30.3%	6,927	55.3%	42,999	31.8%	44,778	32.5%	1,779	67.6%
Total Occupied	118,230	100%	130,765	100%	12,535	100%	135,013	100%	137,643	100%	2,630	100%
Total Vacant	11,156		15,860				16,375		16,694			
TOTAL UNITS	129,386		146,625				151,388		154,338			

Gaffney Market Area	2000		2010		Change 2000-2010		2015		2018		Change 2015-2018	
	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units												
Owner Occupied	11,244	72.7%	11,025	67.6%	-219	-26.2%	11,056	66.3%	11,090	65.7%	35	17.1%
Renter Occupied	4,226	27.3%	5,281	32.4%	1,055	126.2%	5,626	33.7%	5,794	34.3%	168	82.9%
Total Occupied	15,470	100%	16,306	100%	836	100%	16,682	100%	16,884	100%	202	100%
Total Vacant	1,360		1,830				1,872		1,895			
TOTAL UNITS	16,830		18,136				18,554		18,779			

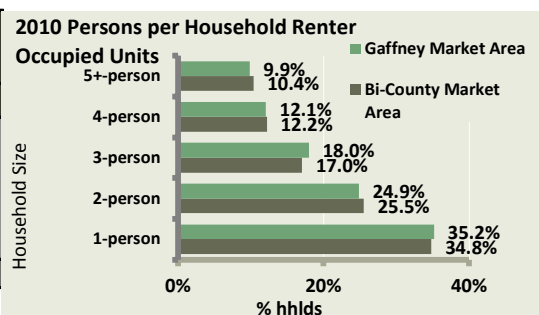
Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Roughly 60 percent of renter households in the Gaffney Market Area have one or two persons compared to 60.3 percent in the Bi-County Market Area (Table 13). Three and four person households comprise 30.1 percent of renter households in the Gaffney Market Area and 9.9 percent of renter households have five or more members.

Table 13 2010 Renter Households by Household Size

Renter Occupied	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
1-person hhld	13,809	34.8%	1,859	35.2%
2-person hhld	10,133	25.5%	1,313	24.9%
3-person hhld	6,760	17.0%	950	18.0%
4-person hhld	4,852	12.2%	638	12.1%
5+-person hhld	4,118	10.4%	521	9.9%
TOTAL	39,672	100%	5,281	100%

Source: 2010 Census



The Gaffney Market Area and the Bi-County Market Area have a similar percentage of young renters as well as older, established renters. Working age households between the ages of 25 and 54 form the core of both the Gaffney Market Area (59.5 percent) and Bi-County Market Area's renters (59.4 percent) (Table 14). Renters under the age of 34 equate to 35.5 percent of Gaffney Market Area renters, compared to 34.7 percent of Bi-County Market Area's renters. Renter households between

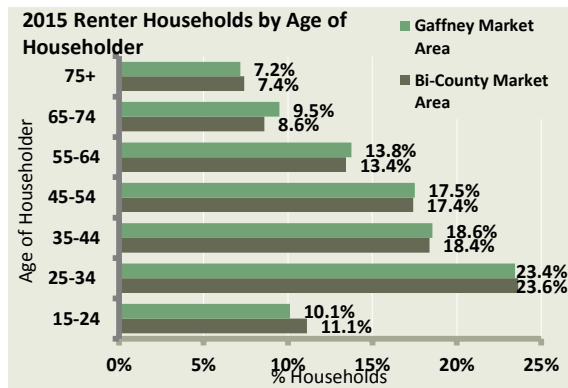


the ages 35 to 54 equate to 36.1 percent of Gaffney Market Area renters similar to 35.8 percent of renters in the Bi-County Market Area. Young renters (under 25) comprise 10 percent of renters in the Gaffney Market Area with older adults age 55+ accounting for 31 percent of all Gaffney Market Area renters.

Table 14 Renter Households by Age of Householder

Renter Households	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
15-24 years	4,779	11.1%	569	10.1%
25-34 years	10,160	23.6%	1,318	23.4%
35-44 years	7,906	18.4%	1,044	18.6%
45-54 years	7,488	17.4%	985	17.5%
55-64 years	5,783	13.4%	774	13.8%
65-74 years	3,702	8.6%	534	9.5%
75+ years	3,182	7.4%	403	7.2%
Total	42,999	100%	5,626	100%

Source: Esri, Real Property Research Group, Inc.



3. Population by Race

SCSHFDA’s has requested population by race for the subject census tract. As detailed in Table 15 Population by Race, Tract 702.01, approximately two-thirds of the population (68.1 percent) in the subject census tract is white, 28.2 percent is black, 0.2 percent is Asian, and 1.4 percent is reported to be some other race. The remaining 2.1 percent of the population reported two races.

Table 15 Population by Race, Tract 702.01

Race	Tract 9702.01	
	#	%
Total	2,925	100.0%
Population Reporting One Race	2,864	97.9%
White	1,992	68.1%
Black	824	28.2%
American Indian	0	0.0%
Asian	6	0.2%
Pacific Islander	0	0.0%
Some Other Race	42	1.4%
Population Reporting Two Races	61	2.1%

Source: American Community Survey 2010-2014

4. Income Characteristics

Based on Esri estimates, the Gaffney Market Area’s 2015 median income of \$38,477 is \$5,415 or 14.0 percent lower than the \$43,892 median in the Bi-County Market Area (Table 16). Roughly one-third of Gaffney Market Area households earn less than \$25,000 including 19.4 percent earning less than \$15,000. Twenty-Seven percent of households in the Gaffney Market Area earn \$25,000 to \$49,999 compared to 25.9 percent in the Bi-County Market Area.



Based on the ACS data income projections, the breakdown of tenure, and household estimates, RPRG estimates that the median income of renters in the Gaffney Market Area as of 2015 is \$28,288 (Table 17). This renter median income is 63.3 percent of the median among owner households of \$44,927. Among renter households, 45.3 percent earn less than \$25,000 including 26.4 percent earning less than \$15,000. More than one-quarter (27.2 percent) of renters earn between \$25,000 and \$49,999.

Table 16 2015 Household Income

Estimated 2015 Household Income		Bi-County Market Area		Gaffney Market Area	
		#	%	#	%
less than	\$25,000	39,783	29.5%	5,617	33.7%
	\$25,000 - \$34,999	16,496	12.2%	2,175	13.0%
	\$35,000 - \$49,999	18,937	14.0%	2,368	14.2%
	\$50,000 - \$74,999	25,555	18.9%	3,209	19.2%
	\$75,000 - \$99,999	15,303	11.3%	1,599	9.6%
	\$100,000 - \$149,999	12,776	9.5%	1,137	6.8%
	\$150,000 - \$199,999	3,595	2.7%	314	1.9%
	\$200,000 over	2,568	1.9%	263	1.6%
Total		135,013	100%	16,682	100%
Median Income		\$43,892		\$38,477	

Source: ESRI; Real Property Research Group, Inc.

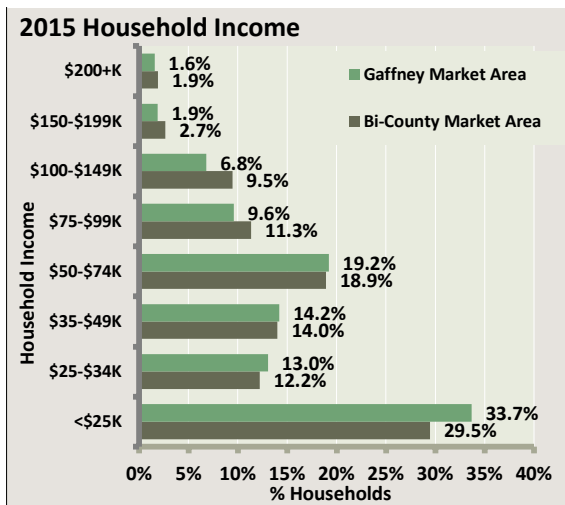
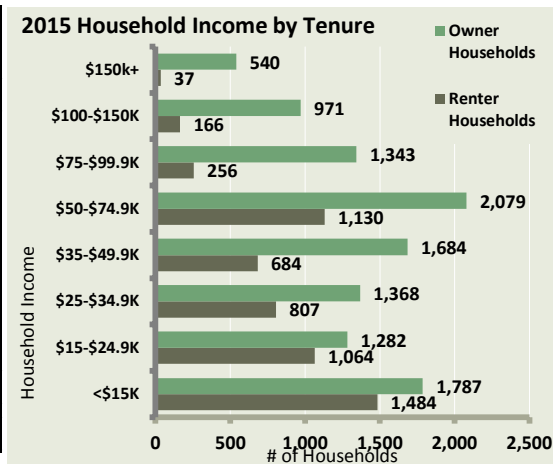


Table 17 2015 Income by Tenure, Gaffney Market Area

Gaffney Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	1,484	26.4%	1,787	16.2%
	\$15,000 - \$24,999	1,064	18.9%	1,282	11.6%
	\$25,000 - \$34,999	807	14.3%	1,368	12.4%
	\$35,000 - \$49,999	684	12.1%	1,684	15.2%
	\$50,000 - \$74,999	1,130	20.1%	2,079	18.8%
	\$75,000 - \$99,999	256	4.5%	1,343	12.2%
	\$100,000 - \$149,999	166	2.9%	971	8.8%
	\$150,000 over	37	0.7%	540	4.9%
Total		5,626	100%	11,056	100%
Median Income		\$28,288		\$44,709	

Source: American Community Survey 2010-2014 Estimates, RPRG, Inc.





7. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Gaffney Market Area. We pursued several avenues of research in an attempt to identify residential rental projects that are actively being planned or that are currently under construction within the Gaffney Market Area. Site visit observations and past RPRG work in the region also informed this process. The rental survey was conducted in December 2015.

B. Overview of Market Area Housing Stock

Based on the 2010-2014 ACS survey, rental units in the Gaffney Market Area are less dense than in the Bi-County Market Area, yet both areas contain a range of structure types. Single-family detached homes and mobile homes accounted for 63.5 percent of rentals in the Gaffney Market Area compared to 56.2 percent of the Bi-County Market Area’s rentals. Multi-family structures with five or more units contain 21.6 percent of rental units in the Gaffney Market Area and 26.1 percent in the Bi-County Market Area (Table 18).

The renter-occupied housing stock in the Gaffney Market Area and the Bi-County Market Area are similar in age with a median year built of 1981 in the Gaffney Market Area and 1982 in the region. The median year built of the owner-occupied units was 1981 in the Gaffney Market Area and 1984 in the region (Table 19). Roughly 37.8 percent of the renter occupied units in the Gaffney Market Area have been constructed since 1990 compared to 41.6 percent in the Bi-County Market Area.

