

Market Feasibility Analysis

Devenwood Apartments
137 Captain Bill Road
Ridgeland, Jasper County, South Carolina

Prepared For

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Effective Date

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Job Reference Number

16-113 JW



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2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (AS PROPOSED W/ RA):

Development Name:	Devenwood Apartments	Total # Units:	24
Location:	137 Captain Bill Road, Ridgeland, SC 29936	# LIHTC Units:	24
PMA Boundary:	Jasper County boundaries to the north, east, south and west		
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	31.7 miles

RENTAL HOUSING STOCK (found on page H-10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	831	29	96.5%
Market-Rate Housing	3	568	29	94.9%
Assisted/Subsidized Housing not to include LIHTC	4	127	0	100.0%
LIHTC (All that are stabilized)*	4	136	0	100.0%
Stabilized Comps**	2	86	0	100.0%
Non-stabilized Comps	0	-	-	-

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
24	One	1.0	621	\$500	\$745	\$1.20	32.89%	\$972	\$1.29
Gross Potential Rent Monthly*				\$12,000	\$17,880		32.89%		

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

DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2000	2015		2018	
Renter Households (ages 62+)		443	15.5%	531	16.0%
Income-Qualified Renter HHS (LIHTC)		272	61.4%	331	62.3%
Income-Qualified Renter HHS (MR)		N/A	N/A	N/A	N/A

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

Type of Demand	50% w/ RA	60%	Market-rate	Other	Other	Overall w/ RA
Senior Renter Household (62+) Growth	55					55
Existing Households (Overburd + Substand)	186					186
Homeowner conversion (Seniors)	43					43
Other:	0					0
Less Comparable/Competitive Supply	0					0
Net Income-qualified Renter HHS	284					284

CAPTURE RATES (found on page G-5)

Targeted Population	50% w/ RA	60%	Market-rate	Other w/ RA	Other	Overall w/ RA
Capture Rate	8.5%					8.5%

ABSORPTION RATE (found on page G-7)

Absorption Period: 3 months

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
24	1 BR	\$500	\$12,000	\$745	\$17,880	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	24		\$12,000		\$17,880	32.89%

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC-ONLY):

Development Name:	Devenwood Apartments	Total # Units:	24
Location:	137 Captain Bill Road, Ridgeland, SC 29936	# LIHTC Units:	24
PMA Boundary:	Jasper County boundaries to the north, east, south and west		
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	31.7 miles

RENTAL HOUSING STOCK (found on page H-10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	831	29	96.5%
Market-Rate Housing	3	568	29	94.9%
Assisted/Subsidized Housing not to include LIHTC	4	127	0	100.0%
LIHTC (All that are stabilized)*	4	136	0	100.0%
Stabilized Comps**	2	86	0	100.0%
Non-stabilized Comps	0	-	-	-

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	One	1.0	621	\$382	\$745	\$1.20	48.72%	\$972	\$1.29
19	One	1.0	621	\$484	\$745	\$1.20	35.03%	\$972	\$1.29
Gross Potential Rent Monthly*				\$11,106	\$17,880		37.89%		

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

DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2000	2015		2018	
Renter Households (ages 55+)		755	17.4%	880	17.7%
Income-Qualified Renter HHs (LIHTC)		111	14.7%	134	15.2%
Income-Qualified Renter HHs (MR)		N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other	Other	Overall (LIHTC Only)
Senior Renter Household (55+) Growth	17	14				23
Existing Households (Overburd + Substand)	54	49				77
Homeowner conversion (Seniors)	17	15				25
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	88	78				125

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other w/ RA	Other	Overall (LIHTC Only)
Capture Rate	13.6%	15.4%				19.2%

ABSORPTION RATE (found on page G-7)

Absorption Period: 6 months

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
5	1 BR	\$382	\$1,910	\$745	\$3,725	
19	1 BR	\$484	\$9,196	\$745	\$14,155	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	24		\$11,106		\$17,880	37.89%

B. PROJECT DESCRIPTION

Devenwood Apartments, located in Ridgeland, South Carolina, was originally built in 1993 and has operated under the Rural Development Section 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. The 24 one-bedroom units target senior households (ages 62 and older) earning up to 60% of Area Median Household Income (AMHI). Note that all 24 units receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rents and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a five-household waiting list.

The project will be renovated utilizing funding from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households with incomes of up to 50% and 60% of AMHI. Notably, the project will continue to operate under the RD 515 program and the 24 units of RA will be retained. All renovations are expected to be complete by June of 2017. Additional details of the subject project are as follows:

- a. Property Location:** 137 Captain Bill Road
Ridgeland, South Carolina 29936
(Jasper County)
- b. Construction Type:** Rehab
- c. Occupancy Type:** Seniors Age 62 and Older
- d. Target Income Group:** 50% and 60% AMHI
- e. Special Needs Population:** None
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Rent*	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
5	One-Br.	1.0	Garden	621	50%	\$500/\$665	\$500	\$125	\$625	\$507
19	One-Br.	1.0	Garden	621	60%	\$500/\$665	\$500	\$125	\$625	\$609
24	Total									

*Denotes Current Basic/Note Rent

Source: Boyd Management, Inc.

AMHI – Area Median Household Income (Jasper County, SC; 2015)

Note that due to the continued presence of the RD 515 subsidy on all units, tenants will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy, respectively. The maximum allowable LIHTC gross rents of \$507 to \$609 are the programmatic limits for units targeting households earning up to 50% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. These LIHTC rents were used throughout the balance of this report.

g. Number Of Stories/Buildings: Five (5) one-story residential buildings with 24 garden-style units and a stand-alone community building.

k. Project-Based Rental Assistance (Existing or Proposed): All 24 units will continue to operate with RA post LIHTC renovations.

l. Community Amenities:

The subject property will include the following community features:

- On-Site Management
- Laundry Facility
- Exercise Room*
- Community Room
- Computer Center*
- Picnic Area*

*Amenities to be added post renovations

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator w/Icemaker
- Central Air Conditioning
- In-Unit Washer/Dryer Hookups
- Microwave*
- Carpet
- Window Blinds
- Patio
- Emergency Call Button
- Ceiling Fans

*Amenity to be added post renovations

n. Parking:

The project includes 32 open surface parking spaces at no additional cost to residents.

o. Renovations and Current Occupancy:

Based on information provided by management, the project is 100.0% occupied and maintains a waitlist of five households. However, information on current tenants' incomes was not provided at the time this report was issued.

Following Tax Credit renovations, all current tenants are expected to income-qualify to remain at the subject project. According to management, the proposed renovations will not require the displacement of any tenant for more than a day. The following is a sample of renovations that are expected to be made.

- Replacement of existing flooring
- Replacement of kitchen cabinets and countertops
- Replacement of existing kitchen appliances
- Replacement of plumbing fixtures
- Replacement of lighting fixtures
- Replacement of bathroom cabinets and countertop
- Painting of unit interiors
- Installation of new HVAC
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- ADA regulations met
- Upgrade sidewalks, dumpster surrounds and landscaping.

p. Utility Responsibility:

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

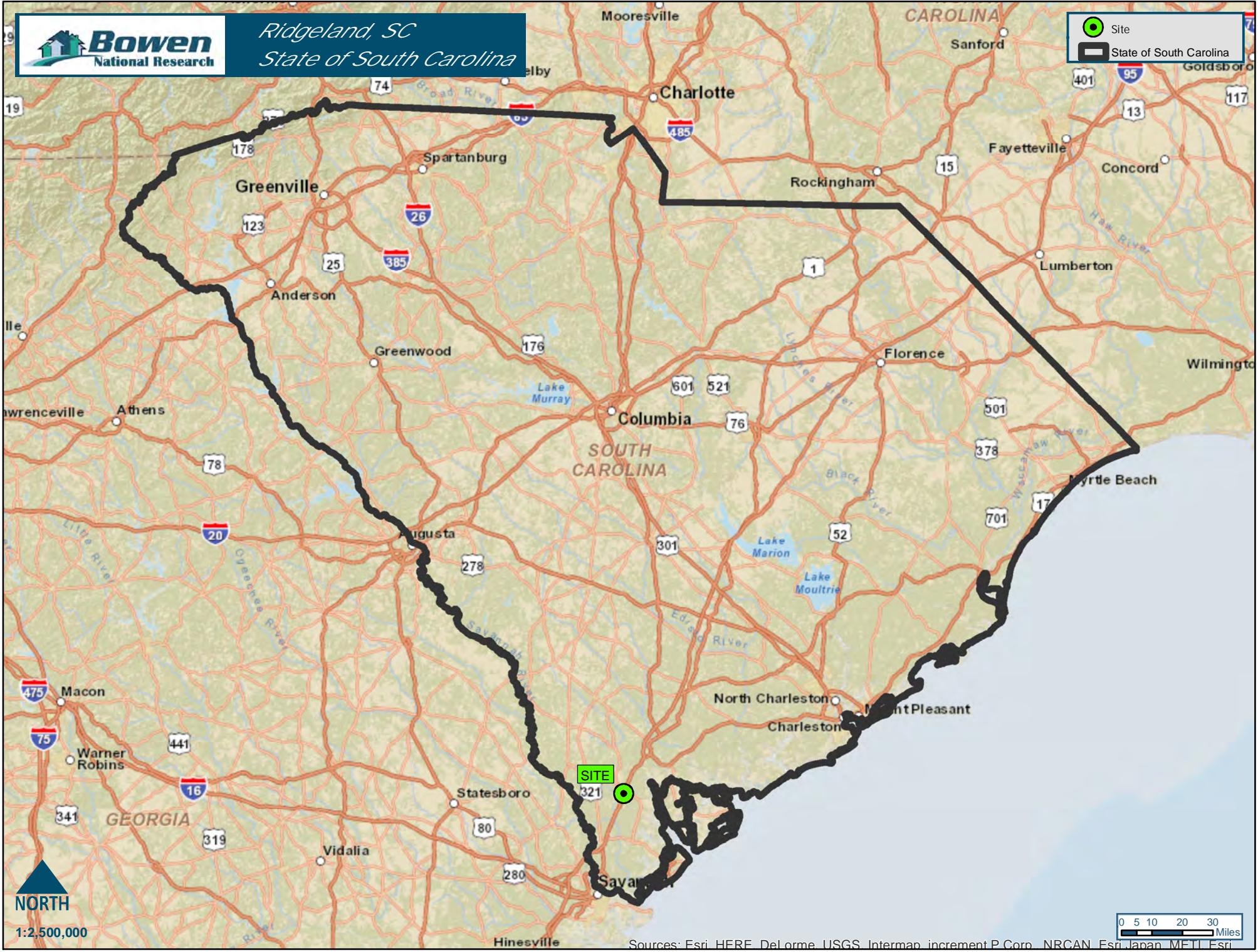
- Electric Heat
- Electric Water Heat
- Cold Water
- Electric Cooking
- General Electricity
- Sewer

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



Ridgeland, SC
State of South Carolina

Site
State of South Carolina



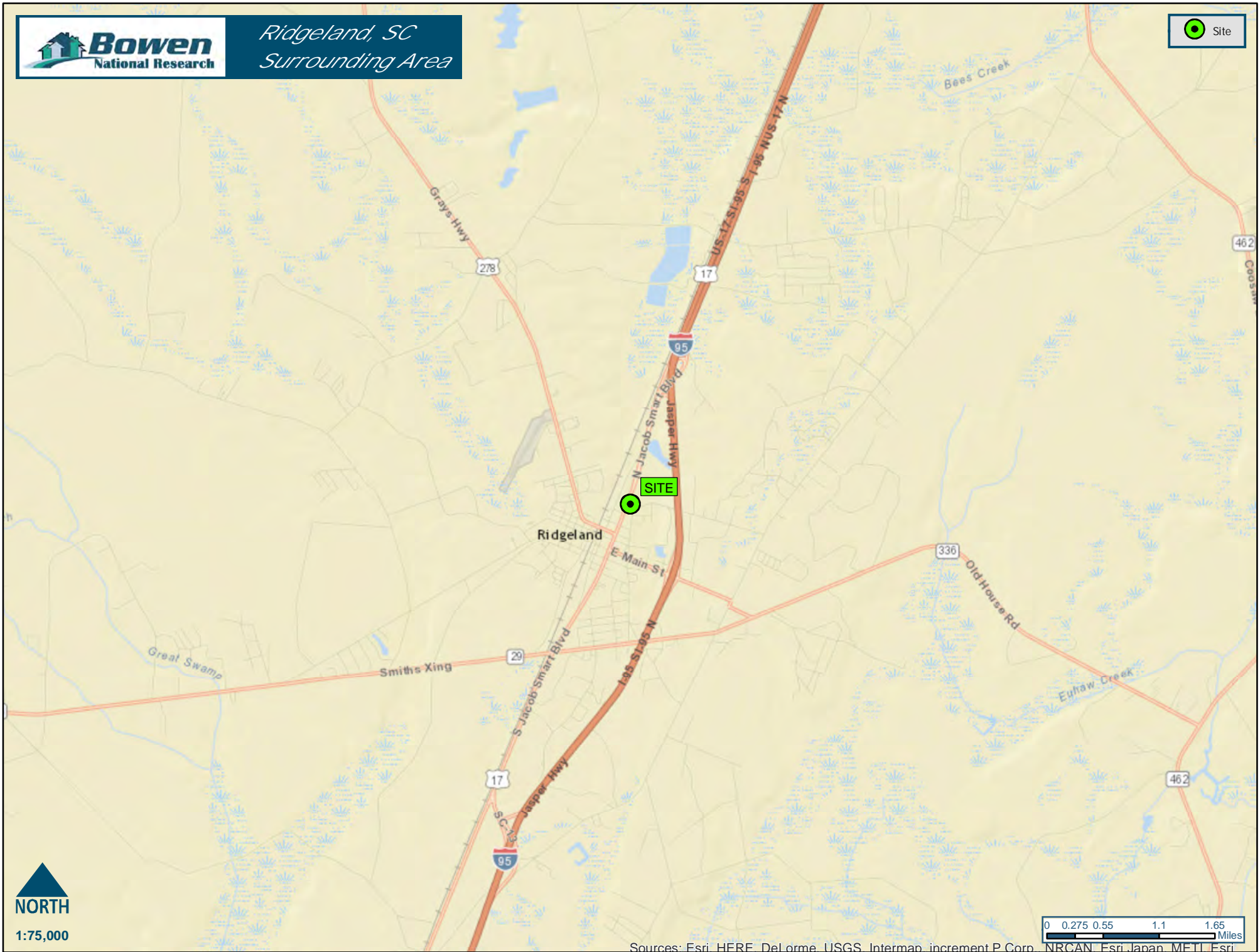
NORTH
1:2,500,000

0 5 10 20 30 Miles

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



Ridgeland, SC
Surrounding Area



NORTH
1:75,000

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

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of January 25, 2016. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site, Devenwood Apartments, consists of 24 units of rental housing in five (5) one-story buildings along with a community building on approximately 2.3 acres of level land. The subject site is located at 137 Captain Bill Road in the eastern portion of Ridgeland, South Carolina. Located in Jasper County, the site is approximately 31.0 miles northeast of Savannah, Georgia and approximately 75.0 miles southwest of Charleston, South Carolina. Surrounding land uses are detailed as follows:

North -	A heavy tree line defines the northern border of the subject site. Continuing north is El Ranchito (restaurant), and Miracle Temple of Praise (church) all observed to be in satisfactory condition. Heavily wooded land extends beyond. Note that the Ridgeland Correctional Institution is farther northeast; however, it is not visible from the site.
East -	A heavy tree line defines the eastern border of the subject site. Extending east are one-story single-family homes generally with vinyl exteriors in satisfactory condition. Heavily wooded land extends east for a considerable distance.
South -	Captain Bill Road, a two-lane east/west thoroughfare with light vehicular traffic, defines the southern border of the subject site. Continuing south are local businesses Handi House and Grayco Hardware & Lumber Yard. These businesses are considered to be in satisfactory condition.
West -	U.S. Highway 17, a four-lane arterial with light to moderate vehicular traffic, defines the western border of the subject site. Local businesses such as, but not limited to, Ridgeland Tire and Auto, a currently vacant car wash, and R and M engines extend west of the site. Wooded land and the Ridgeland Police Department extend beyond.