According to ACS data, the median value among owner-occupied housing units in the Gaffney Market Area was \$95,090, \$25,586 or 21.2 percent lower than Bi-County Market Area’s median of \$120,676 (Table 20). ACS estimates home values based upon homeowners’ assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

Table 18 Renter Occupied Units by Structure

Renter Occupied	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
1, detached	14,540	35.8%	1,684	32.2%
1, attached	1,267	3.1%	98	1.9%
2	3,423	8.4%	330	6.3%
3-4	2,465	6.1%	353	6.8%
5-9	4,061	10.0%	609	11.7%
10-19	3,058	7.5%	299	5.7%
20+ units	3,471	8.6%	218	4.2%
Mobile home	8,274	20.4%	1,633	31.3%
Boat, RV, Van	5	0.0%	0	0.0%
TOTAL	40,564	100%	5,224	100%

Source: American Community Survey 2010-2014

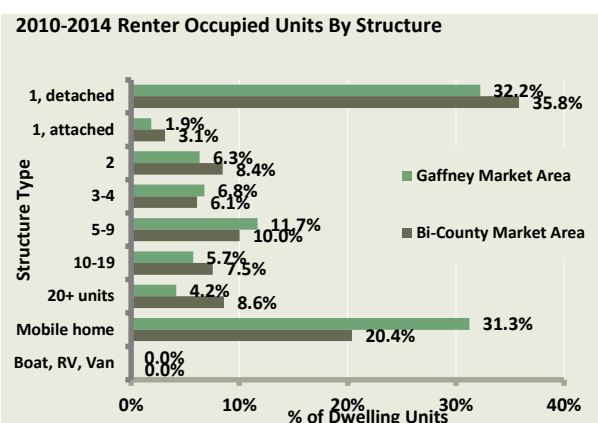




Table 19 Dwelling Units by Year Built and Tenure

Owner Occupied	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
2010 or later	1,087	1.2%	122	1.1%
2000 to 2009	18,278	20.7%	1,356	12.7%
1990 to 1999	18,388	20.8%	2,308	21.6%
1980 to 1989	11,605	13.1%	1,748	16.4%
1970 to 1979	13,820	15.6%	2,155	20.2%
1960 to 1969	9,833	11.1%	1,125	10.5%
1950 to 1959	6,822	7.7%	839	7.9%
1940 to 1949	3,212	3.6%	282	2.6%
1939 or earlier	5,421	6.1%	739	6.9%
TOTAL	88,466	100%	10,674	100%
MEDIAN YEAR BUILT	1984		1981	

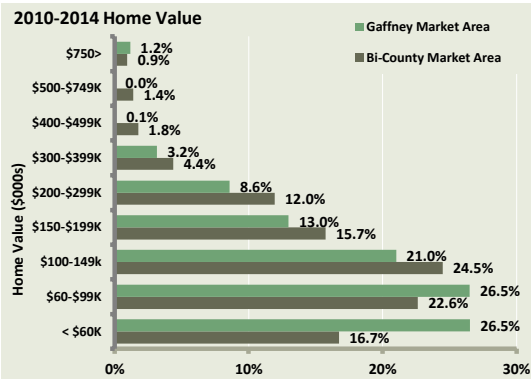
Source: American Community Survey 2010-2014

Renter Occupied	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
2010 or later	757	1.9%	0	0.0%
2000 to 2009	6,797	16.8%	886	17.0%
1990 to 1999	6,808	16.8%	1,084	20.8%
1980 to 1989	6,826	16.8%	779	14.9%
1970 to 1979	6,791	16.7%	630	12.1%
1960 to 1969	4,316	10.6%	679	13.0%
1950 to 1959	3,532	8.7%	548	10.5%
1940 to 1949	1,633	4.0%	264	5.1%
1939 or earlier	3,104	7.7%	354	6.8%
TOTAL	40,564	100%	5,224	100%
MEDIAN YEAR BUILT	1981		1982	

Source: American Community Survey 2010-2014

Table 20 Value of Owner Occupied Housing Stock

2010-2014 Home Value	Bi-County Market Area		Gaffney Market Area	
	#	%	#	%
less than \$60,000	14,353	16.7%	2,723	26.5%
\$60,000 - \$99,999	19,404	22.6%	2,721	26.5%
\$100,000 - \$149,999	20,993	24.5%	2,158	21.0%
\$150,000 - \$199,999	13,499	15.7%	1,333	13.0%
\$200,000 - \$299,999	10,250	12.0%	881	8.6%
\$300,000 - \$399,999	3,749	4.4%	324	3.2%
\$400,000 - \$499,999	1,506	1.8%	9	0.1%
\$500,000 - \$749,999	1,183	1.4%	3	0.0%
\$750,000 over	804	0.9%	119	1.2%
Total	85,741	100%	10,271	100%
Median Value	\$120,676		\$95,090	





C. Survey of Competitive Rental Communities

1. Introduction to the Rental Housing Survey

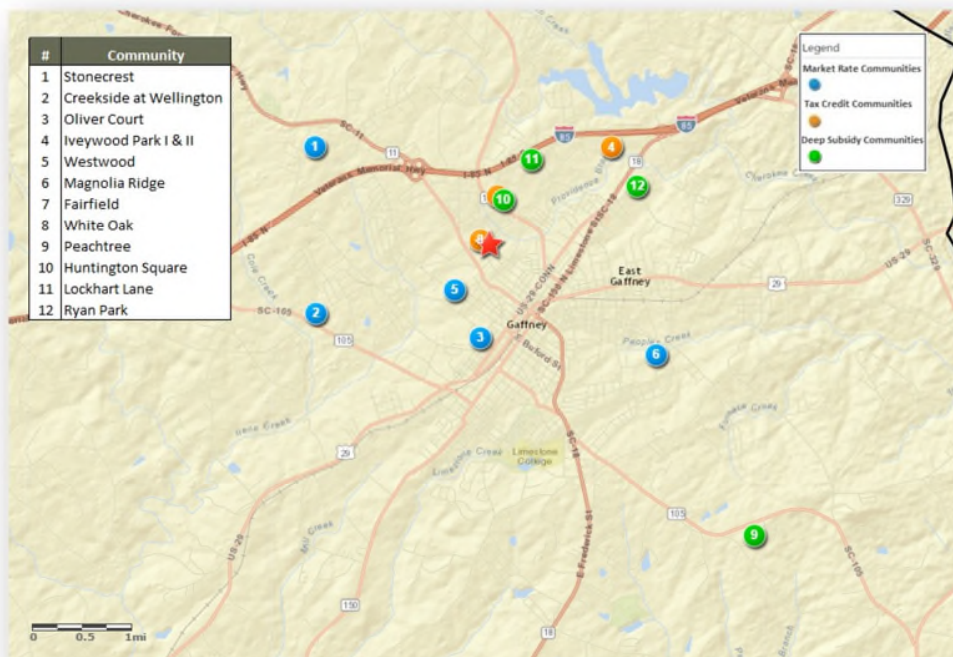
As part of this analysis, RPRG surveyed 12 general occupancy communities in the Gaffney Market Area including five market rate communities and seven LIHTC communities. One LIHTC community offers only units without project based rental subsidies. Four LIHTC communities only offer units with deep rental subsidies through either Section 8 or USDA Rural Development. Two LIHTC communities offer units with and without project based rental subsidies. Units with deep rental subsidies are not comparable to LIHTC units because rents are based on tenant incomes and thus these units are evaluated separately from market rate and LIHTC units without deep subsidies. The three LIHTC communities offering units without project based rental subsidies are considered the most comparable communities to the proposed development of Autumn Glen Villas.

The eight communities with units without deep rental subsidies combine to offer 648 units and the six properties with deep subsidies have a combined 218 subsidized units. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5.

2. Location

All of the comparable communities are located in Gaffney, within two miles of the subject site (Map 6). Iveywood Park I & II, the newest (1997-1998) LIHTC community is located one mile northwest of the subject on Martin Lane. The subject site is considered comparable with locations of existing communities and will not result in a competitive advantage or disadvantage.

Map 6 Surveyed Rental Communities





3. Age of Communities

The average year built of all surveyed comparable communities in the Gaffney Market Area is 1989 (Table 21). The average year built among comparable LIHTC communities is 1991. The newest multi-family rental communities in the Gaffney Market Area are Stonecrest, Iveywood I & II and White Oak. Stonecrest, a market rate community was built in 2008, with Phase II recently finished in 2015. Iveywood Park I & II, is a LIHTC community built between 1997 and 1998, and White Oak, is a LIHTC community, offering units with and without project based rental subsidies was constructed in 1995.

4. Structure Type

Seven of the comparable communities offer garden style units, three communities offer both townhouse and garden units, and one community offers 3-4 unit buildings.

5. Size of Communities

The average surveyed community has 81 units. LIHTC communities in the Gaffney Market Area are smaller on average with an average of 48 units per community. The two largest communities are Stonecrest (114 units) and Westwood (166 units), both are market rate properties.

6. Vacancy Rates

Among the market rate/LIHTC communities without PBRA reporting vacancy data, 20 of 534 units were vacant for a rate of 3.7 percent. One of the communities would not provide vacancy data and is thus not included in this total. The LIHTC communities without PBRA had only two vacancies among 144 total units, a rate of 1.4 percent.

Vacancy rates by floorplan were 2.0 percent for one bedroom units, 4.0 percent for two bedroom units, 0.0 percent for three bedroom units (Table 22).

The overall average historic vacancy rate among the Gaffney Market Area's LIHTC communities was 5.5 percent for the second and fourth quarter of 2014 (Table 23). This data is provided by SCSHFDA and does not match recent data provided by property managers – especially at Iveywood. As of December 22, 2015, the date of our survey, Iveywood reported two vacant units for a vacancy rate of 2.1 percent (Table 21). We contacted Iveywood on January 26, 2016, for clarification on these historic vacancy rates, however, the property manager was unable to confirm or provide any information on historic rates. As of January 26, 2016, Iveywood reported three vacant units, for a vacancy rate of 5 percent, which is lower than the historic vacancy rate provided by SCSHFDA. This community appears to be performing better than suggested in the Public Analysis provided by SCSHFDA.

The overall occupancy rate for all LIHTC communities was 97.5 percent and two communities had waiting lists (Table 24).

7. Rent Concessions

The only surveyed community currently offering incentives is Westwood, a market rate community offering first month's rent at \$99.

8. Absorption History

The only multi-family rental community in the Gaffney Market Area to undergo initial lease up since 1995 is Stonecrest, a market rate community built in 2008, with phase II completed in 2015, however, management refused to provide vacancy rates or lease-up information.



9. Subsidized Communities

The six LIHTC communities with PBRA had an average year built of 1985; however, four were rehabbed between 1994 and 2010 (Table 25). Among the 218 LIHTC/deeply subsidized units, seven units were reported vacant for a vacancy rate of 3.2 percent. Four of the six communities were 100 percent occupied and two have waiting lists.

Table 21 Rental Summary, Market Rate/LIHTC Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
1	Stonecrest	2008		Gar	114	N/A	N/A	\$585	\$688	None
2	Creekside at Wellington	1985		Gar/TH	92	8	8.7%	\$607	\$634	None
3	Oliver Court	1985		Gar/TH	48	0	0.0%	\$475	\$550	None
4	Iveywood Park I & II*	1998		Gar	96	2	2.1%	\$542	\$542	None
5	Westwood	1989		Gar	166	1	0.6%	\$435	\$535	\$99 1st month
6	Magnolia Ridge	1972		Gar	84	9	10.7%	\$449	\$509	None
7	Fairfield*	1979	1995	3-4 Family	34	0	0.0%	\$483	\$504	None
8	White Oak*	1995		Gar/TH	14	0	0.0%	\$473	\$492	None
Total Reporting Total					648					
Average					81	20	3.7%	\$501	\$557	
LIHTC Total					144	2	1.4%			
LIHTC Average					48			\$478	\$513	

Tax Credit Communities*

Community does not report vacancies.

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. December 2015.