The proposed development is within very close proximity to various businesses along the U.S. Highway 17 corridor, and the majority of structures in the site neighborhood were observed to generally be in satisfactory condition. Overall, the subject property fits well with the surrounding land uses, which should continue to contribute to its marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 17 Interstate 95	Adjacent West 1.5 Northeast
Public Bus Stop	Jasper County Council on Aging	On-site/On-call
Major Employers/ Employment Centers	Jasper County School District Daniel Defense	0.2 Southwest 0.8 Southeast
Convenience Store	BP El Cheapo BP Ridgeland	0.1 South 0.2 Southwest 0.4 Southwest
Grocery	Piggly Wiggly Harvey's Supermarket	0.3 Southwest 0.7 Southeast
Discount Department Store	Dollar General Family Dollar Store	0.7 Southeast 1.0 Southwest
Shopping Center/Mall	U.S. Highway 17 Corridor	0.3 Southwest
Hospital	Coastal Carolina Hospital	14.0 Southwest
Police	Ridgeland City Police Department	0.6 West
Fire	Ridgeland Fire Department	0.6 Southwest
Post Office	U.S. Post Office	0.6 Southwest
Bank	Regions Bank South State Bank	0.2 Southwest 0.4 Southwest
Senior Center	Jasper County Council On Aging New Generations Adult Daycare	0.8 South 1.0 West
Gas Station	BP El Cheapo BP Ridgeland	0.1 South 0.2 Southwest 0.4 Southwest
Pharmacy	Main Street Pharmacy Rite Aid	0.4 Southwest 0.8 Southeast
Restaurant	El Ranchito Ned's Pub & Grill Pizza Hut	0.2 North 0.2 Southwest 0.3 Southwest
Library	Pratt Memorial Library	0.3 South
Church	Miracle Temple Of Praise St. Paul's United Methodist Church	0.6 North 0.7 Southwest
Laundry	Quality Cleaners & Laundry	0.6 Southwest
Park	Harold Turpin Park	0.2 Southwest

There are numerous community services located within 1.0 mile of the subject site including grocery stores, pharmacies, restaurants, banks, gas stations/convenience stores, and discount shopping locations.

Restaurants such as Pizza Hut and Ned's Pub & Grill are located along U.S. Highway 17, southwest of site. Continuing southwest on U.S. Highway 17 gives way to Main Street where discount shopping, grocery stores, and more restaurants are located.

Public services such as the Ridgeland City Police Department, Ridgeland Fire Department, and a U.S. Post Office are all within 0.6 miles of the subject site. The closest hospital, Costal Carolina Hospital, is located within 14.0 miles of the subject site. In addition, senior services, such as Jasper County Council on Aging and New Generations Adult Daycare, are located within 1.0 mile of the subject site. In addition, on-call public transportation is provided to seniors for household shopping and essential services by Jasper County Council on Aging.

Overall, we expect the site's location and proximity to community services to continue to have a positive impact on its marketability.

4. SITE PHOTOGRAPHS

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

SITE PHOTOGRAPHS



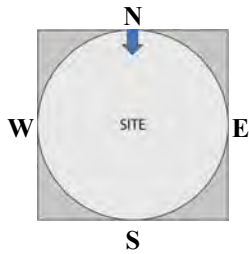
Site Entryway



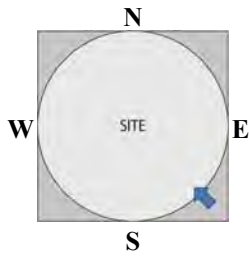
Entryway signage



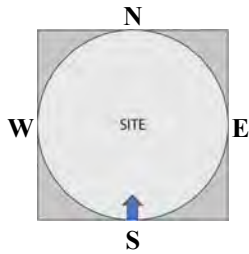
Typical exterior of building



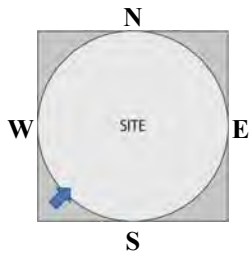
View of site from the north



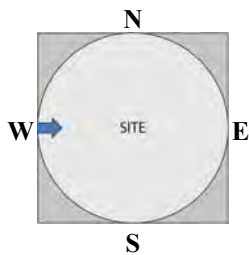
View of site from the southeast



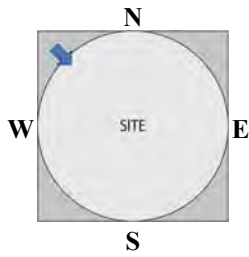
View of site from the south



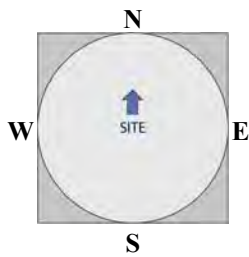
View of site from the southwest



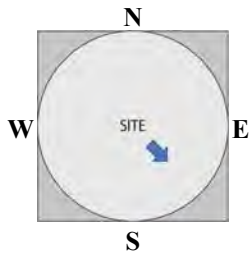
View of site from the west



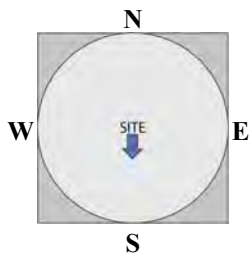
View of site from the northwest



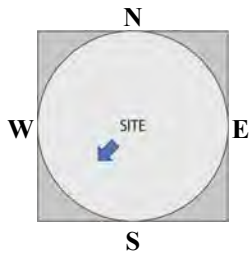
North view from site



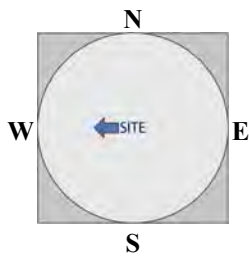
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Southwest view of U.S. Highway 17



Streetscape: Northeast view of U.S. Highway 17



Streetscape: East view of Captain Bill Road



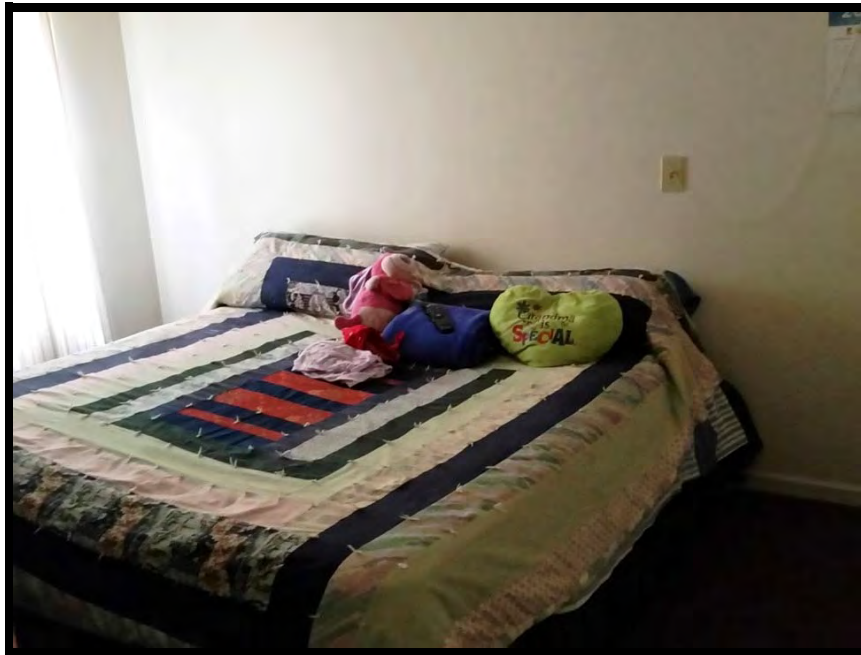
Streetscape: East view of Captain Bill Road



Community room



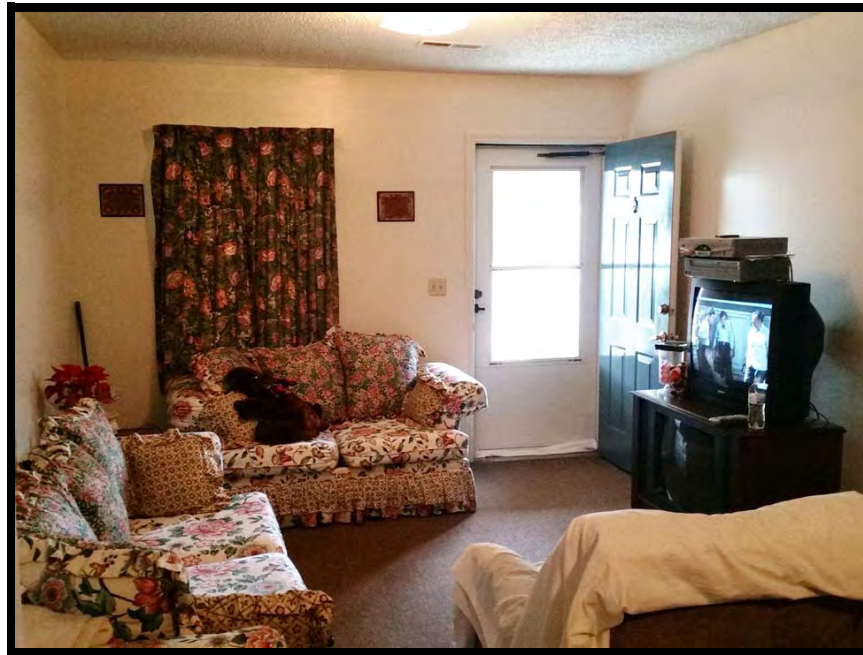
Laundry facility



Typical bedroom



Typical bathroom



Typical living room



Typical kitchen



Typical dinning room

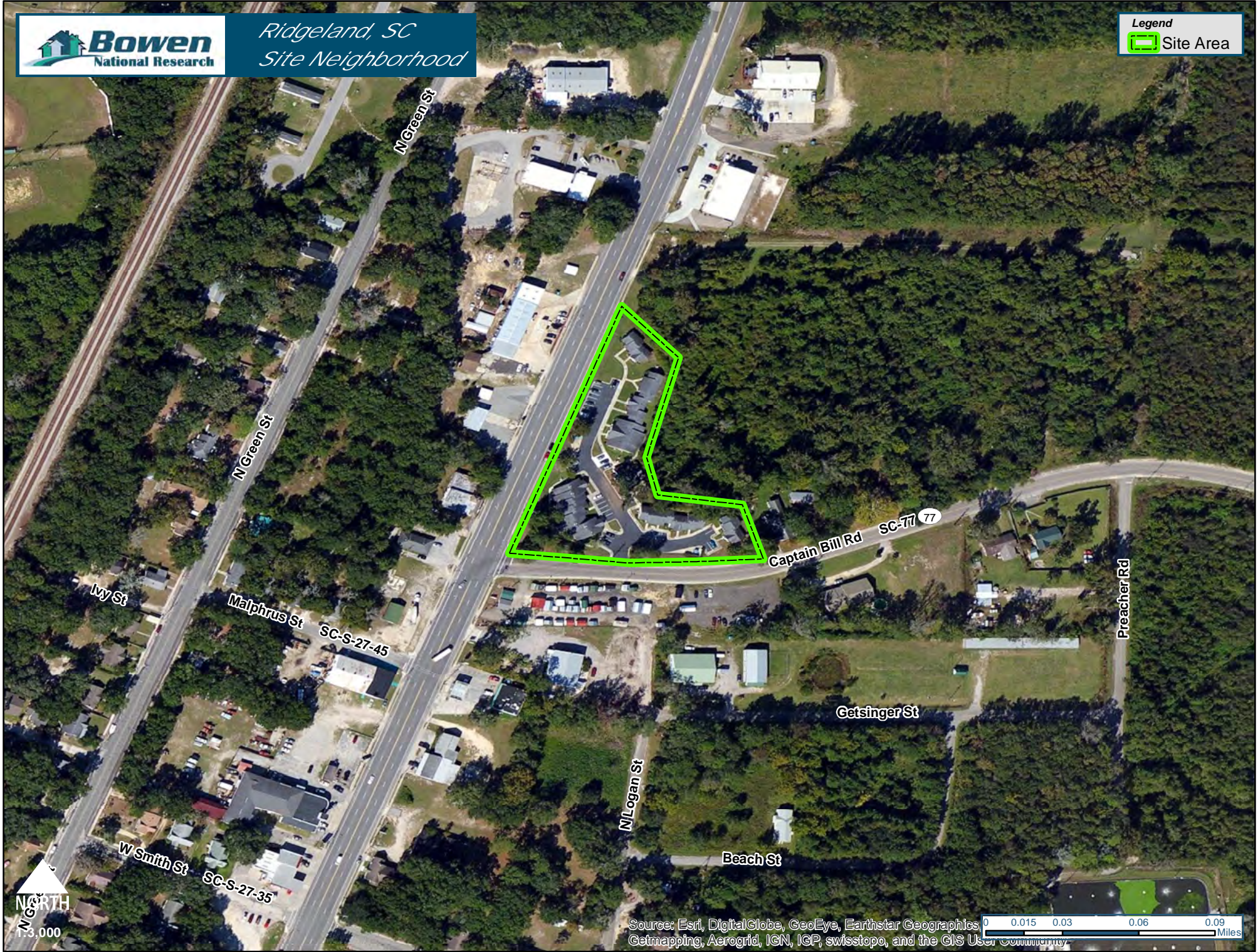
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



Ridgeland, SC
Site Neighborhood

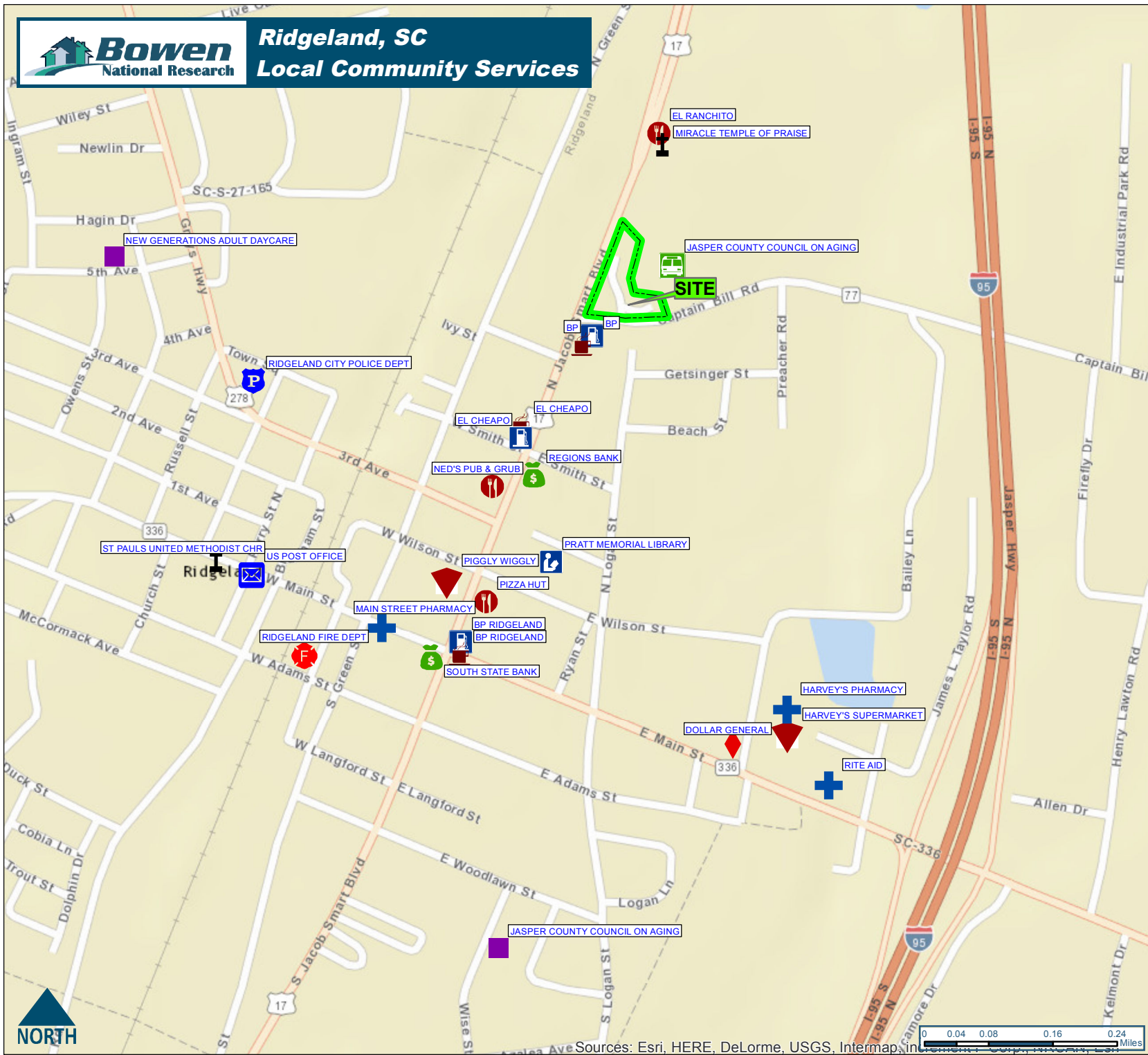
Legend
Site Area


















NORTH
1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

0 0.015 0.03 0.06 0.09 Miles



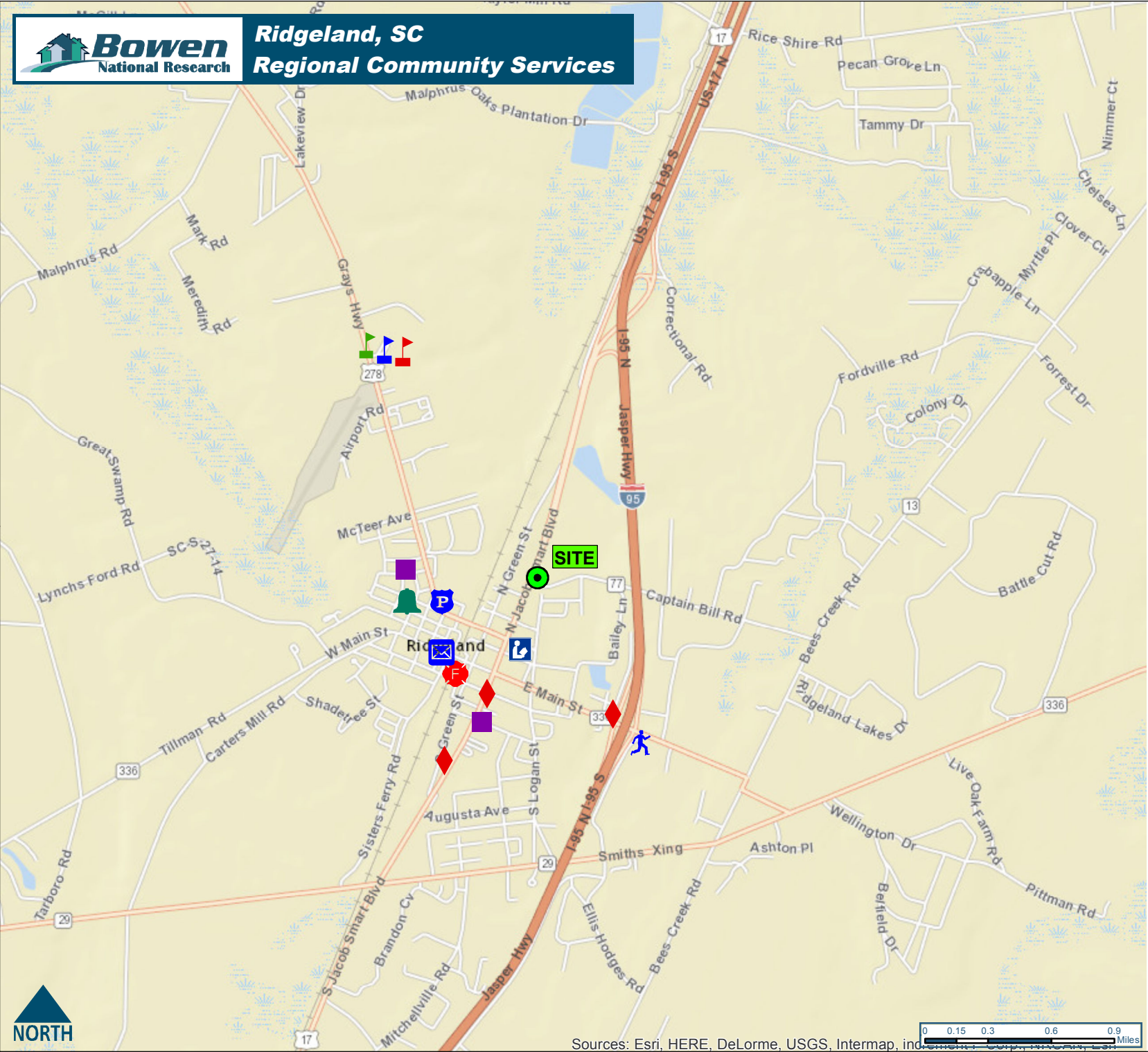
Legend

-  Site Area
-  bank
-  church
-  convenience store
-  fire
-  gas
-  grocery
-  library
-  pharmacy
-  police
-  post office
-  restaurant
-  senior services
-  shopping
-  transit





Ridgeland, SC Regional Community Services



Legend

- Site
- elementary school
- fire
- fitness center
- high school
- library
- middle school
- police
- post office
- senior services
- shopping
- university



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



1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is adjacent to U.S. Highway 17. There are currently no road or infrastructure improvements ongoing within the immediate site area.

7. CRIME ISSUES

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

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

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

Total crime risk (122) for the Site PMA/Jasper County is above the national average with an overall personal crime index of 149 and a property crime index of 114.

	Crime Risk Index	
	Site PMA	Jasper County
Total Crime	122	122
Personal Crime	149	149
Murder	174	174
Rape	113	113
Robbery	104	104
Assault	152	152
Property Crime	114	114
Burglary	129	129
Larceny	125	125
Motor Vehicle Theft	75	75

Source: Applied Geographic Solutions

Although the total crime risk for the Ridgeland Site PMA/Jasper County (122) is slightly above the national average (100), interviews with management at nearby rental communities and the personal observations of our analyst revealed that despite the higher than average crime risk, the subject site neighborhood is considered relatively safe. Further, according to management, the project is currently 100.0% occupied and maintains a five-household waiting list. Therefore, we do not anticipate crime will have a significant impact on the ongoing marketability of the subject site.

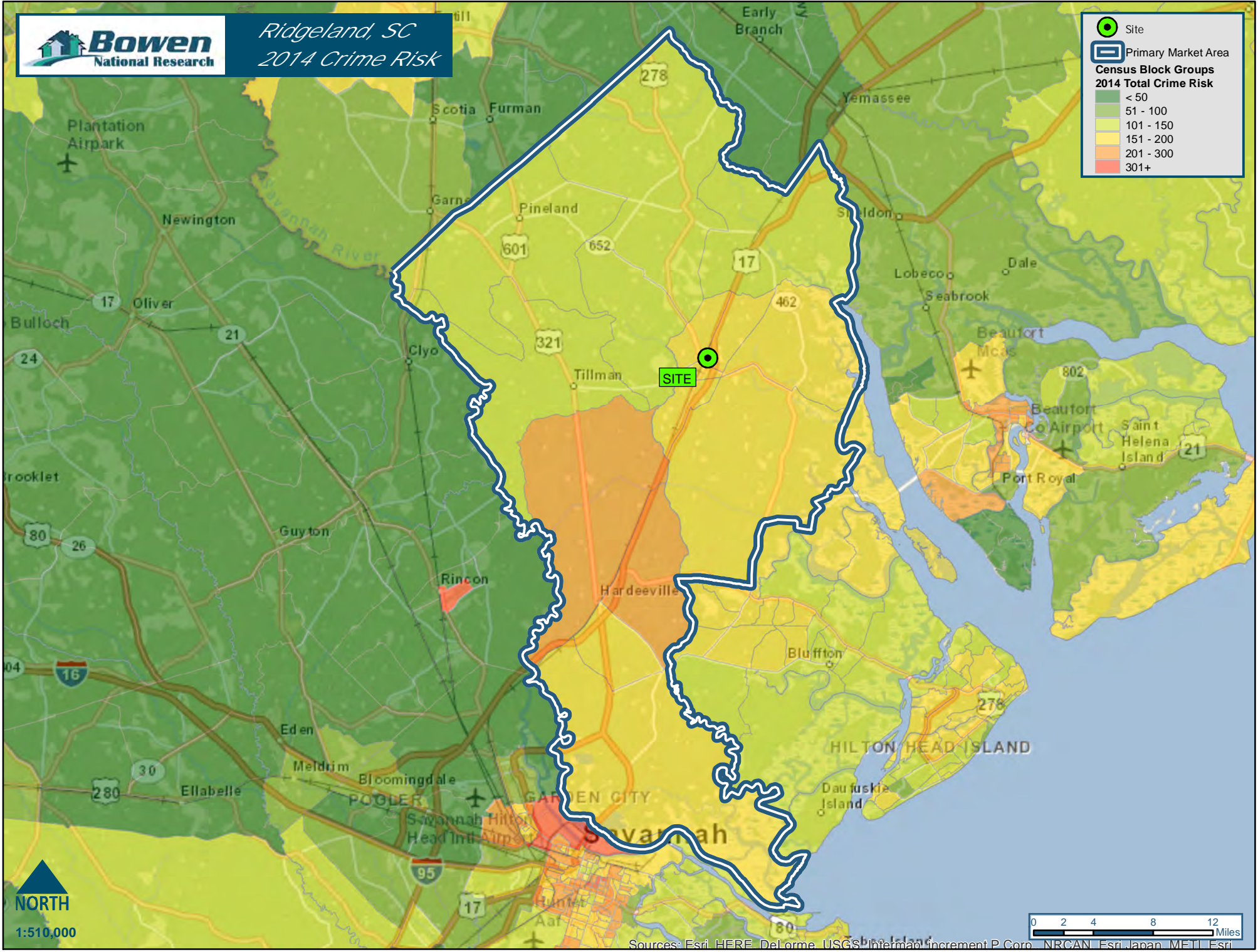
A map illustrating crime risk is on the following page.

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

Green	< 50
Light Green	51 - 100
Yellow	101 - 150
Orange	151 - 200
Dark Orange	201 - 300
Red	301+



NORTH
1:510,000

0 2 4 8 12 Miles

8. ACCESS AND VISIBILITY

The site is located at the northeast corner of Captain Bill Road and U.S. Highway 17 intersection. Captain Bill Road, a two-lane thoroughfare with light to moderate vehicular traffic, provides ingress and egress to the subject. Access is considered easy due to the light to moderate vehicular traffic in the immediate site area. Captain Bill Road ultimately provides access to U.S. Highway 17 adjacent west of the subject site. Additionally, Interstate 95 is approximately 1.5 miles northeast of the site by way of U.S. Highway 17. Overall, accessibility is considered to be good, which should continue to enhance the marketability of the site.

Visibility of the site from both Captain Bill Road and U.S. Highway 17 is considered excellent, and the subject site is generally unobstructed by the surrounding land uses. The subject site has full frontage along the aforementioned roadways.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There are no visible or environmental issues anticipated having a negative impact on the existing site.

10. OVERALL SITE CONCLUSIONS

The site is located within an established area in Ridgeland. Surrounding land uses are predominantly comprised of local businesses, wooded land, and residential neighborhoods, consisting of single-family homes considered in satisfactory condition. These characteristics are believed to be conducive for senior-oriented housing. Visibility of the site is considered excellent due to the subject site being generally unobstructed by surrounding land uses and clear lines of vision from adjacent roadways. Access is considered good due to the light to moderate vehicular traffic along U.S. Highway 17, which ultimately provides access to Interstate 95 approximately 1.5 miles northeast of the site.

The site area is within 1.4 miles of several community services, including grocery stores, pharmacies, restaurants, banks, gas station/convenience stores, a park, and discount shopping. Many of these community services are within walking distance of the site, adding to the project's appeal. Overall, we expect the site's location and proximity to community services to continue to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

The Ridgeland PMA includes all of Jasper County, South Carolina. Ridgeland and Hardeeville are the two towns of notable size located in Jasper County. Given Jasper County's rural nature, the fact that the town of Ridgeland offers a large number of community services, and the lack of other affordable age-restricted housing in the county, the subject project has the ability to draw support from seniors throughout the county. Both Jasper County and Beaufort County, as well as Hilton Head Island are all considered 'low country,' however development in Jasper County is drastically different than that in Beaufort County and Hilton Head Island. While Hilton Head is obviously a tourist area, the area tends to be more affluent with sprawling development. Areas around Hardeeville and Ridgeland in Jasper County are still more rural and have lower incomes and lower costs of living. Transportation across both counties is relatively easy and it is common for residents to work/live in either county.

The Site PMA comprises the following Census Tract numbers:

9501.00	9502.01	9502.02*	9503.00
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*Site location

Michelle Fulton, Property Manager of Devenwood Apartments (subject site), stated that most of her residents are from within Ridgeland and the balance of Jasper County. Ms. Fulton stated she does market to Beaufort and Bluffton, but she does not typically get much support from those areas. Ms. Fulton confirmed the boundaries of the Site PMA map and stated residents will primarily come from Ridgeland and Hardeeville, with additional support from Tillman and Pineland.