Table 22 Vacancy by Floor Plan

Property	Total Units	Units Vacant	Vacant Units by Floorplan								
			One Bedroom			Two Bedroom			Three Bedroom		
			Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate
Stonecrest	114	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Creekside at Wellington	92	8	18	2	11.1%	70	6	8.6%	4	0	0.0%
Oliver Court	48	0	12	0	0.0%	36	0	0.0%			
Iveywood Park I & II*	96	2	48	1	2.1%	48	1	2.1%			
Westwood	166	1	70	0	0.0%	60	1	1.7%	16	0	0.0%
Magnolia Ridge	84	9	16	1	6.3%	32	3	9.4%	24	0	0.0%
Fairfield*	60	0	24	0	0.0%	36	0	0.0%			
White Oak*	50	0	24	0	0.0%	26	0	0.0%			
Peachtree*	28	0				28	0	0.0%			
Huntington Square*	48	6	8	1	12.5%	32	5	15.6%	8	0	0.0%
Lockhart Lane*	32	0	8	0	0.0%	24	0	0.0%			
Ryan Park*	48	1	16	0	0.0%	32	1	3.1%			
Total Reporting Breakdown	866	27				424	17	4.0%	52	0	0.0%
Total Percentage		3.1%	32.4%	18.5%	2.0%	56.4%	63.0%	4.0%	6.9%	0.0%	0.0%

LIHTC Community*

Source: Field Survey, Real Property Research Group, Inc. December 2015.



Table 23 Historical LIHTC Occupancy

Community	City	County	6/30/2014			12/31/2014		Avg. Occupancy	Type
			Total Units	Occupied Units	Occupancy Rate	Occupied Units	Occupancy Rate		
Iveywood Park I & II	Gaffney	Cherokee	96	87	90.63%	89	92.71%	91.67%	Family
Fairfield*	Gaffney	Cherokee	60	60	100.00%	60	100.00%	100.00%	Family
White Oak*	Gaffney	Cherokee	50	50	100.00%	49	98.00%	99.00%	Family
Peachtree*	Gaffney	Cherokee	28	28	100.00%	27	96.43%	98.21%	Family
Huntington Square	Gaffney	Cherokee	48	46	95.83%	42	87.50%	91.67%	Family
Lockhart Lane*	Gaffney	Cherokee	32	29	90.63%	28	87.50%	89.06%	Family
Ryan Park*	Gaffney	Cherokee	48	48	100.00%	41	85.42%	92.71%	Family
Grand Total			362	348	96.13%	336	92.82%	94.48%	

LIHTC/Deep Subsidy Community*

Source: SC Public Analysis 2014

Table 24 LIHTC Occupancy Rate

LIHTC Communities					
Community	City	County	Total Units	Occupied Units	Occupancy Rate
Iveywood Park I & II	Gaffney	Cherokee	96	94	97.92%
Fairfield*	Gaffney	Cherokee	60	60	100.00%
White Oak*	Gaffney	Cherokee	50	50	100.00%
Peachtree*	Gaffney	Cherokee	28	28	100.00%
Huntington Square*	Gaffney	Cherokee	48	42	87.50%
Lockhart Lane*	Gaffney	Cherokee	32	32	100.00%
Ryan Park*	Gaffney	Cherokee	48	47	97.92%
Grand Total			362	353	97.51%

LIHTC/Deep Subsidy Community*

Source: Field Survey, Real Property Research Group, Inc. December 2015.

Table 25 Rental Summary, LIHTC/Deep Subsidy Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
9	Peachtree*	1975	1994	TH	28	0	0.0%		\$675	None
7	Fairfield*	1979	1995	3-4 Family	26	0	0.0%	\$483	\$504	None
8	White Oak*	1995		Gar/TH	36	0	0.0%	\$473	\$492	None
10	Huntington Square*	1982	2010	TH	48	6	12.5%	\$410	\$480	None
11	Lockhart Lane*	1994		TH	32	0	0.0%	\$450	\$480	None
12	Ryan Park*	1984	2008	Gar	48	1	2.1%	\$420	\$465	None
	Total Average	1985	2002		218	7	3.2%	\$447	\$516	

LIHTC/Deep Subsidy Communities*

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. December 2015.



D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

Among the surveyed comparable communities, all include the cost of trash removal and one includes the cost of water/sewer in the price of rent (Table 26). Autumn Glen Villas' rents will include the cost of water/sewer and trash removal.

2. Unit Features

Five surveyed comparable communities offer units with kitchens equipped with stoves, refrigerators, and dishwashers. Eleven of the communities include washer/dryer connections and one community includes a microwave oven. Autumn Glen Villas will be competitive with surveyed rental communities as features will include dishwashers, garbage disposals, microwaves, in unit washer and dryer, ceiling fans, and a patio/balcony.

3. Parking

All surveyed comparable communities include free surface parking. None of the surveyed communities offer covered parking options.

4. Community Amenities

The most common amenities are a clubhouse (four properties), a business/computer center (four properties), a swimming pool (three properties), and a playground (three properties). A swimming pool is only offered at two market rate communities in the Gaffney Market Area (Table 27). Autumn Glen Villas amenities will include a clubhouse with community rooms featuring libraries, kitchenettes, and computer stations, and a leasing office. Outdoor amenities include a picnic/barbecue area, and a playground. These amenities are comparable to existing communities in the Gaffney Market Area, including the three comparable LIHTC communities.



Table 26 Utilities and Unit Features– Surveyed Rental Communities

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry	Storage
		Heat	Hot Water	Cooking	Electric	Water	Trash					
Subject	Elec.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	In Unit	In Building
Comparable												
Stonecrest	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups	In Building/Fee
Creekside at Wellington	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups	
Oliver Court	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups	STD - In Unit
Iveywood Park I & II	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups	
Westwood	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups	
Magnolia Ridge	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface		
Fairfield	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		STD	Surface	Hook Ups	
White Oak	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups	
Deeply Subsidized												
Peachtree	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups	
Huntington Square	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups	
Lockhart Lane	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups	
Ryan Park	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups	

Source: Field Survey, Real Property Research Group, Inc. December 2015.

Table 27 Community Amenities – Surveyed Rental Communities

Community	Clubhouse	Fitness Room	Pool	Playground	Tennis Court	Computer Center	Gated Entry
Subject	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comparable							
Stonecrest	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creekside at Wellington	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oliver Court	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Iveywood Park I & II	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Westwood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Magnolia Ridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fairfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
White Oak	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deeply Subsidized							
Peachtree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Huntington Square	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lockhart Lane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ryan Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. December 2015.



5. Distribution of Units by Bedroom Type

Full unit distributions were available for six of the eight surveyed comparable communities. Among these communities, two bedroom units are the most common and comprise 50.6 percent of all units. One bedroom units comprise 23.9 percent of all units and three bedroom units account for 18.9 percent. Efficiency units are just 6.6 percent of the surveyed units (Table 28).

6. Effective Rents

Unit rents presented in Table 28 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply downward adjustments to street rents at some communities in order to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where water, sewer, and trash removal are included in monthly rents at all communities, with tenants responsible for other utility costs (water/sewer, electricity, heat, hot water, and cooking fuel).

Among all surveyed comparable rental communities, net rents, unit sizes, and rents per square foot are as follows:

- **Efficiency** units reported an average net rent of \$392 with a range from \$373 to \$411 per month. The average unit size is 379 square feet, which results in an average net rent per square foot of \$1.03.
- **One bedroom** units reported an average net rent of \$512 with a range from \$422 to \$600 per month. The average unit size is 695 square feet, which results in an average net rent per square foot of \$0.74.
- **Two bedroom** units reported an average net rent of \$558 with a range from \$440 to \$708 per month. The average unit size is 905 square feet, which results in an average net rent per square foot of \$0.62.
- **Three bedroom** units reported an average net rent of \$636 with a range from \$446 to \$833 per month. The average unit size is 1,147 square feet, which results in an average net rent per square foot of \$0.55.

The average rents include market rents and LIHTC units both 50 percent and 60 percent AMI.

The subject proposed 50 percent rents are positioned slightly below existing 50 percent two-bedroom rents and slightly above the existing three-bedroom rents at Iveywood Park I & II, the only community offering 50 percent AMI units in the Gaffney Market Area. The proposed two-bedroom 60 percent rents are positioned between the existing 60 percent two bedroom rents in the Gaffney Market Area. The proposed 60 percent three-bedroom rents are slightly below the only other 60 percent three-bedroom rents in the Gaffney Market Area. The proposed rents at the subject appear to be appropriate based on the subject's age, modern design and amenities.



Table 28 Salient Characteristics, Surveyed Rental Communities

Community	Type	Total Units	Efficiency Units				One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject 50%	Gar	12									7	\$435	1,035	\$0.42	5	\$495	1,190	\$0.42
Subject 60%	Gar	48									29	\$525	1,035	\$0.51	19	\$575	1,190	\$0.48
Stoncrest	Gar	114					\$600	868	\$0.69		\$708	904	\$0.78		\$833	1,475	\$0.56	
Creekside at Wellington	Gar/TH	92					18	\$622	772	\$0.81	70	\$654	985	\$0.66	4	\$725	1,120	\$0.65
Oliver Court	Gar/TH	48					12	\$490	771	\$0.64	36	\$570	1,038	\$0.55				
Iveywood Park I & II* 60% AMI	Gar	93					47	\$565	921	\$0.61					46	\$620	1,151	\$0.54
Magnolia Ridge	Gar	84	12	\$373	470	\$0.79	16	\$464	720	\$0.64	32	\$529	860	\$0.62	24	\$588	1,027	\$0.57
Fairfield* 60% AMI	3-4 Family	34						\$498	600	\$0.83		\$524	875	\$0.60				
Westwood	Gar	166	20	\$411	288	\$1.43	70	\$422	512	\$0.82	60	\$519	768	\$0.68	16	\$606	960	\$0.63
White Oak* 60% AMI	Gar/TH	14						\$488	625	\$0.78		\$512	872	\$0.59				
Iveywood Park I & II* 50% AMI	Gar	3									1	\$440	921	\$0.48	2	\$446	1,151	\$0.39
Total/Average		648		\$392	379	\$1.03		\$512	695	\$0.74		\$558	905	\$0.62		\$636	1147	\$0.55
Unit Distribution		486	32				116				246				92			
% of Total		75.0%	6.6%				23.9%				50.6%				18.9%			

Tax Credit Communities*

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. December 2015.

E. Housing Authority Data / Subsidized Housing List

The Section 8 Housing Assistance program for Cherokee County is administered by the South Carolina Regional Housing Authority #1. According to a staff representative @ 1-800-417-1986, Cherokee County currently has 64 public housing units. The South Carolina Regional Housing Authority #1, offers 1,653 vouchers, administered among 9 counties. Currently 200 Cherokee County families are receiving vouchers, and 150 families are on the waiting list. According to Robbie Duncan with the Gaffney Housing Authority, there are 4 public housing units within the city limits of Gaffney. As the subject property will not include project based rental assistance, this information would not affect the conclusions of this analysis. A list of all subsidized communities in the market area is detailed in Table 29 and the location relative to the site is shown on Map 7.

Table 29 Subsidized Rental Communities, Gaffney Market Area

Community	Subsidy	Type	Address	Distance
Westwind Village	LIHTC/RD	Senior	521 W Montgomery St.	0.4 mile
Granard Courts	Public Housing	Family	524 W Rutledge Ave.	1 mile
White Oak	LIHTC/RD	Family	100 White Oak Ln.	1.1 miles
Beltline Courts	Public Housing	Family	125 Beltline Rd.	1.1 miles
Limestone Courts	Public Housing	Family	940 N Limestone St.	1.1 miles
Town & Country	Sec. 8	Senior	106 Ellis Ferry Ave.	1.2 miles
Brookhaven Housing Corp.	Sec. 8	Disabled	Camelia Circle	1.3 miles
Christopher Lynn Estates	Sec. 8	Senior	269 Beltline Rd.	1.4 miles
Redwood Village	Sec. 8	Family	100 Redwood Cir.	1.7 miles
Huntington Square	LIHTC/RD	Family	100 Huntington Square Dr.	1.9 miles
Fairfield	LIHTC/RD	Family	100 Fairfield Dr.	2 miles
Colonial Heights	Public Housing	Family	630 Colonial Ave.	2 miles
Lockhart Lane	LIHTC/RD	Family	473 Lockhart Ln.	2.3 miles
Ryan Park	LIHTC/RD	Family	400 Bonner Lake Dr.	2.5 miles
Connecticut Village	Sec. 8	Family	409-A E Junior High Rd.	2.8 miles
Iveywood I & II	LIHTC	Family	112 Martin Ln.	3 miles
Peachtree	LIHTC/RD	Family	100 Killion Dr.	4.2 miles

Source: HUD, USDA, Gaffney Housing Authority



F. Potential Competition from For-Sale Housing and Scattered Site Rentals

Given the low proposed rents and income ranges targeted, we do not believe for-sale housing will compete with Autumn Glen Villas. Few scattered site rentals were identified in the Gaffney Market Area with rents well above those at LIHTC communities. Based on a search of Realtor.com, the following scattered site rentals include:

- Five three-bedroom units with an average rent of \$760.
- Three four-bedroom units with an average rent of \$907.

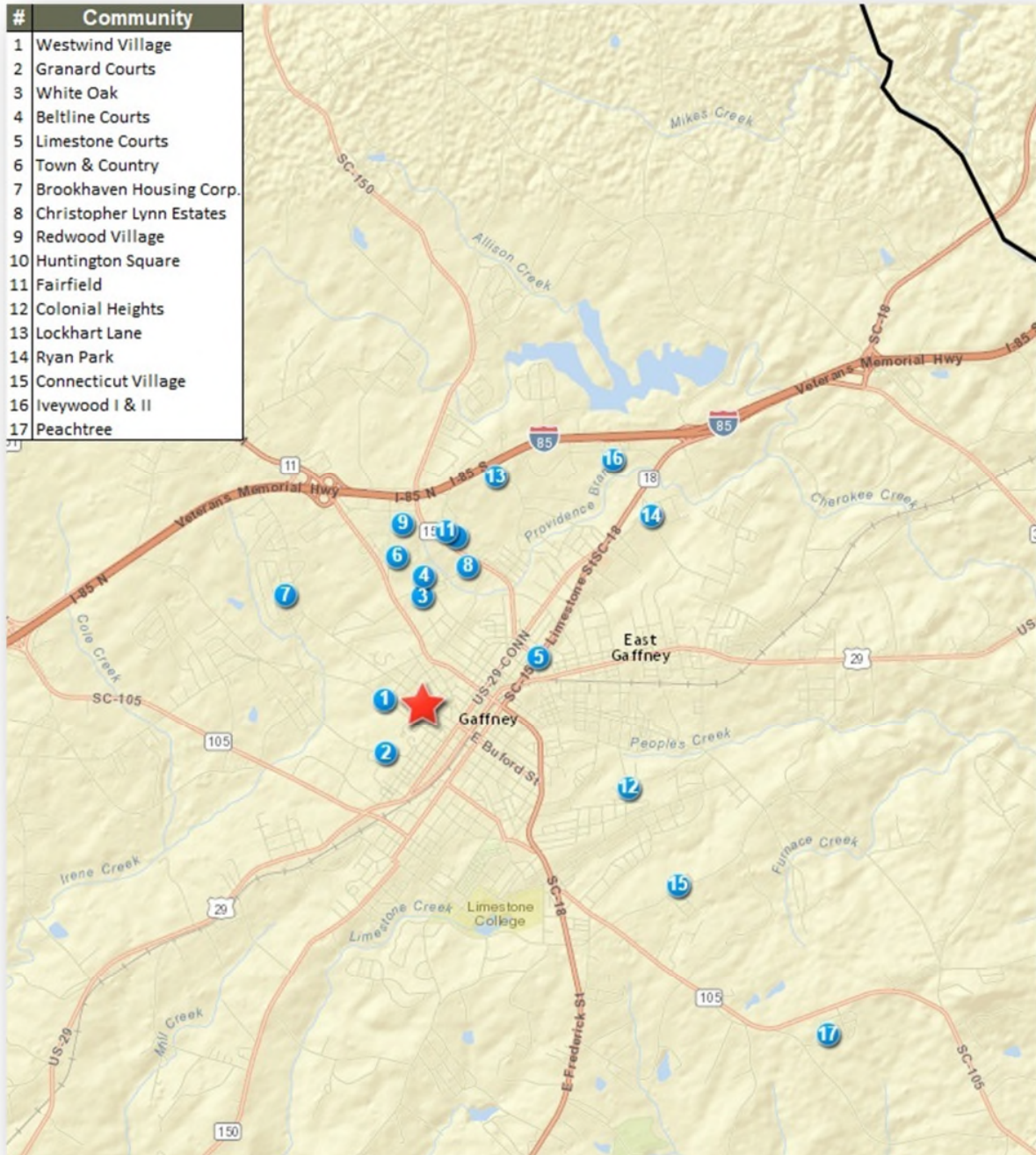
Table 30 Scattered Site Rental Communities, Gaffney Market Area

Scattered Site Rentals					
Type	Bed	Bath	Square Feet	Rent	Location
Single Family	3	1	1,500	\$700	Gaffney
Single Family	3	1	1,140	\$800	Gaffney
Single Family	3	1.5	1,131	\$700	Gaffney
Single Family	3	2	2,100	\$800	Gaffney
Single Family	3	2	2,100	\$800	Gaffney
Three Bedroom Average			1,594	\$760	
Single Family	4	2	2,300	\$950	Gaffney
Single Family	4	3	2,400	\$945	Gaffney
Mobile Home	4	2		\$825	Gaffney
Four Bedroom Average			2,099	\$907	

Source: Realtor.com



Map 7 Subsidized Rental Communities, Gaffney Market Area





G. Proposed and Under Construction Rental Communities

According to Donald Elder with the Cherokee County Building Inspectors Department and Tony Lavender at the City of Gaffney Community Development Department, no multifamily communities are planned, proposed or under construction in the city of Gaffney nor in Cherokee County. The only LIHTC allocation in Cherokee County since 2012 was for the rehabilitation of Blacksburg Terrace, a senior community located in Gaffney.

H. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. The adjustments made in this analysis are broken down into four classifications. These classifications and an explanation of the adjustments made follows:

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
 - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition (Table 34).
 - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
 - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. An adjustment of \$10 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was also \$10 per numerical variance.
 - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$25 for each amenity. Adjustments of \$75 per bedroom and \$30 per bathroom were applied where applicable.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$10 for each amenity.

According to our adjustment calculations, the estimated market rents for the units at Autumn Glen Villas are \$704 for two bedroom units (Table 31), \$765 for three bedroom units (Table 32). The proposed 50 percent rents result in market advantages of 35.25 percent to 38.25 percent. Market advantages for 60 percent units range from 24.79 percent to 25.47 percent. The overall weighted average market advantage is 29.18 percent (Table 33). The maximum achievable/restricted rent for LIHTC units would be the lesser of estimated market rents and LIHTC maximums.



Table 31 Estimate of Market Rent, Two Bedroom Units

Two Bedroom Units											
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		Comparable Property #4		Comparable Property #5		
Autumn Glen W. Buford Street Gaffney, Cherokee County	Stonecrest		Creekside at Wellington		Oliver Court		Westwood		Magnolia Ridge		
	102 Stonecrest Lane		1230 Overlook Drive		506 S. Oliver Street		1022 W. Buford		266 Goldmine Springs Road		
	Gaffney	Cherokee	Gaffney	Cherokee	Gaffney	Cherokee	Gaffney	Cherokee	Gaffney	Cherokee	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent 60% AMI	\$525	\$688	\$0	\$640	\$0	\$550	\$0	\$535	\$0	\$509	\$0
Utilities Included	W,S,T	T	\$20	T	\$20	T	\$20	T	\$20	T	\$20
Rent Concessions		None	\$0	None	\$0	None	\$0	Reduced	(\$36)	None	\$0
Effective Rent	\$525	\$708		\$660		\$570		\$519		\$529	
<i>In parts B thru D, adjustments were made only for differences</i>											
B. Design, Location, Condition	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Mid-Rise / 3	Garden / 3	\$0	Garden	\$0	TH / 2	\$0	Garden / 3	\$0	Garden / 2	\$0
Year Built / Condition	2017	2008	\$7	1985	\$24	1985	\$24	1989	\$21	1972	\$34
Quality/Street Appeal	Above Average	Above Average	\$0	Average	\$10	Average	\$10	Average	\$10	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	1.5	\$15	1	\$30	1	\$30
Unit Interior Square Feet	1,035	904	\$33	964	\$18	1,038	(\$1)	768	\$67	860	\$44
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	No / Yes	\$5	No / No	\$10	No / Yes	\$5	No / No	\$10
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	No	\$10	Yes	\$0	No	\$10
Pool	No	Yes	(\$10)	Yes	(\$10)	No	\$0	Yes	(\$10)	No	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	No	\$5	Yes	\$0	Yes	\$0
Fitness Center	No	Yes	(\$10)	Yes	(\$10)	No	\$0	No	\$0	No	\$0
E. Adjustments Recap	Subject	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	2	5	2	7	1	6	1	8	0
Sum of Adjustments B to D		\$70	(\$20)	\$82	(\$20)	\$99	(\$1)	\$158	(\$10)	\$178	\$0
F. Total Summary	Subject	Gross Total Adjustment		Net Total Adjustment		Gross Total Adjustment		Net Total Adjustment		Gross Total Adjustment	
		\$90		\$50		\$102		\$62		\$100	
		\$168		\$148		\$168		\$148		\$178	
G. Adjusted And Achievable Rents	Subject	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$758		\$722		\$668		\$667		\$707	
% of Effective Rent		107.1%		109.4%		117.2%		128.5%		133.6%	
Estimated Market Rent	\$704										
Rent Advantage \$	\$179										
Rent Advantage %	25.5%										



Table 32 Estimate of Market Rent, Three Bedroom Units

Three Bedroom Units									
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		Comparable Property #4		
Autumn Glen W. Buford Street Gaffney, Cherokee County	Stonecrest		Creekside at Wellington		Westwood		Magnolia Ridge		
	102 Stonecrest Lane		1230 Overlook Drive		1022 W. Bufford		266 Goldmine Springs Road		
	Gaffney	Cherokee	Gaffney	Cherokee	Gaffney	Cherokee	Gaffney	Cherokee	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent 60% AMI	\$575	\$808	\$0	\$700	\$0	\$625	\$0	\$635	\$0
Utilities Included	W,S,T	T	\$20	T	\$20	T	\$20	T	\$20
Rent Concessions		None	\$0	None	\$0	Reduced	(\$44)	None	\$0
Effective Rent	\$575	\$828		\$720		\$601		\$655	
<i>In parts B thru D, adjustments were made only for differences</i>									
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Mid-Rise / 3	Garden / 3	\$0	Garden	\$0	Garden / 3	\$0	Garden / 2	\$0
Year Built / Condition	2017	2008	\$7	1985	\$24	1989	\$21	1972	\$34
Quality/Street Appeal	Above Average	Average	\$10	Average	\$10	Average	\$10	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0	3	\$0
Number of Bathrooms	2	2	\$0	1.5	\$15	2	\$0	2	\$0
Unit Interior Square Feet	1,190	1,475	(\$71)	1,120	\$18	960	\$58	1,160	\$8
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	No / Yes	\$5	No / Yes	\$5	No / No	\$10
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0	No	\$10
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)	No	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	No	Yes	(\$10)	Yes	(\$10)	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	3	6	2	5	1	7	0
Sum of Adjustments B to D		\$47	(\$91)	\$97	(\$20)	\$119	(\$10)	\$112	\$0
F. Total Summary									
Gross Total Adjustment		\$138		\$117		\$129		\$112	
Net Total Adjustment		(\$44)		\$77		\$109		\$112	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$784		\$797		\$710		\$767	
% of Effective Rent		94.7%		110.7%		118.1%		117.1%	
Estimated Market Rent	\$765								
Rent Advantage \$	\$190								
Rent Advantage %	24.8%								



Table 33 Rent Advantage Summary

	Two	Three
50% AMI Units	Bedroom	Bedroom
Subject Rent	\$435	\$495
Estimated Market Ren	\$704	\$765
Rent Advantage (\$)	\$269	\$270
Rent Advantage (%)	38.25%	35.25%
Proposed Units	7	5
	Two	Three
60% AMI Units	Bedroom	Bedroom
Subject Rent	\$525	\$575
Estimated Market Ren	\$704	\$765
Rent Advantage (\$)	\$179	\$190
Rent Advantage (%)	25.47%	24.79%
Proposed Units	29	19
Weighted Average		29.18%

Table 34 Estimate of Market Rent Adjustments Summary

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	
Year Built / Condition	\$0.75
Quality/Street Appeal	\$10.00
Location	\$10.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$100.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Parking (\$ Fee)	
Community Room	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00



8. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project, demographic and competitive housing trends in the Gaffney Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

Autumn Glen Villas is located in an established residential neighborhood within the city limits of Gaffney, in Cherokee County.