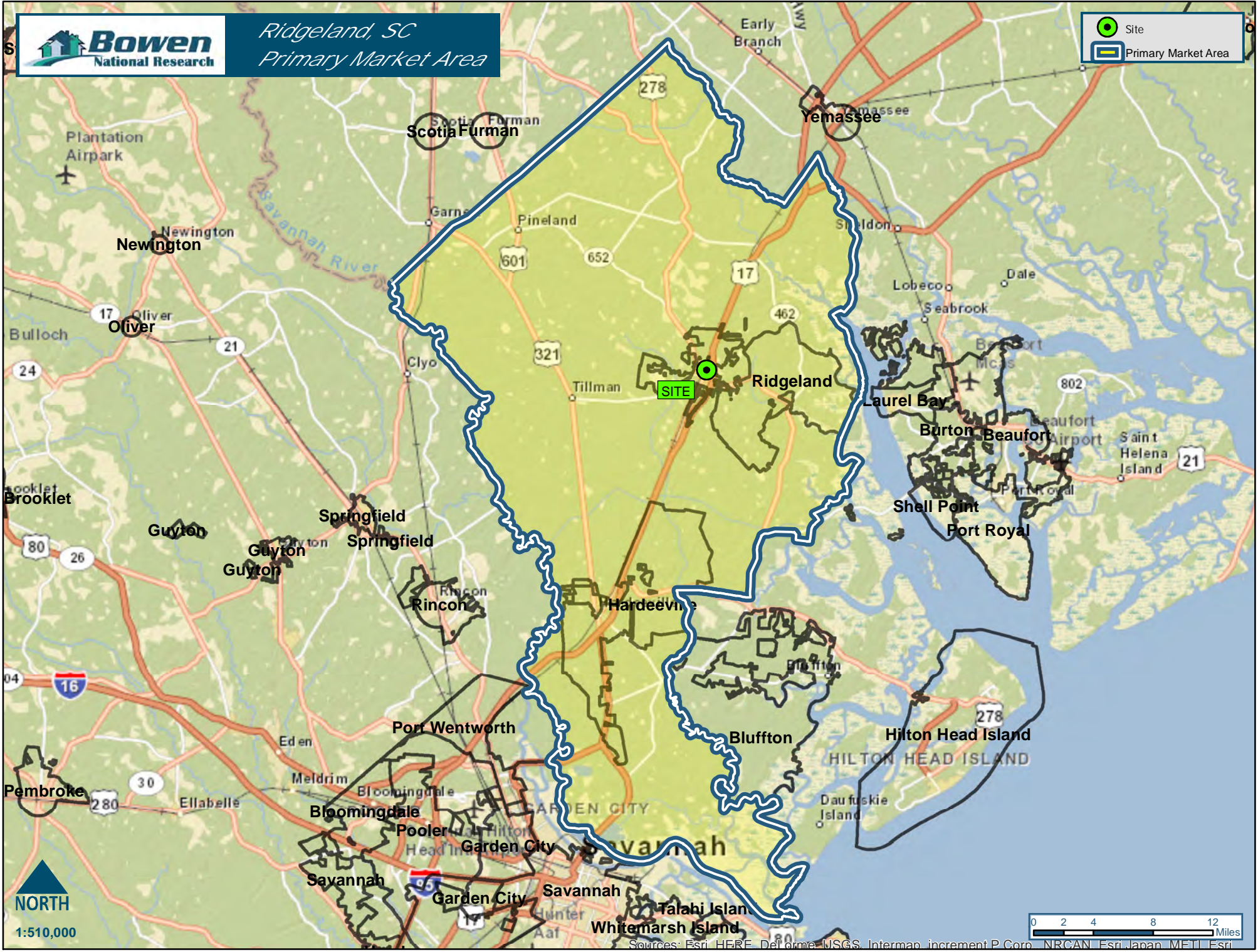
Catherine Powers, Assistant Property Manager of Oldfield Mews (Map I.D. 902) located outside of the Site PMA in Bluffton, South Carolina, confirmed the boundaries of the Site PMA map. Ms Powers explained that Ridgeland and Hardeeville would share a market, but tenants, especially seniors, generally would not look to travel to Beaufort or Bluffton. Ms. Powers explained there are a lot of housing options in Beaufort and Bluffton and people may look to move into these areas from Ridgeland, but not vice versa.

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



Ridgeland, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:510,000



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

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

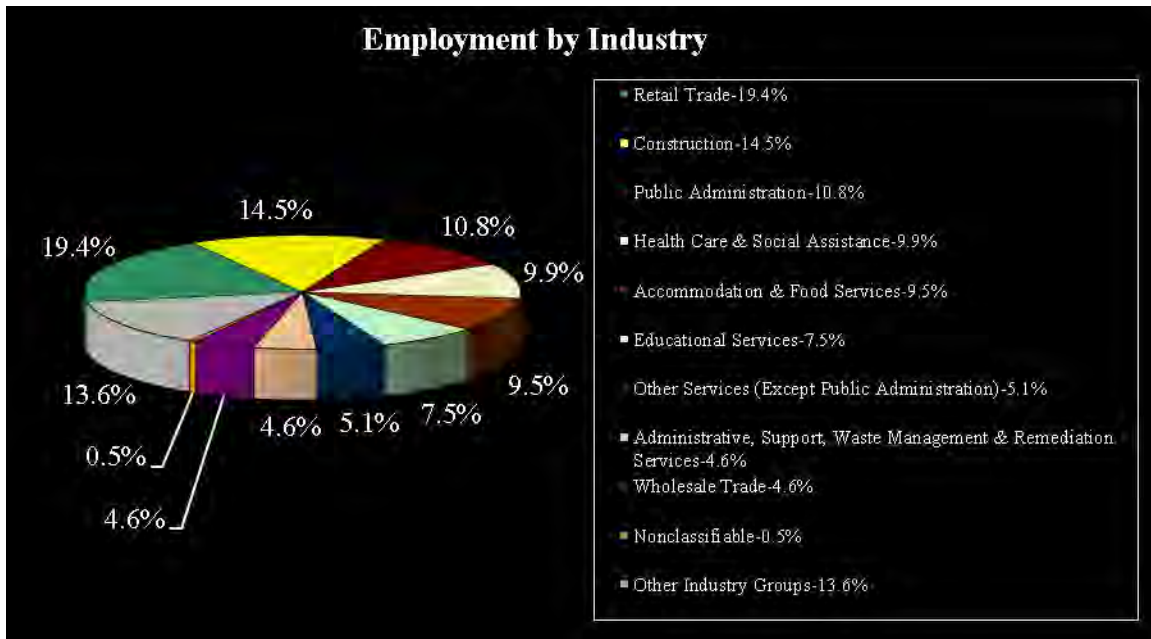
The labor force within the Ridgeland Site PMA is based primarily in three sectors. Retail Trade (which comprises 19.4%), Construction and Public Administration comprise nearly 45% of the Site PMA labor force. Employment in the Ridgeland Site PMA, as of 2015, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	12	1.0%	114	1.0%	9.5
Mining	2	0.2%	29	0.2%	14.5
Utilities	6	0.5%	132	1.1%	22.0
Construction	127	10.2%	1,695	14.5%	13.3
Manufacturing	39	3.1%	364	3.1%	9.3
Wholesale Trade	64	5.1%	533	4.6%	8.3
Retail Trade	210	16.8%	2,268	19.4%	10.8
Transportation & Warehousing	29	2.3%	162	1.4%	5.6
Information	12	1.0%	92	0.8%	7.7
Finance & Insurance	85	6.8%	140	1.2%	1.6
Real Estate & Rental & Leasing	62	5.0%	233	2.0%	3.8
Professional, Scientific & Technical Services	43	3.4%	249	2.1%	5.8
Management of Companies & Enterprises	1	0.1%	3	0.0%	3.0
Administrative, Support, Waste Management & Remediation Services	43	3.4%	540	4.6%	12.6
Educational Services	21	1.7%	879	7.5%	41.9
Health Care & Social Assistance	89	7.1%	1,160	9.9%	13.0
Arts, Entertainment & Recreation	15	1.2%	74	0.6%	4.9
Accommodation & Food Services	96	7.7%	1,117	9.5%	11.6
Other Services (Except Public Administration)	180	14.4%	596	5.1%	3.3
Public Administration	75	6.0%	1,264	10.8%	16.9
Nonclassifiable	38	3.0%	59	0.5%	1.6
Total	1,249	100.0%	11,703	100.0%	9.4

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Low Country South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$85,530	\$94,200
Business and Financial Occupations	\$60,130	\$59,660
Computer and Mathematical Occupations	\$63,430	\$66,430
Architecture and Engineering Occupations	\$59,680	\$73,960
Community and Social Service Occupations	\$39,830	\$39,440
Art, Design, Entertainment and Sports Medicine Occupations	\$35,460	\$42,760
Healthcare Practitioners and Technical Occupations	\$67,570	\$66,950
Healthcare Support Occupations	\$26,270	\$25,970
Protective Service Occupations	\$37,410	\$34,550
Food Preparation and Serving Related Occupations	\$21,410	\$19,990
Building and Grounds Cleaning and Maintenance Occupations	\$25,670	\$22,570
Personal Care and Service Occupations	\$24,190	\$22,390
Sales and Related Occupations	\$30,540	\$31,130
Office and Administrative Support Occupations	\$30,660	\$32,050
Construction and Extraction Occupations	\$36,550	\$37,440
Installation, Maintenance and Repair Occupations	\$40,300	\$41,420
Production Occupations	\$33,880	\$35,220
Transportation and Moving Occupations	\$28,650	\$31,030

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

Most annual blue-collar salaries range from \$21,410 to \$40,300 within the nonmetropolitan area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$67,268. It is important to note that most occupational types within the nonmetropolitan area have generally similar typical wages as the State of South Carolina's typical wages. Although the subject development will continue to target senior households (age 62 and older), many of which will likely be retired, the area employment base appears to have a large base of wage-appropriate jobs in the market from which seniors seeking employment could choose.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Jasper County are summarized in the following table. Note that current employment numbers were not available at the time this report was issued.

Employer Name	Business Type
Jasper County School District	Education
Jasper County	Government
Coastal Carolina Hospital	Health Care
City of Hardeeville	Government
Key Nissan LLC	Manufacturer
Palmetto Electric Coop	Energy
Walmart	Retail
SC Department of Corrections	Corrections
Jasper County Board of Disabilities	Social Services Organization
Compassion Healthcare INC	HealthCare

Source: S.C. Department of Employment & Workforce (2015)

Despite numerous attempts to contact local representatives regarding the local economy, a response was not received at the time this report was issued. The following economic announcements were obtained via our online research:

- A new bi-state Jasper Ocean Terminal is proposed to be located along the Back River in Jasper County, near the Tybee National Wildlife Refuge at the mouth of the Savannah River. The estimated \$4.5 billion port will handle seven million units of shipping cargo and will occupy approximately 1,500 acres. More than 900 jobs will be created directly and indirectly for the construction of the port by the early 2020s. The port is expected to be completed in 2040 and has the potential to create \$9 billion in tax revenue between Georgia and South Carolina.
- Riverport, a 5,000-acre development that borders the Savannah River and Interstate 95, broke ground last year. The project is a joint public-private development that is expected to attract \$875 million in investment and create more than 10,000 new jobs. It will include a 170-acre industrial park with space for distribution and warehouse facilities. There are plans for a retail district, homes, schools and a public safety building as well.

- AS/R Systems Inc., a leading manufacturer of customized and rebuilt carousels for industrial applications, is moving its operations to Ridgeland. The \$2.5 million investment by AS/R Systems will generate 11 new jobs.
- SouthernCarolina Alliance and Gordon Construction began construction last year on a 50,000-square-foot industrial building that will house both manufacturing and distribution operations. The new space will bring new businesses and create more jobs in Jasper County.
- KBRS, Incorporated, a manufacturer of custom shower and tile components, opened a new manufacturing facility in Jasper County in 2014. This \$2.6 million investment created 30 jobs.
- Be Green Packaging, which manufacturers certified compostable and recyclable packaging, opened a plant in Ridgeland in 2014, a \$7.3 investment, which created 175 jobs.

Overall, the subject market has numerous expansions, relocations and investments that will contribute to the local economy's growth.

WARN (layoff notices):

According to the South Carolina Department of Employment and Workforce, there are no WARN notices reported for Jasper County since January 2014.

4. EMPLOYMENT TRENDS

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

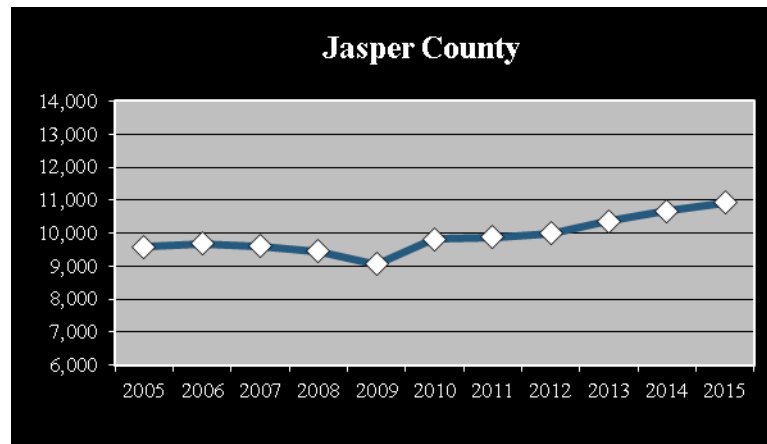
Excluding 2015, the employment base has increased by 8.5% over the past five years in Jasper County, more than the South Carolina state increase of 7.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Jasper County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	9,586	-	1,929,233	-	142,222,734	-
2006	9,690	1.1%	1,973,337	2.3%	145,000,042	2.0%
2007	9,602	-0.9%	2,005,686	1.6%	146,388,400	1.0%
2008	9,447	-1.6%	1,996,409	-0.5%	146,047,748	-0.2%
2009	9,054	-4.2%	1,910,670	-4.3%	140,696,560	-3.7%
2010	9,824	8.5%	1,915,045	0.2%	140,469,405	-0.2%
2011	9,884	0.6%	1,942,109	1.4%	141,793,976	0.9%
2012	9,996	1.1%	1,978,328	1.9%	143,692,766	1.3%
2013	10,353	3.6%	2,013,452	1.8%	145,141,024	1.0%
2014	10,663	3.0%	2,056,136	2.1%	147,569,657	1.7%
2015*	10,921	2.4%	2,114,829	2.9%	149,753,758	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through December



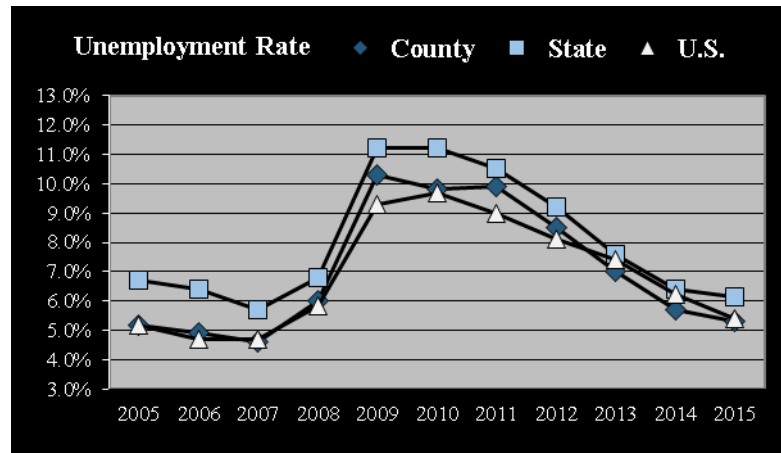
As the preceding illustrates, the Jasper County employment base declined in 2008 and 2009 as a result of the national recession. However, since that time, the economic base has grown and currently exceeds pre-recession levels.