- The site is located in a residential neighborhood surrounded by older vintage single-family detached homes of modest condition/value. Single-family detached homes line the northern side of Buford Street opposite the subject site and are the most common land use moving north of the site towards Floyd Baker Road including Holmes Street one block north of Buford Street.
- Land uses become more commercial oriented moving east of the subject site including an adjacent office building and several retailers east of the intersection of Buford Street and Granard Street. Notable retailers in this area include CVS Pharmacy, Ace Hardware, and Family Dollar.
- Gaffney's downtown business district is within one-half mile of the site to the northeast along Limestone Street with several large churches, Gaffney's City Hall, and small retailers.
- The subject site is appropriate for the proposed use and is comparable with existing multi-family rental communities in the Gaffney Market Area.

2. Economic Context

Cherokee County's economy suffered job loss and increased unemployment rates through the recent national recession and prolonged economic downturn, but has shown signs of stabilization with a net job gain since 2011.

- The unemployment rate in Cherokee County peaked at 15.8 percent in 2009 and has decreased significantly over the past 5 years to 7.5 percent in 2015 Q3.
- Cherokee County's At-Place Employment has followed a cyclical trend with a steady period of growth (2004 to 2007) bookended by periods of decline (2000 to 2003 and 2008 to 2010). Following the loss of 2,242 jobs during the recession, Cherokee County has recovered 1,472 jobs representing nearly 66 percent of the jobs lost.
- Manufacturing, Trade-Transportation-Utilities, and Government are the three largest employment sectors in Cherokee County, accounting for nearly two-thirds (65.8 percent) of total jobs through the first quarter of 2015.

3. Growth Trends

The Gaffney Market Area experienced steady population and household growth during the past decade. Population and household projections are projected to continue to increase between 2015 and 2018.

- Based applying Esri's projected growth rates to the 2010 census counts, the Gaffney Market Area increased by 1,062 people and 376 households between 2010 and 2015.



- RPRG further projects that the Gaffney Market Area's population will increase by 536 people between 2015 and 2018, bringing the total population to 43,598 people in 2018. This represents an annual increase of 0.4 percent or 179 people. The number of households will increase at the same rate, gaining 0.4 percent or 67 new households per annum resulting in a total of 16,884 households in 2018. Nearly 83 percent of the household growth is projected to be renter households.

4. Demographic Trends

- Population and household projections are projected to increase through 2018. Employment is also slowly increasing as is building permits for new units.
- The Gaffney Market Area lost owner households and gained renter households between the 2000 and 2010 census counts. As of the 2010 Census, 32.4 percent of all households in the Gaffney Market Area were renters compared to 30.3 percent in the Bi-County Market Area. Renter percentages in the Gaffney Market Area and are projected at 34.3 percent by 2018.
- The median age of the population is 38 for both the Gaffney Market Area and in the Bi-County Market Area. Adults age 35-61 comprise the largest age cohort in both areas.
- As of the 2010 Census, 32.4 percent of all households in the Gaffney Market Area were renters compared to 30.3 percent in the Bi-County Market Area. The Gaffney Market Area lost owner households and gained renter households between the 2000 and 2010 census counts. Renter percentages in the Gaffney Market Area and are projected at 34.3 percent by 2018.
- Working age households between the ages of 25 and 54 form the core of both the Gaffney Market Area (59.5 percent) and Bi-County Market Area's renters (59.4 percent). Young renters (under 25) comprise 10 percent of renters in the Gaffney Market Area and older adults over the age of 55 account for 31 percent of all Gaffney Market Area renters.
- The Gaffney Market Area's median income by tenure in 2015 is estimated at \$28,288 for renter households and \$44,927 for owner households. Among renter households, 45.3 percent earn less than \$25,000 and 27.2 percent earn \$25,000 to \$49,999.

5. Competitive Housing Analysis

The multi-family rental market is very strong in the market area which includes three LIHTC communities of which two have waiting lists.

- The comparable communities without project based rental assistance combined for just 20 vacancies among 534 reporting units, a rate of only 3.7 percent. The LIHTC communities without PBRA had two vacancies among 144 total units, a rate of only 1.4 percent and two had waiting lists. Among the LIHTC/deeply subsidized communities, four were one hundred percent occupied with waiting lists, one had one vacant unit, and one had six vacant units. Vacancy rates by floorplan were 2.0 percent for one bedroom units, 4.0 percent for two bedroom units, 0.0 percent for three bedroom units.
- The overall average historic vacancy rate among the Gaffney Market Area's LIHTC communities 5.52 percent for the second and fourth quarter of 2014. This data is provided by SCSHFDA and does not match recent data provided by property managers. The current overall vacancy rate for all LIHTC communities was 2.5 percent and two communities had waiting lists. This community appears to be performing better than suggested in the Public Analysis provided by SCSHFDA.



- Among the all surveyed comparable rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
 - **Efficiency** rents average \$392 for 379 square feet or \$1.03 per square foot.
 - **One bedroom** rents average \$512 for 695 square feet or \$0.74 per square foot.
 - **Two bedroom** rents average \$558 for 905 square feet or \$0.62 per square foot.
 - **Three bedroom** units average \$636 for 1,147 square feet or \$0.55 per square foot.
- The estimated market rents for the units at Autumn Glen Villas are \$721 for two bedroom units and \$780 for three bedroom units. The proposed 50 percent rents result in market advantages of 36.50 percent to 39.63 percent. Market advantages for 60 percent units range from 26.23 percent to 27.14 percent. The overall weighted average market advantage is 31.51 percent.
- According to Donald Elder with the Cherokee County Building Inspectors Department and Tony Lavender at the City of Gaffney Community Development Department, no multifamily communities are planned, proposed or under construction in the city of Gaffney or in Cherokee County. The only LIHTC allocation in Cherokee County since 2012 was for the rehabilitation of Blacksburg Terrace, a senior community located in Gaffney Affordability Analysis.

6. Methodology

The Affordability Analysis tests the percent of income-qualified households in the Gaffney Market Area that the subject property must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among primary market area households for the target year of 2018. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2010-2014 American Community Survey along with estimates and projected income growth by Esri (Table 35).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For this analysis, RPRG employs a 35 percent gross rent burden.

The proposed LIHTC units at Autumn Glen Villas will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2015 National Non-Metro Median Income Limits and are based on an average of 1.5 persons per bedroom. Rent and income limits are detailed in Table 36 on the following page.



Table 35 2015 Income Distribution by Tenure

Estimated 2015 Household Income		Bi-County Market Area		Gaffney Market Area	
		#	%	#	%
less than	\$25,000	39,783	29.5%	5,617	33.7%
	\$25,000 - \$34,999	16,496	12.2%	2,175	13.0%
	\$35,000 - \$49,999	18,937	14.0%	2,368	14.2%
	\$50,000 - \$74,999	25,555	18.9%	3,209	19.2%
	\$75,000 - \$99,999	15,303	11.3%	1,599	9.6%
	\$100,000 - \$149,999	12,776	9.5%	1,137	6.8%
	\$150,000 - \$199,999	3,595	2.7%	314	1.9%
	\$200,000 over	2,568	1.9%	263	1.6%
Total		135,013	100%	16,682	100%
Median Income		\$43,892		\$38,477	

Source: ESRI; Real Property Research Group, Inc.

Table 36 LIHTC Income and Rent Limits

HUD 2015 Median Household Income										
National Non-Metro \$54,100										
Very Low Income for 4 Person Household \$27,050										
2015 Computed Area Median Gross Income \$54,100										
Utility Allowance:										
2 Bedroom \$102										
3 Bedroom \$125										
LIHTC Household Income Limits by Household Size:										
	Household Size	30%	40%	50%	60%	80%	100%	150%		
	1 Person	\$11,370	\$15,160	\$18,950	\$22,740	\$30,320	\$37,900	\$56,850		
	2 Persons	\$12,990	\$17,320	\$21,650	\$25,980	\$34,640	\$43,300	\$64,950		
	3 Persons	\$14,610	\$19,480	\$24,350	\$29,220	\$38,960	\$48,700	\$73,050		
	4 Persons	\$16,230	\$21,640	\$27,050	\$32,460	\$43,280	\$54,100	\$81,150		
	5 Persons	\$17,520	\$23,360	\$29,200	\$35,040	\$46,720	\$58,400	\$87,600		
	6 Persons	\$18,840	\$25,120	\$31,400	\$37,680	\$50,240	\$62,800	\$94,200		
Imputed Income Limits by Number of Bedrooms:										
Assumes 1.5 persons per bedroom	Persons	Bedrooms	30%	40%	50%	60%	80%	100%	150%	
	1	0	\$11,370	\$15,160	\$18,950	\$22,740	\$30,320	\$37,900	\$56,850	
	1.5	1	\$12,180	\$16,240	\$20,300	\$24,360	\$32,480	\$40,600	\$60,900	
	3	2	\$14,610	\$19,480	\$24,350	\$29,220	\$38,960	\$48,700	\$73,050	
	4.5	3	\$16,875	\$22,500	\$28,125	\$33,750	\$45,000	\$56,250	\$84,375	
	6	4	\$18,840	\$25,120	\$31,400	\$37,680	\$50,240	\$62,800	\$94,200	
LIHTC Tenant Rent Limits by Number of Bedrooms:										
<i>Assumes 1.5 Persons per bedroom</i>										
# Persons	30%		40%		50%		60%		80%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2 Bedroom	\$365	\$263	\$487	\$385	\$609	\$507	\$731	\$629	\$974	\$872
3 Bedroom	\$422	\$297	\$563	\$438	\$703	\$578	\$844	\$719	\$1,125	\$1,000

Source: U.S. Department of Housing and Urban Development



7. Affordability Analysis

The steps in the affordability analysis (Table 37) are as follows:

- Looking at the two bedroom units at 50 percent AMI, the overall shelter cost at the proposed rent would be \$528 (\$435 net rent plus a \$93 allowance to cover all utilities except trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 50 percent two bedroom unit would be affordable to households earning at least \$18,103 per year. A projected 13,056 households in the market area will earn at least this amount in 2018.
- Based on an average household size of 1.5 persons per bedroom, the maximum income limit for a two bedroom unit at 50 percent of the AMI is \$24,350. According to the interpolated income distribution for 2018, 11,749 households in the Gaffney Market Area will have incomes exceeding this 50 percent LIHTC income limit.
- Subtracting the 11,749 households with incomes above the maximum income limit from the 13,056 households that could afford to rent this unit, RPRG computes that an estimated 1,307 households in the Gaffney Market Area fall within the band of affordability for the subject's two bedroom units at 50 percent AMI. The subject property would need to capture 0.5 percent of these income-qualified households to absorb the proposed two bedroom units at 50 percent AMI.
- RPRG next tested the range of qualified households that are currently renters and determined that 3,988 renter households can afford to rent a two bedroom 50 percent unit at the subject property. Of these, 3,371 have incomes above our maximum income of \$24,350. The net result is 617 renter households within the income band. To absorb the proposed 50 percent two bedroom units, the subject property would need to capture 1.1 percent of income-qualified renter households.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and income levels offered at the community. We also computed the capture rates for all units. The remaining renter capture rates by floor plan range from 0.3 percent to 4.1 percent.
- By income level, renter capture rates are 1.3 percent for 50 percent units, 4.5 percent for 60 percent units, and 4.4 percent for all units.