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

Year	Total Unemployment					
	Jasper County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	521	5.2%	139,366	6.7%	7,752,574	5.2%
2006	495	4.9%	135,760	6.4%	7,134,635	4.7%
2007	460	4.6%	120,205	5.7%	7,190,052	4.7%
2008	608	6.0%	145,823	6.8%	9,059,270	5.8%
2009	1,041	10.3%	242,075	11.2%	14,430,158	9.3%
2010	1,073	9.8%	240,623	11.2%	15,070,063	9.7%
2011	1,087	9.9%	228,937	10.5%	14,035,512	9.0%
2012	925	8.5%	199,830	9.2%	12,698,735	8.1%
2013	774	7.0%	166,641	7.6%	11,644,109	7.4%
2014	644	5.7%	141,451	6.4%	9,794,950	6.2%
2015*	617	5.3%	138,424	6.2%	8,503,727	5.4%

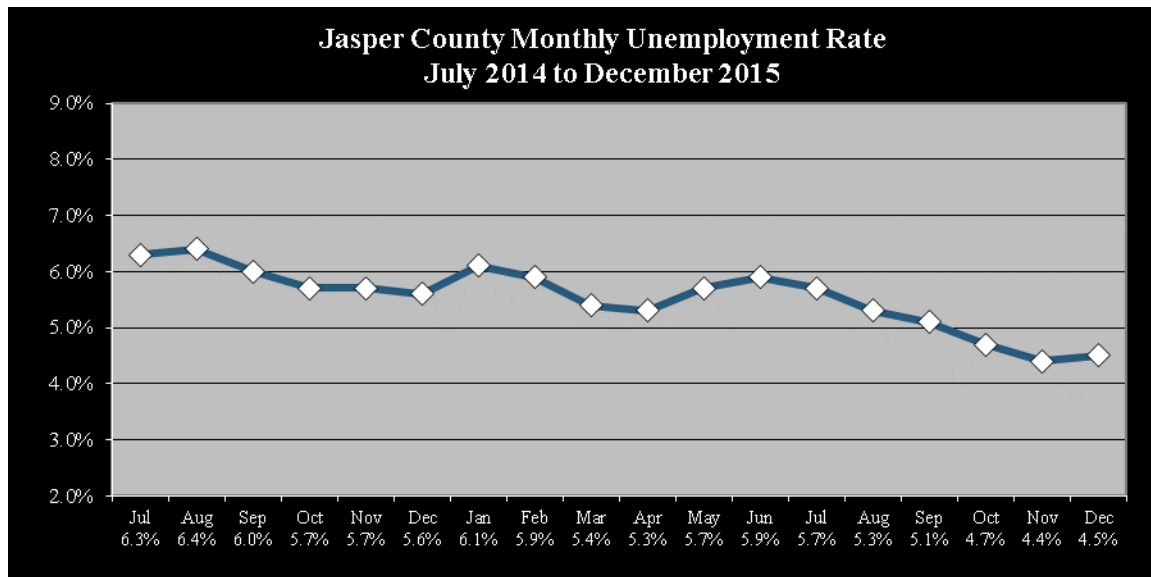
Source: Department of Labor, Bureau of Labor Statistics

*Through December



The unemployment rate in Jasper County peaked at 10.3% in 2009. It has declined in virtually each year since 2009. It is currently (December 2015) at 5.3%, which is an eight-year low and below state and national averages.

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



The county’s monthly unemployment rate has generally declined over the past 18 months, with the unemployment rates in the final four months of 2015 representing 18-month lows. These are signs of a strengthening economy.

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

In-Place Employment Jasper County			
Year	Employment	Change	Percent Change
2005	6,144	-	-
2006	7,598	1,454	23.7%
2007	8,018	420	5.5%
2008	8,058	40	0.5%
2009	7,264	-794	-9.9%
2010	7,327	63	0.9%
2011	7,059	-268	-3.7%
2012	6,969	-90	-1.3%
2013	7,092	123	1.8%
2014	7,669	577	8.1%
2015*	8,008	339	4.4%

Source: Department of Labor, Bureau of Labor Statistics

*Through June


Data for 2014, the most recent year that year-end figures are available, indicates in-place employment in Jasper County to be 71.9% of the total Jasper County employment. This means that Jasper County has more employed persons staying in the county for daytime employment than those who work outside the county.

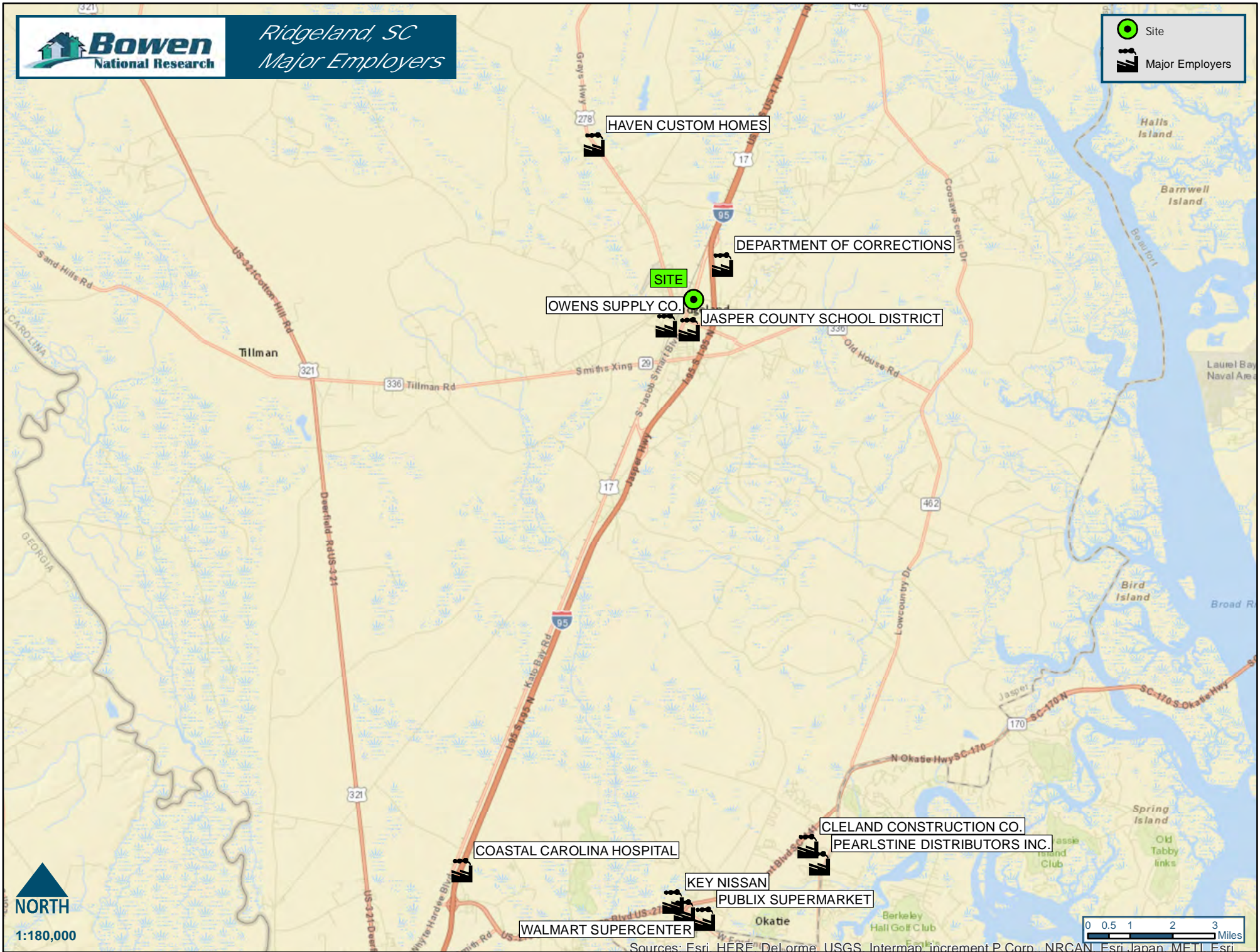
5. EMPLOYMENT CENTERS MAP


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



Ridgeland, SC
Major Employers

 Site
 Major Employers




 NORTH
 1:180,000



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

6. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	8,493	77.8%
Carpooled	1,791	16.4%
Public Transit	0	0.0%
Walked	129	1.2%
Other Means	141	1.3%
Worked at Home	364	3.3%
Total	10,918	100.0%

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

Over 77% of all workers drove alone, while 16.4% carpooled.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	2,051	18.8%
15 to 29 Minutes	2,825	25.9%
30 to 44 Minutes	3,539	32.4%
45 to 59 Minutes	1,576	14.4%
60 or More Minutes	563	5.2%
Worked at Home	364	3.3%
Total	10,918	100.0%

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

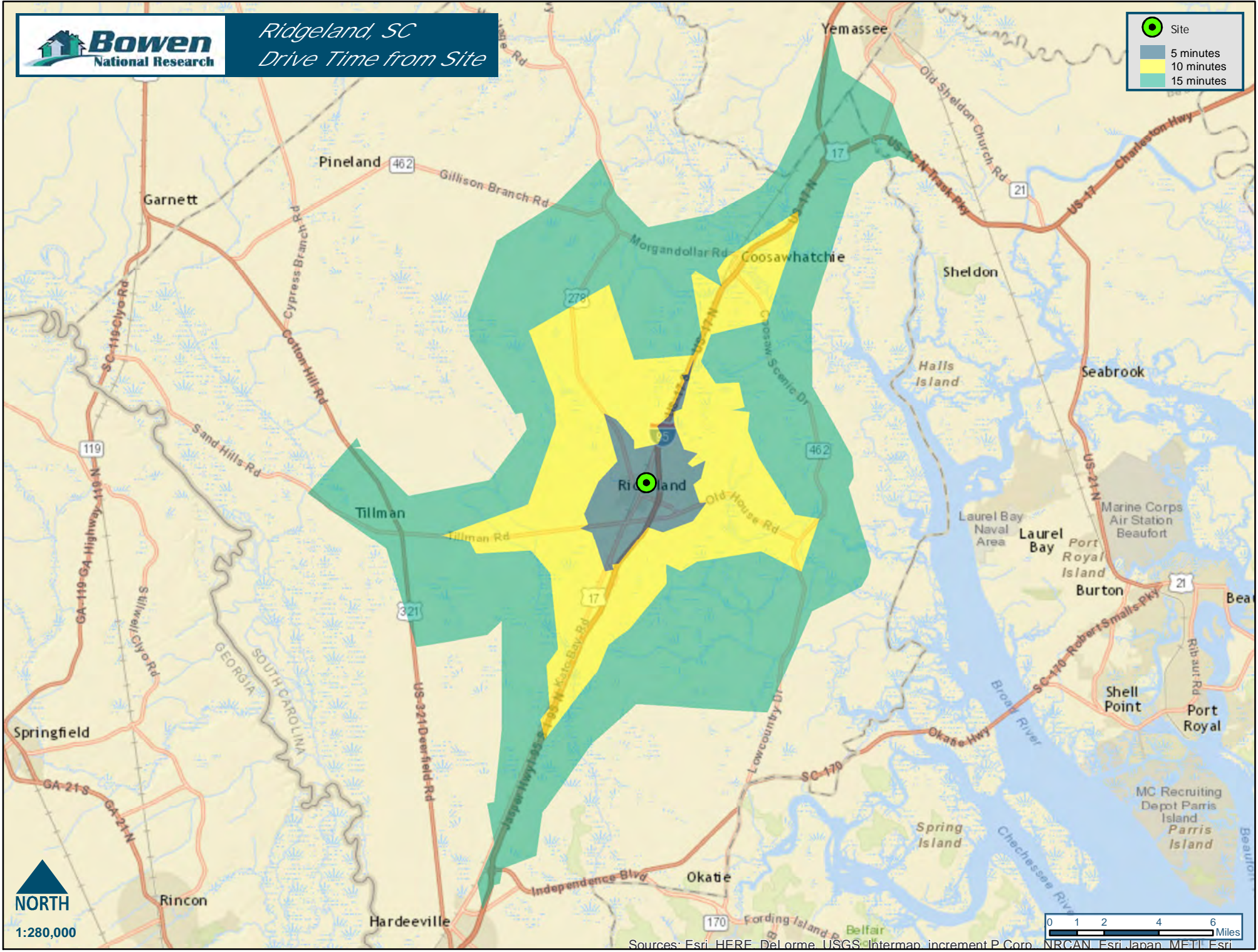
The largest share of area commuters has typical travel times to work ranging from 30 to 44 minutes. While the subject project is age-restricted and few of its residents remain in the workforce, the subject site is within proximity (no more than 1.4 miles) of numerous businesses, including retailers, which offer wage-appropriate positions from which seniors could choose to work. This should contribute to the project's continued marketability. A drive-time map for the subject site is on the following page.



*Ridgeland, SC
Drive Time from Site*

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:280,000



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

7. ECONOMIC FORECAST AND HOUSING IMPACT

While the Site PMA has a relatively balanced economic base, nearly one-fourth of the jobs in the market are within the Retail Trade sector. Despite this diversity, the Jasper County economy was adversely impacted by the national recession. The county lost over 500 jobs, more than 5.0% of the county's employment base, in 2008 and 2009. More importantly, over the past six years the county has recovered all of the jobs lost during this two-year period of the national recession and currently has more persons employed in the county than at any point in the past decade. This economic growth has resulted in a decline in the county's unemployment rate of 10.3% in 2009 to the latest (December 2015) unemployment rate of 5.3%. These are all positive signs of a healthy and growing economy. There have been numerous business expansions, relocations and investments that should contribute to the continued growth of the local economy. As a result, it is expected that the county will continue to experience positive economic trends for the foreseeable future. This will provide a positive economic environment for the subject project and the overall housing market.

F. COMMUNITY DEMOGRAPHIC DATA

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

1. POPULATION TRENDS

a. Total Population

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

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Population	20,678	24,777	28,676	31,347
Population Change	-	4,099	3,899	2,671
Percent Change	-	19.8%	15.7%	9.3%

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

The Ridgeland Site PMA population base increased by 4,099 between 2000 and 2010. This represents a 19.8% increase over the 2000 population, or an annual rate of 1.8%. Between 2010 and 2015, the population increased by 3,899, or 15.7%. It is projected that the population will increase by 2,671, or 9.3%, between 2015 and 2018.

Based on the 2010 Census, the population residing in group-quarters is represented by 6.0% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	1,488	6.0%
Population not in Group Quarters	23,289	94.0%
Total Population	24,777	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2015 (Estimated)		2018 (Projected)		Change 2015-2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,867	27.7%	7,510	26.2%	8,256	26.3%	746	9.9%
20 to 24	1,969	7.9%	2,311	8.1%	2,273	7.2%	-38	-1.7%
25 to 34	3,685	14.9%	4,429	15.4%	4,740	15.1%	311	7.0%
35 to 44	3,217	13.0%	3,596	12.5%	3,984	12.7%	388	10.8%
45 to 54	3,542	14.3%	3,671	12.8%	3,789	12.1%	118	3.2%
55 to 64	2,728	11.0%	3,537	12.3%	3,997	12.7%	460	13.0%
65 to 74	1,671	6.7%	2,331	8.1%	2,772	8.8%	441	18.9%
75 & Over	1,098	4.4%	1,291	4.5%	1,537	4.9%	246	19.1%
Total	24,777	100.0%	28,676	100.0%	31,347	100.0%	2,671	9.3%

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

As the preceding table illustrates, approximately 25% of the population is expected to be age 55 and older in 2015. The largest projected growth among the adult population is expected to occur among seniors ages of 65 and older. This age group is the primary group of continued and potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The following compares the PMA's elderly (age 55+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2015 (Estimated)	2018 (Projected)
Elderly (Age 55+)	5,497	7,159	8,306
Non-Elderly	19,280	21,517	23,041
Total	24,777	28,676	31,347

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

Those ages 55 and older are projected to increase by 1,147, or 16.0%, between 2015 and 2018. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2015 (Estimated)	2018 (Projected)
Elderly (Age 62+)	3,549	4,585	5,471
Non-Elderly	21,228	24,091	25,876
Total	24,777	28,676	31,347

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



The elderly population is projected to increase by 886, or 19.3%, between 2015 and 2018. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

d. Special Needs Population

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

e. Minority Concentrations

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	58.8%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	49.5%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.7%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.5%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	< 0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	6.9%

Source: U.S. Census Bureau, 2010 Census

Based on the preceding table, the site Census Tract does contain a high share of minorities.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Households	7,042	8,517	9,969	10,950
Household Change	-	1,475	1,452	981
Percent Change	-	20.9%	17.0%	9.8%
Household Size	2.94	2.91	2.73	2.73

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

Within the Ridgeland Site PMA, households increased by 1,475 (20.9%) between 2000 and 2010. Between 2010 and 2015, households increased by 1,452 or 17.0%. By 2018, there will be 10,950 households, an increase of 981 households, or 9.8% from 2015. This is an increase of approximately 327 households annually over the next three years.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	5,871	68.9%	6,657	66.8%	7,309	66.8%
Renter-Occupied	2,646	31.1%	3,312	33.2%	3,641	33.2%
Total	8,517	100.0%	9,969	100.0%	10,950	100.0%

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

In 2015, homeowners occupied 66.8% of all occupied housing units, while the remaining 33.2% were occupied by renters.