All of these capture rates are within reasonable and achievable levels, indicating sufficient income qualified renter households exist in the Gaffney Market Area to support the 60 units proposed at Autumn Glen Villas.



Table 37 Affordability Analysis for Autumn Glen Villas

50% Units		Two Bedroom		Three Bedroom	
		Min.	Max.	Min.	Max.
Number of Units	7			5	
Net Rent	\$435			\$495	
Gross Rent	\$528			\$610	
% Income for Shelter	35%			35%	
Income Range (Min, Max)	\$18,103	\$24,350		\$20,914	\$28,125
Total Households					
Range of Qualified Hslds	13,056	11,749		12,468	10,984
# Qualified Households		1,307			1,484
Total HH Capture Rate		0.5%		0.3%	
Renter Households					
Range of Qualified Hhlds	3,988	3,371		3,710	3,064
# Qualified Hhlds		617			646
Renter HH Capture Rate		1.1%		0.8%	

60% Units		Two Bedroom		Three Bedroom	
Number of Units	29			19	
Net Rent	\$525			\$575	
Gross Rent	\$618			\$690	
% Income for Shelter	35%			35%	
Income Range (Min, Max)	\$21,189	\$29,220		\$23,657	\$33,750
Total Households					
Range of Qualified Hslds	12,411	10,764		11,894	9,852
# Qualified Households		1,647			2,042
Unit Total HH Capture Rate		1.8%		0.9%	
Renter Households					
Range of Qualified Hhlds	3,683	2,979		3,440	2,628
# Qualified Hhlds		704			812
Renter HH Capture Rate		4.1%		2.3%	

Income Target	Units	All Households = 16,884					Renter Households = 5,794			
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
50% Units	12	<i>Income Households</i>	\$18,103	\$28,125	2,072	0.6%	\$18,103	\$28,125	923	1.3%
			13,056	10,984			3,988	3,064		
60% Units	48	<i>Income Households</i>	\$21,189	\$33,750	2,558	1.9%	\$21,189	\$33,750	1,056	4.5%
			12,411	9,852			3,683	2,628		
Total Units	60	<i>Income Households</i>	\$18,103	\$33,750	3,204	1.9%	\$18,103	\$33,750	1,360	4.4%
			13,056	9,852			3,988	2,628		

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.



B. Derivation of Demand

1. Demand Methodology

The South Carolina State Housing Finance and Development Authority’s LIHTC demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income qualified renter households projected to move into the Gaffney Market Area between the base year of 2015 and 2018.
- The second component of demand is income qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2010-2014 American Community Survey (ACS) data, 5.4 percent of the rental units in the Gaffney Market Area are “substandard” (Table 38).
- The third and final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 36.4 percent of Gaffney Market Area renter households are categorized as cost burdened.

Table 38 Substandard and Cost Burdened Calculations, Gaffney Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	188	3.6%
10.0 to 14.9 percent	489	9.4%
15.0 to 19.9 percent	464	8.9%
20.0 to 24.9 percent	595	11.4%
25.0 to 29.9 percent	628	12.0%
30.0 to 34.9 percent	444	8.5%
35.0 to 39.9 percent	332	6.4%
40.0 to 49.9 percent	343	6.6%
50.0 percent or more	930	17.8%
Not computed	811	15.5%
Total	5,224	100.0%
> 35% income on rent	1,605	36.4%

Source: American Community Survey 2010-2014

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	10,646
1.00 or less occupants per room	10,539
1.01 or more occupants per room	107
Lacking complete plumbing facilities:	28
Overcrowded or lacking plumbing	135
Renter occupied:	
Complete plumbing facilities:	5,159
1.00 or less occupants per room	4,941
1.01 or more occupants per room	218
Lacking complete plumbing facilities:	65
Overcrowded or lacking plumbing	283
Substandard Housing	418
% Total Stock Substandard	2.6%
% Rental Stock Substandard	5.4%



2. Demand Analysis

Directly comparable units built or approved in the Gaffney Market Area since the base year are subtracted from the demand estimates. Aberdeen Chase, a LIHTC general occupancy community, is under construction in the market area. The seven 50 percent AMI units and twenty 60 percent AMI units at the community are subtracted from demand estimates.

The overall demand capture rates are 3.1 percent for 50 percent units, 10.9 percent for 60 percent units, and 10.6 percent for the project as a whole (Table 39). As forty percent of the proposed units will be three bedroom units, the demand analysis by floorplan is refined to account for only larger households including 3+ persons for the three bedroom units. By floor plan, capture rates range from 2.7 percent to 14.0 percent (Table 40). All of these capture rates are within the range of acceptability.

Table 39 Demand by AMI Level

<i>Income Target</i>	50% Units	60% Units	Total Units
<i>Minimum Income Limit</i>	\$18,103	\$21,189	\$18,103
<i>Maximum Income Limit</i>	\$28,125	\$33,750	\$33,750
(A) Renter Income Qualification Percentage	15.9%	18.2%	23.5%
Demand from New Renter Households <i>Calculation: (C-B) * A</i>	11	12	16
Plus			
Demand from Substandard Housing <i>Calculation: B * D * F * A</i>	49	56	72
Plus			
Demand from Rent Over-burdened Households <i>Calculation: B * E * F * A</i>	326	373	480
Equals			
Total PMA Demand	386	441	568
Less			
Comparable Units	0	0	0
Equals			
Net Demand	386	441	568
Proposed Units	12	48	60
Capture Rate	3.1%	10.9%	10.6%

Demand Calculation Inputs	
(B) 2015 HH	16,682
(C) 2018 HH	16,884
(D) ACS Substandard Percentage	5.4%
(E) ACS Rent Over-Burdened Percentage	36.4%
(F) 2015 Renter Percent	33.7%



Table 40 Demand by Floor Plan

Two Bedroom Units	50% Units	60% Units	Total Units
Minimum Income Limit	\$18,103	\$21,189	\$18,103
Maximum Income Limit	\$24,350	\$29,220	\$29,220
Renter Income Qualification Percentage	10.6%	12.1%	17.4%
Total Demand	257	294	421
Supply	0	0	0
Net Demand	257	294	421
Units Proposed	7	29	36
Capture Rate	2.7%	9.9%	8.5%

Three Bedroom Units	50% Units	60% Units	Total Units
Minimum Income Limit	\$20,914	\$23,657	\$20,914
Maximum Income Limit	\$28,125	\$33,750	\$33,750
Renter Income Qualification Percentage	11.1%	14.0%	18.7%
Total Demand	270	339	452
Large HH (3+ Persons) %	39.9%	39.9%	39.9%
Total Large HH Demand	108	135	181
Supply	0	0	0
Net Large HH Demand	108	135	181
Units Proposed	5	19	24
Capture Rate	4.6%	14.0%	13.3%

Demand by floor plan is based on gross demand multiplied by each floor plan's income

C. Target Markets

With units targeting households earning up to 50 percent and 60 percent of AMI with two and three bedroom units, Autumn Glen Villas will target a wide range of renter households. Household types targeted will include couples, roommates, and small families. The income target will include low to moderate income renters.

D. Product Evaluation

Considered in the context of the competitive environment and in light of the planned development, the relative position of Autumn Glen Villas is as follows:

- **Site:** The subject site is appropriate for the proposed development. The subject’s neighborhood includes both commercial and residential uses within one mile of the site. Amenities within one mile of the subject site include shopping, a park, a bank, restaurants, and a pharmacy. The subject site is comparable with existing LIHTC communities in the market area.
- **Unit Distribution:** The unit mix at the subject property will include 36 two-bedroom units and 24 three-bedroom units. Both two and three bedroom units are common in the market area, representing 56.4 percent and 6.9 percent of surveyed units, respectively. The proposed unit distribution is appropriate and will appeal to a wide range of households. The distribution addresses the fact that approximately 40 percent of renter households in both the Gaffney Market Area and the Bi-County Market Area have three or more persons.
- **Unit Size:** The proposed two bedroom unit size will be the largest in the market area and the proposed three bedroom units will be larger than the three bedroom average and in the middle of the range of existing three bedroom units.