Households by tenure for those age 55 and older in 2010, 2015 (estimated) and 2018 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,836	82.9%	3,597	82.6%	4,103	82.3%
Renter-Occupied	585	17.1%	755	17.4%	880	17.7%
Total	3,421	100.0%	4,352	100.0%	4,983	100.0%

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

A total of 755 (17.4%) of all households age 55 and older within the Site PMA were renters in 2015.

Households by tenure for those age 62 and older in 2010, 2015 (estimated) and 2018 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,906	83.7%	2,411	84.5%	2,784	84.0%
Renter-Occupied	372	16.3%	443	15.5%	531	16.0%
Total	2,278	100.0%	2,854	100.0%	3,315	100.0%

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

As the preceding table illustrates, senior renter households ages 62 and older are projected to increase by 88, or 19.9%, between 2015 and 2018. This projected growth indicates that there will be an increasing need for age-restricted rental housing within the Ridgeland Site PMA.

c. Households by Income

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

Household Income	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	741	8.7%	1,327	13.3%	1,474	13.5%
\$10,000 to \$19,999	1,134	13.3%	1,540	15.5%	1,704	15.6%
\$20,000 to \$29,999	1,186	13.9%	1,482	14.9%	1,636	14.9%
\$30,000 to \$39,999	1,047	12.3%	1,304	13.1%	1,434	13.1%
\$40,000 to \$49,999	892	10.5%	931	9.3%	1,027	9.4%
\$50,000 to \$59,999	822	9.7%	881	8.8%	948	8.7%
\$60,000 to \$74,999	670	7.9%	571	5.7%	637	5.8%
\$75,000 to \$99,999	1,030	12.1%	1,072	10.8%	1,157	10.6%
\$100,000 to \$124,999	354	4.2%	272	2.7%	298	2.7%
\$125,000 to \$149,999	264	3.1%	210	2.1%	225	2.1%
\$150,000 to \$199,999	163	1.9%	138	1.4%	151	1.4%
\$200,000 & Over	215	2.5%	240	2.4%	260	2.4%
Total	8,517	100.0%	9,969	100.0%	10,950	100.0%
Median Income	\$41,686		\$34,869		\$34,617	

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

In 2010, the median household income was \$41,686. This declined by 16.4% to \$34,869 in 2015. By 2018, it is projected that the median household income will be \$34,617, a decline of 0.7% from 2015.

The distribution of households by income age 55 and older within the Ridgeland Site PMA is summarized as follows:

Household Income 55+	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	316	9.2%	652	15.0%	752	15.1%
\$10,000 to \$19,999	543	15.9%	739	17.0%	840	16.9%
\$20,000 to \$29,999	432	12.6%	602	13.8%	694	13.9%
\$30,000 to \$39,999	458	13.4%	581	13.4%	667	13.4%
\$40,000 to \$49,999	374	10.9%	423	9.7%	482	9.7%
\$50,000 to \$59,999	291	8.5%	310	7.1%	350	7.0%
\$60,000 to \$74,999	225	6.6%	211	4.9%	252	5.1%
\$75,000 to \$99,999	407	11.9%	500	11.5%	564	11.3%
\$100,000 to \$124,999	143	4.2%	108	2.5%	125	2.5%
\$125,000 to \$149,999	122	3.6%	100	2.3%	112	2.2%
\$150,000 to \$199,999	56	1.6%	57	1.3%	66	1.3%
\$200,000 & Over	54	1.6%	70	1.6%	79	1.6%
Total	3,421	100.0%	4,352	100.0%	4,983	100.0%
Median Income	\$39,164		\$33,154		\$33,086	

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

In 2010, the median household income for households age 55 and older was \$39,164. This declined by 15.3% to \$33,154 in 2015. By 2018, it is projected that the median household income will be \$33,086, a decline of 0.2% from 2015.

The distribution of households by income age 62 and older within the Ridgeland Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	237	10.4%	491	17.2%	571	17.2%
\$10,000 to \$19,999	400	17.6%	544	19.1%	622	18.8%
\$20,000 to \$29,999	277	12.2%	375	13.2%	438	13.2%
\$30,000 to \$39,999	313	13.8%	383	13.4%	447	13.5%
\$40,000 to \$49,999	238	10.5%	279	9.8%	324	9.8%
\$50,000 to \$59,999	205	9.0%	206	7.2%	235	7.1%
\$60,000 to \$74,999	146	6.4%	119	4.2%	145	4.4%
\$75,000 to \$99,999	227	9.9%	275	9.6%	319	9.6%
\$100,000 to \$124,999	98	4.3%	64	2.2%	77	2.3%
\$125,000 to \$149,999	79	3.5%	58	2.0%	66	2.0%
\$150,000 to \$199,999	28	1.2%	24	0.8%	30	0.9%
\$200,000 & Over	30	1.3%	34	1.2%	41	1.2%
Total	2,278	100.0%	2,854	100.0%	3,315	100.0%
Median Income	\$37,191		\$30,433		\$30,585	

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

In 2010, the median household income for households age 62 and older was \$37,191. This declined by 18.2% to \$30,433 in 2015. By 2018, it is projected that the median household income will be \$30,585, an increase of 0.5% from 2015.

d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2015 and 2018 for the Ridgeland Site PMA:

Renter Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	89	0	4	0	0	93
\$10,000 to \$19,999	53	52	7	2	0	113
\$20,000 to \$29,999	69	4	6	0	0	79
\$30,000 to \$39,999	54	3	7	2	5	71
\$40,000 to \$49,999	14	5	19	0	2	39
\$50,000 to \$59,999	13	6	8	0	0	27
\$60,000 to \$74,999	4	2	3	0	0	9
\$75,000 to \$99,999	9	92	8	0	0	109
\$100,000 to \$124,999	3	2	13	0	0	18
\$125,000 to \$149,999	7	3	3	0	0	13
\$150,000 to \$199,999	2	0	0	0	0	2
\$200,000 & Over	7	4	2	0	0	13
Total	323	172	80	3	7	585

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 55+ Households	2015 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	195	0	6	0	1	202
\$10,000 to \$19,999	50	59	9	0	1	119
\$20,000 to \$29,999	74	7	7	1	1	90
\$30,000 to \$39,999	74	3	8	0	6	92
\$40,000 to \$49,999	19	6	26	0	0	50
\$50,000 to \$59,999	9	3	6	0	0	19
\$60,000 to \$74,999	2	2	3	0	0	8
\$75,000 to \$99,999	6	117	5	0	0	128
\$100,000 to \$124,999	5	2	8	0	0	15
\$125,000 to \$149,999	2	2	2	3	0	10
\$150,000 to \$199,999	3	0	0	0	1	5
\$200,000 & Over	12	3	2	0	0	17
Total	451	206	82	5	10	755

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 55+ Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	229	1	6	0	1	237
\$10,000 to \$19,999	63	72	12	0	3	150
\$20,000 to \$29,999	88	8	7	0	0	105
\$30,000 to \$39,999	83	5	9	0	5	102
\$40,000 to \$49,999	20	5	28	1	0	55
\$50,000 to \$59,999	10	3	8	0	2	23
\$60,000 to \$74,999	2	2	4	0	0	9
\$75,000 to \$99,999	6	134	9	1	0	150
\$100,000 to \$124,999	4	2	10	0	0	17
\$125,000 to \$149,999	2	2	2	1	0	9
\$150,000 to \$199,999	2	0	1	0	0	3
\$200,000 & Over	12	4	2	0	1	20
Total	524	239	99	4	13	880

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2015 and 2018 for the Ridgeland Site PMA:

Owner Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	148	33	15	4	22	222
\$10,000 to \$19,999	259	111	37	24	0	431
\$20,000 to \$29,999	84	164	51	41	13	353
\$30,000 to \$39,999	179	127	74	7	1	387
\$40,000 to \$49,999	65	177	40	38	15	335
\$50,000 to \$59,999	94	134	4	19	13	263
\$60,000 to \$74,999	32	117	26	26	14	216
\$75,000 to \$99,999	32	130	8	53	76	299
\$100,000 to \$124,999	39	74	3	5	5	125
\$125,000 to \$149,999	19	56	21	7	7	110
\$150,000 to \$199,999	10	21	1	5	18	54
\$200,000 & Over	17	14	4	0	6	41
Total	977	1,158	283	227	191	2,836

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 55+ Households	2015 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	280	71	45	12	43	450
\$10,000 to \$19,999	368	172	46	29	5	619
\$20,000 to \$29,999	130	247	68	46	20	512
\$30,000 to \$39,999	190	168	119	10	1	489
\$40,000 to \$49,999	89	196	43	29	16	373
\$50,000 to \$59,999	110	144	7	14	16	291
\$60,000 to \$74,999	41	110	24	14	14	203
\$75,000 to \$99,999	50	167	13	66	77	372
\$100,000 to \$124,999	35	52	0	1	5	93
\$125,000 to \$149,999	12	50	15	6	7	89
\$150,000 to \$199,999	6	14	1	7	24	52
\$200,000 & Over	17	19	2	0	14	52
Total	1,327	1,409	385	234	241	3,597

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 55+ Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	321	78	54	12	50	515
\$10,000 to \$19,999	401	195	58	31	5	690
\$20,000 to \$29,999	146	282	82	55	24	589
\$30,000 to \$39,999	219	198	135	12	1	564
\$40,000 to \$49,999	100	220	49	39	19	428
\$50,000 to \$59,999	123	159	10	18	17	327
\$60,000 to \$74,999	46	132	32	15	18	243
\$75,000 to \$99,999	53	190	16	72	83	414
\$100,000 to \$124,999	37	62	2	3	5	109
\$125,000 to \$149,999	15	55	18	7	8	103
\$150,000 to \$199,999	8	19	0	9	27	63
\$200,000 & Over	20	22	2	0	15	59
Total	1,489	1,611	460	272	272	4,103

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2015 and 2018 for the Ridgeland Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	70	0	3	0	0	74
\$10,000 to \$19,999	52	22	6	2	0	81
\$20,000 to \$29,999	45	1	5	0	0	51
\$30,000 to \$39,999	5	3	6	2	5	21
\$40,000 to \$49,999	11	3	18	0	2	34
\$50,000 to \$59,999	9	4	8	0	0	21
\$60,000 to \$74,999	3	0	3	0	0	5
\$75,000 to \$99,999	9	32	8	0	0	49
\$100,000 to \$124,999	3	2	12	0	0	17
\$125,000 to \$149,999	6	2	3	0	0	10
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	6	3	1	0	0	10
Total	220	72	70	3	7	372

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2015 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	149	0	5	0	1	155
\$10,000 to \$19,999	49	22	8	0	1	80
\$20,000 to \$29,999	52	2	6	1	1	62
\$30,000 to \$39,999	3	2	6	0	6	17
\$40,000 to \$49,999	16	2	24	0	0	42
\$50,000 to \$59,999	5	1	5	0	0	10
\$60,000 to \$74,999	1	0	2	0	0	3
\$75,000 to \$99,999	6	31	5	0	0	41
\$100,000 to \$124,999	3	1	7	0	0	11
\$125,000 to \$149,999	2	1	1	2	0	7
\$150,000 to \$199,999	2	0	0	0	1	3
\$200,000 & Over	7	2	1	0	0	10
Total	295	65	69	3	10	443

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2018 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	179	0	5	0	1	185
\$10,000 to \$19,999	63	28	11	0	2	103
\$20,000 to \$29,999	63	2	6	0	0	72
\$30,000 to \$39,999	4	4	6	0	5	19
\$40,000 to \$49,999	18	3	27	0	0	47
\$50,000 to \$59,999	5	0	7	0	2	14
\$60,000 to \$74,999	1	0	3	0	0	4
\$75,000 to \$99,999	6	37	8	1	0	52
\$100,000 to \$124,999	3	1	9	0	0	13
\$125,000 to \$149,999	2	2	2	1	0	7
\$150,000 to \$199,999	1	0	1	0	0	2
\$200,000 & Over	7	2	1	0	1	12
Total	351	80	85	3	12	531

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2015 and 2018 for the Ridgeland Site PMA:

Owner Age 62+ Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	117	28	14	4	0	163
\$10,000 to \$19,999	194	77	26	22	0	319
\$20,000 to \$29,999	52	85	47	38	4	226
\$30,000 to \$39,999	156	72	58	6	1	292
\$40,000 to \$49,999	47	113	33	10	2	205
\$50,000 to \$59,999	50	115	4	16	0	184
\$60,000 to \$74,999	18	77	24	21	1	141
\$75,000 to \$99,999	29	105	7	14	23	178
\$100,000 to \$124,999	19	54	3	4	1	81
\$125,000 to \$149,999	14	31	19	4	0	69
\$150,000 to \$199,999	7	18	1	2	1	28
\$200,000 & Over	10	6	4	0	0	19
Total	713	781	238	142	32	1,906

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2015 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	219	60	45	10	3	337
\$10,000 to \$19,999	275	117	39	29	5	464
\$20,000 to \$29,999	65	133	65	46	5	314
\$30,000 to \$39,999	171	88	97	9	1	366
\$40,000 to \$49,999	62	130	39	3	2	237
\$50,000 to \$59,999	50	128	7	8	2	196
\$60,000 to \$74,999	21	62	23	10	0	116
\$75,000 to \$99,999	48	137	13	16	19	234
\$100,000 to \$124,999	14	37	0	1	1	53
\$125,000 to \$149,999	8	25	15	2	1	52
\$150,000 to \$199,999	5	13	1	2	0	21
\$200,000 & Over	10	11	2	0	0	24
Total	947	941	346	137	40	2,411

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	253	65	53	11	3	386
\$10,000 to \$19,999	303	133	47	31	5	519
\$20,000 to \$29,999	74	153	79	54	6	366
\$30,000 to \$39,999	196	109	111	10	1	428
\$40,000 to \$49,999	72	149	45	8	3	277
\$50,000 to \$59,999	59	141	8	11	1	221
\$60,000 to \$74,999	24	75	31	11	1	141
\$75,000 to \$99,999	51	160	15	18	23	267
\$100,000 to \$124,999	14	44	2	3	1	64
\$125,000 to \$149,999	11	26	18	2	1	59
\$150,000 to \$199,999	6	17	0	3	1	27
\$200,000 & Over	12	15	2	0	0	30
Total	1,077	1,088	412	162	46	2,784

Source: Ribbon Demographics; ESRI; Urban Decision Group

Overall, population and households have experienced positive growth since 2000. These trends are projected to remain positive through 2018, increasing by 2,671 (9.3%) and 981 (9.8%), respectively, from 2015. Notably, households ages 62 and older are projected to increase by 461 (16.2%) during the same time period. Further, senior renter households ages 62 and older are projected to increase by 88, or 19.9%, between 2015 and 2018. This projected growth is expected to increase the demand for age-restricted rental housing over the next few years within the Ridgeland Site PMA. These trends will bode well for the continued demand of the subject units.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within Jasper County, which has a four-person median household income of \$43,600 for 2015. The subject site is in a rural eligible market as defined by USDA and therefore is eligible to use the National Non-metropolitan income limit of \$54,100. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,950	\$22,740
Two-Person	\$21,650	\$25,980

The subject project consists entirely of one-bedroom units that are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is \$25,980. Note that although the subject project will be able to accommodate households earning up to 60% as proposed with RA, those with very low incomes (below 50% of AMHI) are given priority for units with RA. Conservatively, we have utilized the maximum allowable income for a two-person household at 50% of AMHI of \$21,650 to calculate demand as proposed with RA.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$625, which is the gross rent under the assumption that the project operates under the RD 515 program guidelines. Because this exceeds LIHTC programmatic limits, we have used the one-bedroom 50% AMHI maximum allowable rent of \$507 to

determine the minimum income required for the project to operate exclusively under the LIHTC program. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,084. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$15,210.