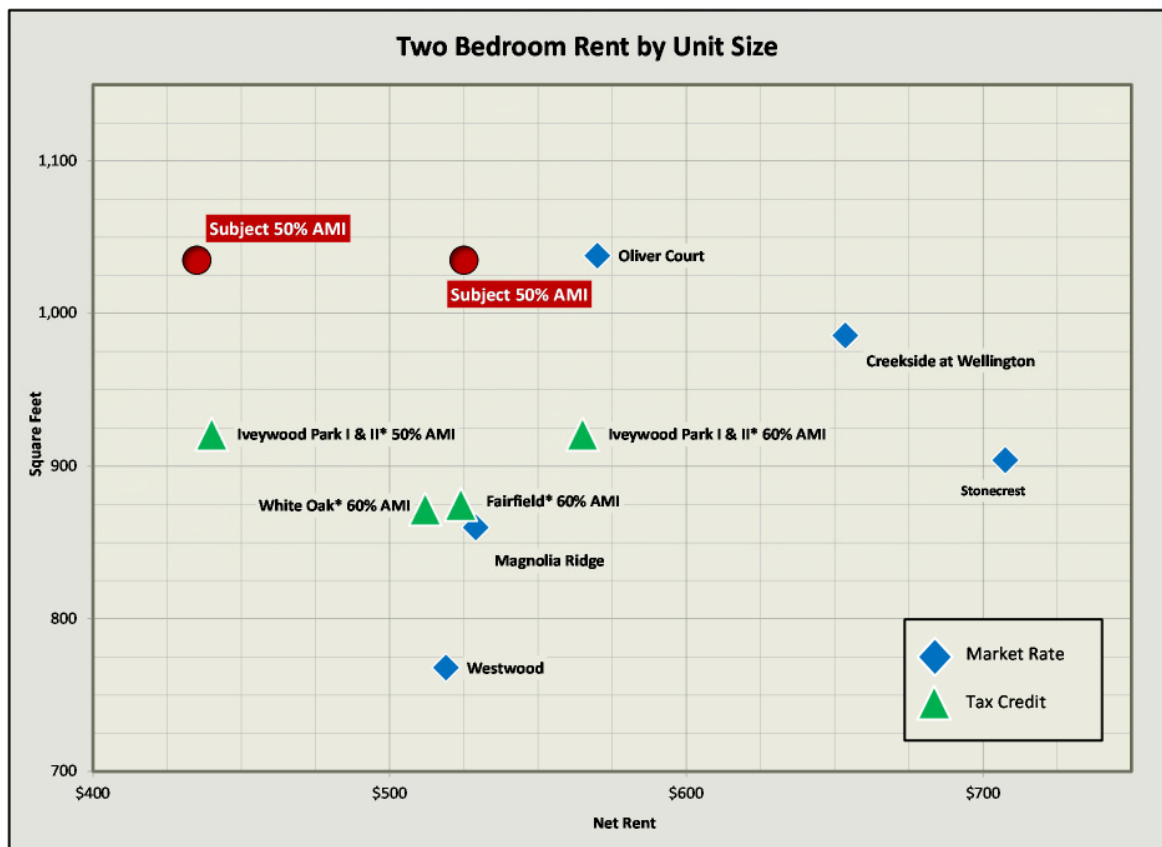


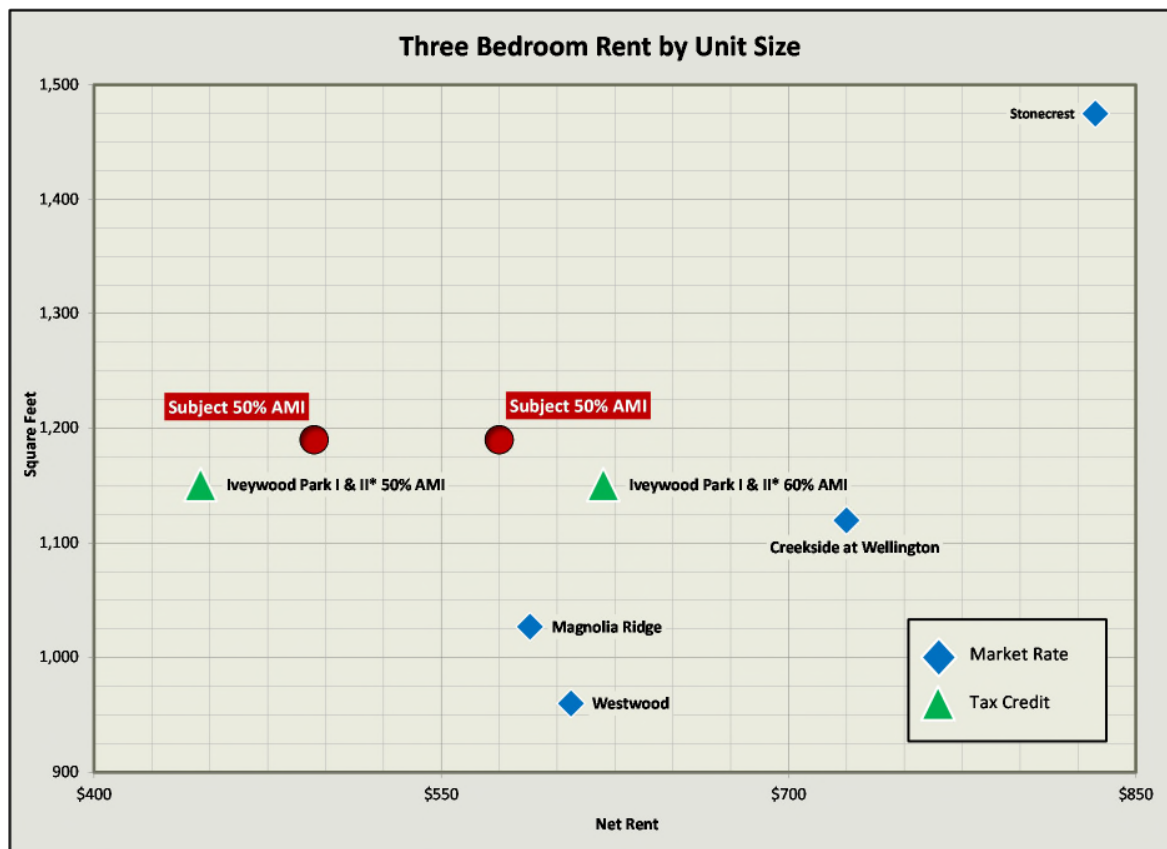
- Unit Features:** The newly constructed units at Autumn Glen Villas will offer kitchens with a refrigerator, dishwasher, garbage disposal, stove with exhaust fan, and microwave. In addition, all units will include ceiling fans, washer/dryer units, patios/balconies, central heating and air conditioning, and window blinds. The proposed unit features at Autumn Glen Villas will be competitive with the existing rental stock in the market area, including properties funded with tax credits.
- Community Amenities:** Autumn Glen Villas’ amenity package will include a clubhouse with community rooms featuring libraries, kitchenettes, and computer stations, and a leasing office. Outdoor amenities include a picnic/barbecue area, and a playground, which will be competitive with the Gaffney Market Area’s existing rental stock
- Marketability:** The proposed units at Autumn Glen Villas will be well received in the market area. The proposed rents are reasonable and appropriate given the product to be constructed.

E. Price Position

As shown in Figure 8, the proposed 50 percent rents are positioned slightly above existing 50 percent rents at Iveywood Park I & II, the only existing community in Gaffney Market Area offering 50 percent AMI units. The proposed 60 percent rents are positioned in-between the existing 60 percent rents in the Gaffney Market Area. The proposed two and three bedroom unit sizes will be the second largest in the market with only one market rate community offering larger units.

Figure 8 Price Position of Autumn Glen Villas





F. Absorption Estimate

The only multi-family rental community in the Gaffney Market Area to undergo initial lease up since 1995 is Stonecrest, a market rate community built in 2008, with phase II completed in 2015, however, management refused to provide occupancy or lease-up information. Therefore, absorption estimates are based on the very low overall vacancies in the market area including low vacancies and waiting lists at the LIHTC communities, competitive rents, and an attractive product, we estimate that Autumn Glen Villas will lease a minimum of 12 units per month. At a rate of 12 units per month, Autumn Glen Villas would achieve 93 percent occupancy in approximately four to five months.

G. Impact on Existing Market

Given the small number of units and projected renter household growth, the construction of Autumn Glen Villas is not expected to have an adverse impact on existing rental communities in the Gaffney Market Area. Overall, the rental market in the Gaffney Market Area is performing very well with limited vacancies and only one LIHTC community reporting two vacant units and two of three communities having wait lists. As the Gaffney Market Area is projected to continue to experience steady renter household growth over the next three years, demand for rental housing is also likely to increase.



H. Final Conclusion and Recommendation

Based on an analysis of projected household trends, overall affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Gaffney Market Area, RPRG believes that the proposed Autumn Glen Villas will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following entrance into the rental market. Given the product to be constructed, the subject will be competitively positioned with existing market rate and LIHTC communities in the Gaffney Market Area and the units will be well received by the target market. The proposed rents are appropriately positioned and result in significant market advantages. In addition, sufficient income qualified households for the proposed rents exist in the market area to support Autumn Glen Villas. We recommend proceeding with the project as proposed.

A handwritten signature in black ink that reads "Susan M. Haddock".

Susan Haddock
Analyst

A handwritten signature in black ink that reads "Tad Scepaniak".

Tad Scepaniak
Principle



9. APPENDIX 1 UNDERLYING ASSUMPTION AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



10. APPENDIX 2 ANALYST CERTIFICATIONS

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 & Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the 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.

Susan M. Haddock

January 20, 2016

Susan Haddock
Analyst
Real Property Research Group, Inc.

Date

Tad Scepaniak

January 20, 2016

Tad Scepaniak
Principal
Real Property Research Group, Inc.

Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.



11. APPENDIX 3 ANALYST RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders, the National Council on Seniors' Housing and various local homebuilder associations. Bob serves as a visiting professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Affordable Housing Market Analysts (NCAHMA) and is currently a board member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), facilitating the comprehensive integration of data.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.

**TAD SCEPANIAK****Principal**

Tad Scepaniak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies. Tad is also responsible for development and implementation of many of the firm's automated systems.

Tad is Vice Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as the Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



Susan Haddock
Analyst

Susan Haddock recently joined RPRG after spending 15 years engaged in real estate valuation and consulting, including 12 years of commercial property valuation with Martin & Associates –Marietta, Georgia. Susan holds a Certified General Property Appraiser license in the state of Georgia. Appraisal and consulting assignments included, appraisals and/or consultation of commercial properties including vacant commercial land, residential land, rural, mountain, and timber land, retail, office, medical office and industrial properties, residential developments, and special purpose properties.

Certified General Appraiser
Georgia: License No. 238916



12. APPENDIX 4 NCHMA CHECKLIST

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	1
Scope of Work		
2	Scope of Work	10
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	13
4	Utilities (and utility sources) included in rent	13
5	Target market/population description	12
6	Project description including unit features and community amenities	13
7	Date of construction/preliminary completion	13
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
Location		
9	Concise description of the site and adjacent parcels	16
10	Site photos/maps	18,20
11	Map of community services	24
12	Site evaluation/neighborhood including visibility, accessibility, and crime	20-23
Market Area		
13	PMA description	34
14	PMA MAP	35
Employment and Economy		
15	At-Place employment trends	29
16	Employment by sector	29
17	Unemployment rates	27
18	Area major employers/employment centers and proximity to site	31, 32
19	Recent or planned employment expansions/reductions	31
Demographic Characteristics		
20	Population and household estimates and projections	37
21	Area building permits	38
22	Population and household characteristics including income, tenure, and size	40-42
23	For senior or special needs projects, provide data specific to target market	N/A
Competitive Environment		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	45
26	Existing rental housing evaluation including vacancy and rents	47
27	Comparison of subject property to comparable properties	49



28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	53
29	Rental communities under construction, approved, or proposed	55
30	For senior or special needs populations, provide data specific to target market	N/A
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	66
32	Affordability analysis with capture rate	64
33	Penetration rate analysis with capture rate	N/A
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	69
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	55
36	Precise statement of key conclusions	70
37	Market strengths and weaknesses impacting project	69
38	Recommendations and/or modification to project discussion	70
39	Discussion of subject property's impact on existing housing	69
40	Discussion of risks or other mitigating circumstances impacting project projection	70
41	Interviews with area housing stakeholders	10
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	N/A



13. APPENDIX 5 MARKET AREA RENTAL COMMUNITY PROFILES

Creekside at Wellington

Multifamily Community Profile

1230 Overbrook Dr
Gaffney, SC 29341

Community Type: Market Rate - General

Structure Type: 2-Story Garden/TH

92 Units 8.7% Vacant (8 units vacant) as of 12/21/2015

Opened in 1985



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	19.6%	\$622	772	\$0.81	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	76.1%	\$654	985	\$0.66	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	4.3%	\$725	1,120	\$0.65	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Vacancies: 2- 1BR & 6- 2BR.

Floorplans (Published Rents as of 12/21/2015) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	14	\$610	764	\$0.80	Market	12/21/15	8.7%	\$622	\$654	\$725	
Townhouse	--	1	1.5	4	\$595	800	\$0.74	Market	2/11/14	3.3%	\$568	\$609	\$750	
Townhouse	--	2	1.5	30	\$625	1,014	\$0.62	Market	2/29/12	3.3%	\$516	\$590	\$695	
Garden	--	2	2	40	\$640	964	\$0.66	Market	3/27/08	1.1%	--	--	--	
Townhouse	--	3	1.5	4	\$700	1,120	\$0.63	Market						

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Fairfield

Multifamily Community Profile

100 Fairfield Dr
Gaffney, SC 29341

Community Type: LIHTC - General

Structure Type: 3-4 Family

60 Units 0.0% Vacant (0 units vacant) as of 12/22/2015

Last Major Rehab in 1995 Opened in 1979



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$498	600	\$0.83	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	--	\$524	875	\$0.60	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Microwave; In Unit Laundry (Hook-ups); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

Comments

Rural development, rents are basic rents. All units are LIHTC. 26 units RD & LIHTC. RD & LIHTC rents are the same.

26- LIHTC/RD & 34- LIHTC. 24- 1BR & 36- 2BR. No further breakdown available.