Because the subject project is expected to retain Rental Assistance on all 24 units, we have also used the minimum income limit of \$0 to conduct an additional capture rate analysis for the subject project to continue to operate under this scenario.

The following table summarizes the income ranges for the subject project to operate with its current Rental Assistance and exclusively as a LIHTC project.

Unit Type	Income Range	
	Minimum	Maximum
RD 515/Tax Credit (Limited to 50% of AMHI)	\$0	\$21,650
Tax Credit (Limited To 50% Of AMHI)	\$15,210	\$21,650
Tax Credit (Limited To 60% Of AMHI)	\$18,270	\$25,980
Overall Tax Credit	\$15,210	\$25,980

3. DEMAND COMPONENTS

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

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

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

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

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*
- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*
- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*

The subject project is located in a rural area of South Carolina. As a result, we anticipate that 5.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 5.0% homeowner conversion rate in our capture rate estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate*

demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.

4. METHODOLOGY

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

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

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there was one affordable housing project that was placed in service during the projection period (2015 to current). This project (Logan Lane Apartments-Map ID 11) is an existing RD project that is fully occupied and all units receive Rental Assistance. Given that this project was simply renovated with LIHTC financing, has been fully occupied for some time and did not involve the introduction of new units to the market, no units were included in the following demand estimates.

The following table provides our capture rate estimates by program type:

Demand Component	Capture Rates by Percent of Median Household Income			
	RD & TC with RA	Tax Credit Only		
	RD 515 Age 62+ with RA (\$0 - \$21,650)	TC 50% AMHI Age 55+ (\$15,210 - \$21,650)	TC 60% AMHI Age 55+ (\$18,270 - \$25,980)	Tax Credit Only Age 55+ (\$15,210 - \$25,980)
Demand From New Renter Households (Age- And Income-Appropriate)	300 - 245 = 55	89 - 72 = 17	89 - 75 = 14	134 - 111 = 23
+				
Demand From Existing Households (Rent Overburdened)	245 X 70.0% = 171	72 X 67.3% = 49	75 X 59.3% = 44	111 X 63.1% = 70
+				
Demand From Existing Households (Renters In Substandard Housing)	245 X 6.2% = 15	72 X 6.2% = 5	75 X 6.2% = 5	111 X 6.2% = 7
+				
Demand From Existing Households (Senior Homeowner Conversion)	852 X 5.0% = 43	381 X 5.0% = 17*	413 X 5.0% = 15*	603 X 5.0% = 25*
=				
Total Demand	284	88	78	125
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2015)	0	0	0	0
=				
Net Demand	284	88	78	125
Proposed Units	24	12	12	24
Capture Rate	8.5%	13.6%	15.4%	19.2%

RA – Rental Assistance

*Demand from homeowners is limited to no more than 20% of overall demand.

As proposed, the subject project will maintain its subsidy and will require a capture rate of 8.5%. Based on the current occupancy of the project and the overall market, the 8.5% capture rate is considered very low and achievable. Further, the subject project is 100.0% occupied and all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is 0.0%.

In the unlikely event the subject project were to lose its project-based subsidy, the capture rate would be 19.2%. This capture rate is also considered low and achievable in this unlikely scenario. This is especially true given the lack of non-subsidized affordable senior housing in the market and the growing base of senior households.

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

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

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

Rural Development - Units Targeting 50% Of AMHI (284 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (50.0%)	142	0	142	24	16.9%
Two-Bedroom (50.0%)	142	0	142	0	0.0%

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

Tax Credit - Units Targeting 50% Of AMHI (88 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (50.0%)	44	0	44	12	27.3%
Two-Bedroom (50.0%)	44	0	44	0	0.0%

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

Tax Credit - Units Targeting 60% Of AMHI (78 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (50.0%)	39	0	39	12	30.8%
Two-Bedroom (50.0%)	39	0	39	0	0.0%

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

The capture rates by bedroom type for each scenario range from 16.9% to 30.8%. The required capture rate for the units as proposed with Rental Assistance is low and achievable, while the capture rates by bedroom for the units to operate exclusively under the LIHTC program are considered moderate. Given the lack of non-subsidized senior product in the market, we believe this capture rate is achievable.

6. ABSORPTION PROJECTIONS

All 24 of the subject units are occupied with the project maintaining a five-household waiting list. It is anticipated that none of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents. Therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 24 subject units will be vacated and that all units will have to be re-rented (assuming Rental Assistance is preserved). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial renovated units at the site will be available for rent sometime in 2018, though the actual completion time may be earlier.

It is our opinion that the 24 units at the subject site will reach a stabilized occupancy of 93.0% within three months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of nine units per month. Our absorption projections assume that no other age-restricted projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that the Rental Assistance will be maintained. Should Rental Assistance not be secured, the 24 LIHTC units at the subject site would have a slightly extended absorption period based on the proposed collected rents, and the project's LIHTC capture rate. Therefore, we would anticipate the rehabilitated units would reach a stabilized occupancy rate of 93.0% within approximately six months. This assumes an average monthly absorption of four units per month.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified three Low-Income Housing Tax Credit (LIHTC) properties within the Ridgeland Site PMA, of which two we were able to survey at the time this report was issued. The one LIHTC property we were unable to survey, Heron Crossing Apartments, offers 32 affordable one-, two- and three-bedroom units targeting households with incomes up to 50% and 60% of Area Median Household Income (AMHI). Based on historical data obtained by Bowen National Research, this property was 100.0% occupied with a wait list in December 2012.

Note that the two LIHTC projects we were able to survey, are not age-restricted. However, they target households with income of up to 50% or 60% of AMHI and offer first floor entry one-bedroom units (as well as other bedroom types) that would appeal to seniors. Given that there are no age-restricted non-subsidized LIHTC projects in the Site PMA, we believe these two projects represent a good base of comparison for the subject project. As an additional base of comparison, we have included another LIHTC project outside the PMA but within the region.

These three LIHTC properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Devenwood Apartments	1993 / 2017	24	100.0%	-	5 H.H.	Seniors 62+; 50% & 60% AMHI & RD 515
4	Jenny Greene Apts.	2011	50	100.0%	14.8 Miles	90 H.H.	Families; 50% & 60% AMHI
11	Logan Lane Apts.	1992 / 2015	36	100.0%	0.7 Miles	5 H.H.	Families; 60% AMHI & RD 515
901	May River Village I & II	2012	108	100.0%	24.3 Miles	15 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

Map ID 901 is located outside the Site PMA

The three LIHTC projects have a combined occupancy rate of 100.0%. This includes the two projects in the site PMA that have wait lists ranging from five to 90 households. This indicates that there is pent-up demand for affordable rental housing in the Site PMA. While the subject project does not include the introduction of new units to the market, it will include the renovation of existing affordable units and help to preserve existing rental product for low-income seniors in the market. This will be particularly important, given the lack of comparable age-restricted LIHTC product in the Site PMA.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
4	Jenny Greene Apts.	50	1	2.0%
11	Logan Lane Apts.	36	0	0.0%
901	May River Village I & II	108	8	7.4%
Total		194	9	4.6%

Map ID 901 is located outside the Site PMA

As the preceding table illustrates, there are a total of approximately nine voucher holders residing at the comparable properties within the market. This comprises only 4.6% of the 194 total non-subsidized LIHTC units. As such, it can be concluded that these projects do not rely heavily on voucher support and that the rents at these projects represent a good base of comparison for the subject project.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table (Note: The subject rents shown are the maximum allowable LIHTC rents, as current RD 515 rents exceed LIHTC maximum allowable limits):

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Devenwood Apartments	\$507/50% (5) \$609/60% (19)	-	-	-	-
4	Jenny Greene Apts.	\$510/50% (6/0) \$560-\$575/60% (6/0)	\$615/50% (7/0) \$685/60% (7/0)	\$719/50% (6/0) \$764/60% (6/0)	\$802/50% (6/0) \$862/60% (6/0)	None
11	Logan Lane Apts.	\$549-\$699*/60% (6/0)	\$684-\$839*/60% (26/0)	\$759-\$918*/60% (4/0)	-	None
901	May River Village I & II	\$645/50% (9/0) \$775/60% (25/0)	\$775/50% (11/0) \$929/60% (33/0)	\$895/50% (7/0) \$1,046/60% (23/0)	-	None

*RD 515 Basic and Market Rents

Map ID 901 is located outside the Site PMA

The proposed subject LIHTC gross rents, ranging from \$507 to \$609, fall within the rent range of other LIHTC units targeting similar income levels in the market or region. As such, the subject project's rents should be perceived as competitive with the other LIHTC supply in the market and region, assuming its design characteristics and amenities are also competitive. The subject project will also continue to offer Rental Assistance on all 24 units requiring tenants to pay 30% of their adjusted gross income towards rent. As such, the subject units will be perceived as a significant value in the market. One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.

4

Jenny Greene Apts.

14.8 miles to site



Address	22 Thatcher Rd. Hardeeville, SC 29927		
Phone	(843) 208-2213	Contact	Jessica
Total Units	50	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	90 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (1 unit); Select units have ceiling fans		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Sports Court, Storage, Computer Lab, Picnic Area, Gazebo

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	702	\$0.67 - \$0.69	\$470 to \$485	60%
1	1	G	6	0	702	\$0.60	\$420	50%
2	2	T	7	0	1059	\$0.52	\$555	60%
2	2	T	7	0	1059	\$0.46	\$485	50%
3	2	T	6	0	1215	\$0.50	\$605	60%
3	2	T	6	0	1215	\$0.46	\$560	50%
4	2.5	T	6	0	1470	\$0.46	\$675	60%
4	2.5	T	6	0	1470	\$0.42	\$615	50%

901 May River Village I & II

24.3 miles to site



Address	5736 Patriot Ln. Bluffton, SC 29910		
Phone	(843) 837-9400	Contact	Angela
Total Units	108	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2012	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	15 households		
Quality Rating	A	Neighborhood Rating	B+
Remarks	50% & 60% AMHI; HCV (8 units); Phase II opened 2014; Select units have screened porch & new units on 1st floor have sunroom		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Ceiling Fan, Blinds, Screened Porch
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	25	0	714 to 726	\$0.94 - \$0.96	\$685	60%
1	1	G	9	0	714 to 726	\$0.76 - \$0.78	\$555	50%
2	2	G	33	0	983 to 1069	\$0.76 - \$0.82	\$809	60%
2	2	G	11	0	983 to 1069	\$0.61 - \$0.67	\$655	50%
3	2	G	23	0	1207 to 1284	\$0.70 - \$0.74	\$895	60%
3	2	G	7	0	1207 to 1284	\$0.58 - \$0.62	\$744	50%

11 Logan Lane Apts.

0.7 miles to site



Address	544 Logan St. Ridgeland, SC 29936		
Phone	(843) 726-3171	Contact	Michelle
Total Units	36	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit & Government-Subsidized		
Year Open	1992	Renovated	2015
		Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	60% AMHI; RD 515, has RA (31 units); Accepts HCV (0 currently); Square footage estimated		

Features and Utilities

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

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	634	\$0.65 - \$0.89	\$415 to \$565	60%
2	1.5	T	26	0	762	\$0.66 - \$0.86	\$500 to \$655	60%
3	2	T	4	0	996	\$0.54 - \$0.70	\$534 to \$693	60%

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Devenwood Apartments	621	-	-	-
4	Jenny Greene Apts.	702	1,059	1,215	1,470
11	Logan Lane Apts.	634	762	996	-
901	May River Village I & II	714 - 726	983 - 1,069	1,207 - 1,284	-

Map ID 901 is located outside the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Devenwood Apartments	1.0	-	-	-
4	Jenny Greene Apts.	1.0	2.0	2.0	2.5
11	Logan Lane Apts.	1.0	1.5	2.0	-
901	May River Village I & II	1.0	2.0	2.0	-

Map ID 901 is located outside the Site PMA

While the subject project will offer the smallest one-bedroom units when compared with the other LIHTC projects, it is critical to point out that none of these projects are age-restricted while the subject project will be restricted to seniors. As such, the subject units are appropriately sized for an established affordable rental housing project targeting seniors. The one full bathroom at the subject’s one-bedroom units is appropriate for the target market. The subject development will be competitive with the existing LIHTC projects in the market and region based on unit size (square footage) and the number of baths offered.