Wiatlist of 2 people.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$483	600	\$.81	LIHTC/ 60%	12/22/15	0.0%	\$498	\$524	--
Garden	--	1	1	--	\$483	600	\$.81	ural Developm	2/29/12	0.0%	\$472	\$503	--
Garden	--	2	1	--	\$504	875	\$.58	LIHTC/ 60%	4/16/08	3.3%	--	--	--
Garden	--	2	1	--	\$504	875	\$.58	ural Developm					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Huntington Square

Multifamily Community Profile

100 Huntington Square Dr
Gaffney, SC 29341

Community Type: LIHTC - General
Structure Type: 2-Story Townhouse

48 Units 12.5% Vacant (6 units vacant) as of 12/22/2015

Last Major Rehab in 2010 Opened in 1982



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	16.7%	\$425	580	\$0.73	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	66.7%	\$500	860	\$0.58	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Car Wash: <input type="checkbox"/>
Three	16.7%	\$519	1,100	\$0.47	Hot Tub: <input type="checkbox"/>	Business Ctr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	Computer Ctr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Vinyl/Linoleum / Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Boyd Mgt Owner: --	

Comments

Rural Development, rents listed are basic rents. Vacancies: 1-1BR & 5- 2BR. 2 of vacancies have been preleased.
Note rent: 1BR - \$493, 2BR - \$563, 3BR - \$578.
of vacancies is normal.

Floorplans (Published Rents as of 12/22/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	1	1	8	\$410	580	\$.71	ural Developm	12/22/15	12.5%	\$425	\$500	\$519
Townhouse	--	2	1.5	32	\$480	860	\$.56	ural Developm	2/14/14	20.8%	\$412	\$486	\$507
Townhouse	--	3	1.5	8	\$494	1,100	\$.45	ural Developm	2/29/12	16.7%	\$412	\$486	\$502
									3/27/08	10.4%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Iveywood Park I & II

Multifamily Community Profile

112 Martin Ln
Gaffney, SC 29341

Community Type: LIHTC - General
Structure Type: 2-Story Garden

96 Units 2.1% Vacant (2 units vacant) as of 12/22/2015

Opened in 1998



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$562	921	\$0.61	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Car Wash: <input type="checkbox"/>
Three	50.0%	\$613	1,151	\$0.53	Hot Tub: <input type="checkbox"/>	Business Ctr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	Computer Ctr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

Comments

There are 48- 2BR units & 48- 3BR units. Ph I (1998) 32- 2BR & 32- 3BR. Ph II (1999) 16- 2BR & 16- 3BR.
Vacancies: 1- 2BR & 1- 3BR.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1.5	1	\$420	921	\$.46	LIHTC/ 50%	12/22/15	2.1%	--	\$562	\$613
Garden	--	2	1.5	47	\$545	921	\$.59	LIHTC/ 60%	2/21/14	2.1%	--	\$563	\$614
Garden	--	3	2	2	\$421	1,151	\$.37	LIHTC/ 50%	2/29/12	11.5%	--	\$539	\$591
Garden	--	3	2	46	\$595	1,151	\$.52	LIHTC/ 60%	3/27/08	14.6%	--	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Lockhart Lane

Multifamily Community Profile

473 Lockhart Ln
Gaffney, SC 29341

Community Type: LIHTC - General
Structure Type: Townhouse

32 Units 0.0% Vacant (0 units vacant) as of 12/22/2015

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	25.0%	\$465	600	\$0.78	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	75.0%	\$500	975	\$0.51	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Intermark Mgt. Owner: --	

Comments

No waitlist
USDA Rural Development. Listed rents are basic rents.

Floorplans (Published Rents as of 12/22/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Townhouse	--	1	1	8	\$450	600	\$.75	ural Developm
Townhouse	--	2	1.5	24	\$480	975	\$.49	ural Developm

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR \$	2BR \$	3BR \$
12/22/15	0.0%	\$465	\$500	--
2/11/14	6.3%	\$450	\$485	--
2/29/12	0.0%	\$424	\$465	--
3/27/08	0.0%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

© 2016 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.

Magnolia Ridge

Multifamily Community Profile

266 Goldmine Springs Rd
Gaffney, SC 29340

Community Type: Market Rate - General

Structure Type: 2-Story Garden

84 Units 10.7% Vacant (9 units vacant) as of 12/22/2015

Opened in 1972



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	14.3%	\$373	470	\$0.79	<input type="checkbox"/>	<input type="checkbox"/>
One	19.0%	\$464	720	\$0.64	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	38.1%	\$529	860	\$0.62	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Car Wash: <input type="checkbox"/>
Three	28.6%	\$588	1,027	\$0.57	Hot Tub: <input type="checkbox"/>	Business Ctr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	Computer Ctr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Central A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Mgt recently revised qualifications & many people had to move out after their lease ended b/c they did not qualify.

Vacancies: 5- Eff, 1- 1BR, & 3- 2BR.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	12	\$360	470	\$0.77	Market	12/22/15	10.7%	\$464	\$529	\$588
Garden	--	1	1	16	\$449	720	\$0.62	Market	2/21/14	1.2%	\$440	\$519	\$567
Garden	--	2	1	32	\$509	860	\$0.59	Market	2/29/12	3.6%	\$390	\$490	\$541
Garden	--	3	1	20	\$549	1,000	\$0.55	Market	3/27/08	3.6%	--	--	--
Garden	--	3	2	4	\$635	1,160	\$0.55	Market					

Adjustments to Rent	
Incentives: None	
Utilities in Rent: Heat Fuel: Electric	
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Magnolia Ridge

SC021-010935

Oliver Court

Multifamily Community Profile

506 S Oliver St.
Gaffney, SC 29341

CommunityType: Market Rate - General

Structure Type: Garden/TH

48 Units 0.0% Vacant (0 units vacant) as of 12/21/2015

Opened in 1985



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
One	25.0%	\$490	771	\$0.64	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	75.0%	\$570	1,038	\$0.55	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units: Ceiling Fan	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Capstone Owner: --	

Comments

Some 2BR units have been renovated with new flooring.
Picnic/grilling area.

Floorplans (Published Rents as of 12/21/2015) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	12	\$475	771	\$.62	Market	12/21/15	0.0%	\$490	\$570	--
Townhouse	--	2	1.5	36	\$550	1,038	\$.53	Market	2/21/14	8.3%	\$450	\$513	--
									2/29/12	6.3%	\$480	\$558	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Peachtree

Multifamily Community Profile

100 Killion Dr
Gaffney, SC 29340

Community Type: LIHTC - General
Structure Type: 2-Story Townhouse

28 Units 0.0% Vacant (0 units vacant) as of 12/22/2015

Last Major Rehab in 1994 Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$675	--	--	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: GEM Mgt.	
Owner: --	

Comments

Rural Development. Rent is note rent.
Wait list.

Floorplans (Published Rents as of 12/22/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	28	\$675	--	--	ural Developm	12/22/15	0.0%	--	\$675	--
									2/26/14	0.0%	--	\$0	--
									2/29/12	0.0%	--	\$625	--
									3/27/08	7.1%	--	--	--

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Electric
Heat:	<input type="checkbox"/>
Cooking:	<input type="checkbox"/>
Wtr/Swr:	<input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/>
Electricity:	<input type="checkbox"/>
Trash:	<input checked="" type="checkbox"/>

Ryan Park

Multifamily Community Profile

400 Bonner Lake Dr
Gaffney, SC 29340

Community Type: LIHTC - General

Structure Type: 2-Story Garden

48 Units 2.1% Vacant (1 units vacant) as of 12/22/2015

Last Major Rehab in 2008 Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	33.3%	\$435	700	\$0.62	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	66.7%	\$485	900	\$0.54	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Vinyl/Linoleum / Carpet	
Select Units: Ceiling Fan	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Boyd Mgt. Owner: --	

Comments

Rural Development, Rents are basic rents. Vacancy is a 2BR-will be filled from wait list.
Note rents: 1BR- \$474 & 2BR- \$519. 1/1/2016 basic & notes rents change to 1BR- \$440/\$494 2BR- \$485/\$539.
Wait list for 2BR's.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	16	\$420	700	\$.60	ural Developm	12/22/15	2.1%	\$435	\$485	--
Garden	--	2	1	32	\$465	900	\$.52	ural Developm	2/21/14	2.1%	\$435	\$485	--
									2/29/12	0.0%	\$435	\$485	--
									3/27/08	6.3%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Stonecrest

Multifamily Community Profile

102 Stonecrest Ln.
Gaffney, SC 29341

Community Type: Market Rate - General

Structure Type: 3-Story Garden

114 Units Occupancy data not currently available

Opened in 2008



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$600	708	\$0.85	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	\$600	948	\$0.63	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$708	904	\$0.78	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	--	\$833	1,475	\$0.56	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$80
Property Manager: South Corp Prop. LL Owner: --	

Comments

Theater, DVD Library, BBQ/picnic areas.
Management refused occupancy information. Breakdown by floorplan not available.
Phase II complete 2015.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Sunroom / Garden	Den	1	1	--	\$585	1,063	\$0.55	Market	12/22/15	--	\$600	\$708	\$833
Garden	--	1	1	--	\$585	708	\$0.83	Market	2/18/14	--	\$627	\$670	\$795
Sunroom / Garden	Den	1	1	--	\$585	833	\$0.70	Market	2/29/12	--	\$575	\$685	\$795
Garden	--	2	2	--	\$688	904	\$0.76	Market					
Sunroom / Garden	Den	3	2	--	\$808	1,475	\$0.55	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Westwood

Multifamily Community Profile

1022 W Buford St.
Gaffney, SC 29341

Community Type: Market Rate - General

Structure Type: 2-Story Garden

166 Units 0.6% Vacant (1 units vacant) as of 12/22/2015

Opened in 1989



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	12.0%	\$411	288	\$1.43	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	42.2%	\$422	512	\$0.82	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	36.1%	\$519	768	\$0.68	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	9.6%	\$606	960	\$0.63	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: David Drye Co. Owner: --	

Comments

Vacancy is a 2BR.
Efficiency units are fully furnished and include all utilities.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Furnished / Garden	--	Eff	1	20	\$425	288	\$1.48	Market	12/22/15	0.6%	\$422	\$519	\$606
Garden	--	1	1	70	\$435	512	\$.85	Market	2/11/14	1.8%	\$435	\$530	\$624
Garden	--	2	1	60	\$535	768	\$.70	Market	2/29/12	27.7%	\$440	\$530	\$624
Garden	--	3	2	16	\$625	960	\$.65	Market	3/27/08	16.3%	--	--	--

Adjustments to Rent

Incentives:

\$99 1st month rent.

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

White Oak

Multifamily Community Profile

100 White Oak Dr.
Gaffney, SC 29341

Community Type: LIHTC - General

Structure Type: 2-Story Garden/TH

50 Units 0.0% Vacant (0 units vacant) as of 12/22/2015

Opened in 1995



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$488	625	\$0.78	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$512	872	\$0.59	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Partnership Property	
Owner: --	

Comments

All units are LIHTC. 36 RD units. 24- 1BR & 26- 2BR. No further breakdown available.

Wait list.

Washer and Dryer Hook-ups in 2 bedrooms only.

Floorplans (Published Rents as of 12/22/2015) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$473	625	\$.76	ural Developm	12/22/15	0.0%	\$488	\$512	--
Garden	--	1	1	--	\$473	625	\$.76	LIHTC/ 60%	2/21/14	0.0%	\$441	\$463	--
Townhouse	--	2	1.5	--	\$492	872	\$.56	ural Developm	4/2/08	16.0%	--	--	--
Townhouse	--	2	1.5	--	\$492	872	\$.56	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

White Oak

SC021-010962