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

COMPARABLE PROPERTIES AMENITIES - RIDGELAND, SC

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

MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
SITE		X	X		X	X								X		X			
4		X	X		X	X		X		B	X			X		X			Gazebo
901		X	X	X				X						X		X			
11		X	X													X			

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

X - All Units
S - Some Units
O - Optional

Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

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

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

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

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



Once renovations are complete and additions are made, the subject's overall amenities package will be generally similar to those offered at the comparable LIHTC projects within the market and region. In terms of unit amenities, although the subject project will be one of two to not include a dishwasher and garbage disposal, it will be one of two to offer a microwave oven. It is also important to note that considering that there are no other age-restricted LIHTC projects within the market, the subject project will be the only one to include emergency call buttons. The inclusion of such unit amenity will appeal to the targeted elderly population and will provide it with a competitive advantage. Regarding community amenities, the subject project will not lack any that will hinder its ability to operate as an age-restricted LIHTC development. This is further evidenced by the subject project's 100.0% occupancy and waitlist.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will be competitive with these properties. Although the subject's rent at 60% of AMHI (set at the maximum allowable level) is slightly higher than those offered in the *market*, all comparable LIHTC projects are 100.0% occupied, demonstrating that these properties could likely charge higher rents without having an adverse impact on occupancy levels. Combined with the fact that the subject project will continue to be the only age-restricted LIHTC project within the Site PMA, it is likely that rent premiums can be achieved. Regardless, the subject project will continue to offer Rental Assistance on all 24 units, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to represent substantial values to low-income seniors within the market. This has been considered in our absorption estimates.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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

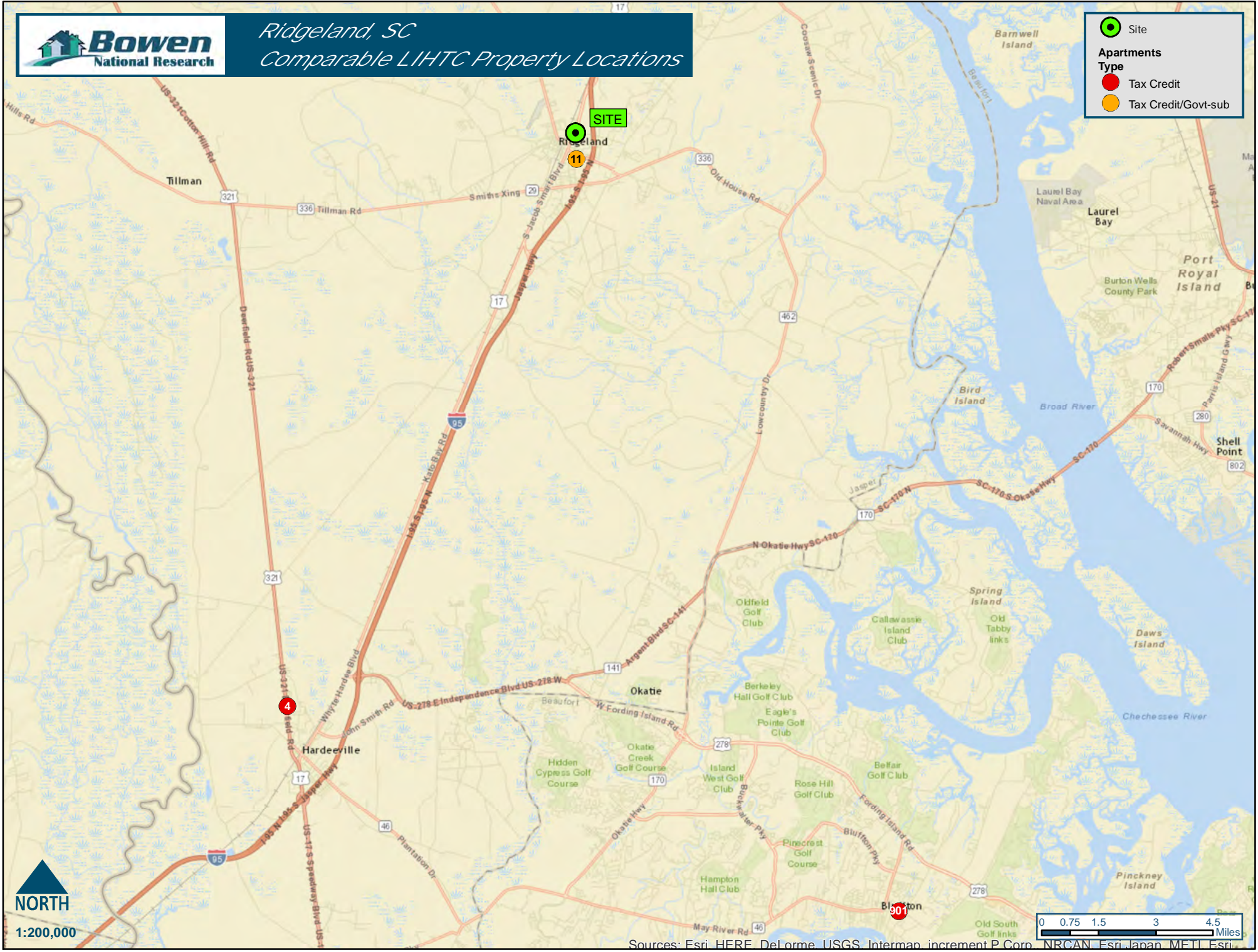


Ridgeland, SC Comparable LIHTC Property Locations

Site
● Site

Apartments Type

- Tax Credit
- Tax Credit/Govt-sub



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

3. RENTAL HOUSING OVERVIEW

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

Housing Status	2010 (Census)		2015 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	4,698	82.1%	5,684	81.6%
Owner-Occupied	3,179	67.7%	3,715	65.4%
Renter-Occupied	1,519	32.3%	1,969	34.6%
Vacant	1,027	17.9%	1,285	18.4%
Total	5,725	100.0%	6,969	100.0%

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

Based on a 2015 update of the 2010 Census, of the 6,969 total housing units in the market, 18.4% were vacant. In 2015, it was estimated that homeowners occupied 65.4% of all occupied housing units, while the remaining 34.6% were occupied by renters. The share of renters is considered low but not unusual for a rural market.

We identified and personally surveyed 11 conventional housing projects containing a total of 831 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.5%, a high rate for rental housing. Among these projects, five are non-subsidized (market-rate and Tax Credit) projects containing 644 units. These non-subsidized units are 95.5% occupied. The remaining six projects contain 187 government-subsidized units, which are 100.0% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	568	29	94.9%
Tax Credit	2	76	0	100.0%
Tax Credit/Government-Subsidized	2	60	0	100.0%
Government-Subsidized	4	127	0	100.0%
Total	11	831	29	96.5%

All surveyed rental housing segments are performing well, with no segment having an occupancy rate below 94.9%. All affordable rental housing segments are fully occupied, indicating strong and pent-up demand for housing that is affordable to low- and very low-income households.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	282	49.6%	14	5.0%	\$1,116
Two-Bedroom	1.0	10	1.8%	0	0.0%	\$724
Two-Bedroom	2.0	232	40.8%	13	5.6%	\$1,224
Three-Bedroom	2.0	44	7.7%	2	4.5%	\$1,479
Total Market-rate		568	100.0%	29	5.1%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	12	15.8%	0	0.0%	\$510
Two-Bedroom	2.0	24	31.6%	0	0.0%	\$615
Three-Bedroom	2.0	22	28.9%	0	0.0%	\$719
Four-Bedroom	2.5	18	23.7%	0	0.0%	\$802
Total Tax Credit		76	100.0%	0	0.0%	-

The market-rate units are 94.9% occupied and the Tax Credit units are 100.0% occupied. The non-subsidized rental housing in the Site PMA is in high demand with few available units in the market. The median LIHTC gross rents are well below the corresponding market-rate gross rents, which is likely contributing to the strong level of demand for the LIHTC units.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	1	14	0.0%
1970 to 1979	0	0	0.0%
1980 to 1989	0	0	0.0%
1990 to 1999	0	0	0.0%
2000 to 2005	0	0	0.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	2	280	5.4%
2009	1	300	4.7%
2010	0	0	0.0%
2011	1	50	0.0%
2012	0	0	0.0%
2013	0	0	0.0%
2014	0	0	0.0%
2015	0	0	0.0%

Virtually all of the non-subsidized surveyed rental product in the Site PMA was built in 2008 or later. The newest surveyed project in the market was built in 2011 and is fully occupied.

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

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
One-Bedroom	\$507-50% \$609-60%	\$1,116	\$510 - \$1,236	294 (100.0%) 278 (94.6%)

The proposed Tax Credit rents will be among the lowest of the non-subsidized units surveyed in the market. The appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	2	554	5.2%
C+	1	14	0.0%

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	76	0.0%

Vacancies are low among all quality levels. The subject project is anticipated to have an improved quality following renovations which should enhance the subject project's marketability.

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

4. RENTAL HOUSING INVENTORY MAP

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



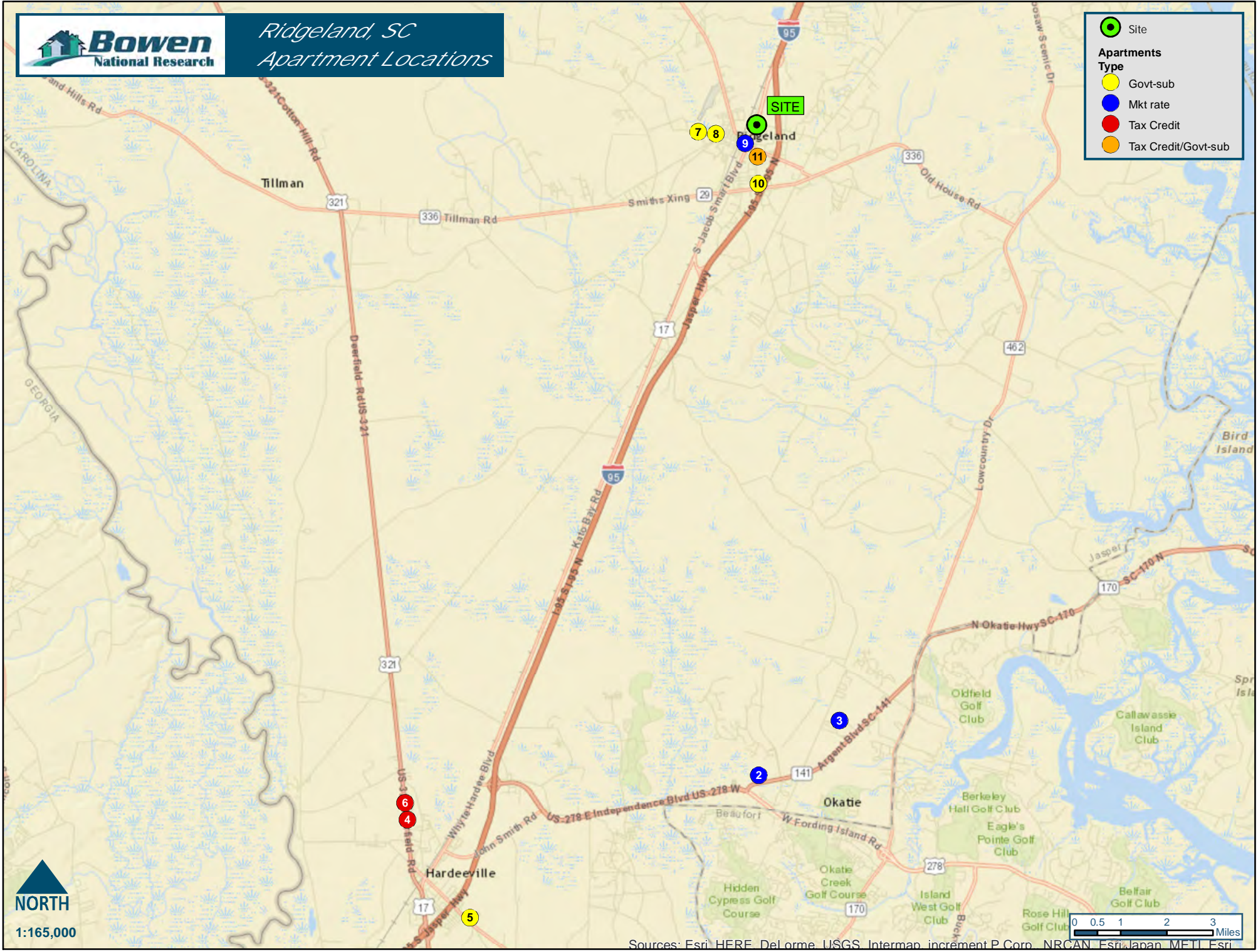


Ridgeland, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:165,000

0 0.5 1 2 3 Miles

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

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

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

- Developer Brooke Mill, LLC is planning to build the Brooke Mill Apartments on an 18-acre site at the intersection of Argent Boulevard and Village Drive in Ridgeland. The 288-unit market-rate project will include a mixture of two- and three-bedroom units and will have a club house and offer 534 parking spaces. The project is estimated to be completed by November 2017.
- A 254-unit market-rate project is proposed to be located at the south side of Hilton Head Lakes and will feature two-and three-bedroom units. Additional information was not available at the time of this report.

Note that the renovated subject site will operate as a senior-restricted RD 515 and Tax Credit property; therefore, the planned aforementioned market-rate properties are not anticipated to directly impact the subject site.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

offered are also considered when evaluating conceptual comparability. Note that the determination of both economic and conceptual comparability is the opinion of the market analyst.

We identified a total of five LIHTC projects (including the subject project) within the Site PMA that have received Tax Credit funding. However, three of these projects are considered comparable to the subject project. Note that this includes the one LIHTC property we were unable to survey in the market, Heron Crossing Apartments. While we identified a total of three projects in the Site PMA that offer market-rate units that are considered conceptually comparable to the subject project, only one project (Ridgepoint Apartments) is economically comparable. The three stabilized comparable Tax Credit and market-rate projects identified and surveyed in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/Renovated	Project Type	Total Units	Occupancy Rate
Site	Devenwood Apartments	1993/2017	TC	24	-
4	Jenny Greene Apts.	2011	TC	50	100.0%
11	Logan Lane Apts.	1992 / 2015	TC	36	100.0%
9	Ridgepoint Apts.	1950 / 1990	MR	14	100.0%
Total				100	100.0%

TC – Tax Credit
 MR – Market-Rate

The overall occupancy rate of the three stabilized comparable Tax Credit and Market-Rate projects identified in the Site PMA is 100%.

8. MARKET RENT ADVANTAGE

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



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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Devenwood Apartments	1993 / 2017	24	100.0%	24 (100.0%)	-	-
2	Courtney Bend at New River	2008	254	94.1%	102 (94.1%)	132 (93.9%)	20 (95.0%)
3	Auston Chase	2009	300	95.3%	176 (95.5%)	100 (95.0%)	24 (95.8%)
9	Ridgepoint Apts.	1950 / 1990	14	100.0%	4 (100.0%)	10 (100.0%)	-
902	Oldfield Mews	2009	184	97.8%	16 (100.0%)	134 (97.8%)	34 (97.1%)
904	Lakes at Edgewater	1996	300	96.7%	84 (96.4%)	160 (96.9%)	56 (96.4%)

Occ. – Occupancy

Map IDs 902 and 904 are located outside the Site PMA

The five selected market-rate projects have a combined total of 1,052 units with an overall occupancy rate of 95.9%. None of the comparable properties has an occupancy rate below 94.1%.

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

Rent Comparability Grid

Unit Type → **ONE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Devenwood Apartments		Courtney Bend at New River		Auston Chase		Ridgepoint Apts.		Oldfield Mews		Lakes at Edgewater	
137 Captain Bill Road		321 Donegal Dr.		59 Summerlake Cir.		107-109 N Green St.		116 Old Towne Rd.		29 Edgewater Cir.	
Ridgeland, SC		Hardeeville, SC		Ridgeland, SC		Ridgeland, SC		Bluffton, SC		Bluffton, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$934		\$964		\$425		\$972		\$969	
2	Date Surveyed	Jan-16		Jan-16		Jan-16		Jan-16		Jan-16	
3	Rent Concessions	Yes		None		None		None		None	
4	Occupancy for Unit Type	94%		95%		100%		100%		96%	
5	Effective Rent & Rent/ sq. ft	\$911	1.20	\$964	1.29	\$425	0.71	\$972	1.23	\$969	1.29
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/3		WU/2		WU/2		WU/2, 3	
7	Yr. Built/Yr. Renovated	1993/2017		2008 (\$3)		2009 (\$4)	1950/1990 \$35	2009 (\$4)		1996 \$9	
8	Condition /Street Appeal	G		E (\$15)		E (\$15)	F \$15	G		E (\$15)	
9	Neighborhood	G		G		G		E (\$10)		E (\$10)	
10	Same Market?		Yes		Yes		Yes		No		No
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	621	(\$40)	759	(\$38)	600	\$6	790	(\$49)	750	(\$38)
14	Balcony/ Patio	Y		Y		N	\$5	Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/N	(\$10)	Y/Y	(\$10)	N/N	\$5	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	L	\$10	N	\$15	W/D	(\$25)
19	Floor Coverings	C		C		N	\$10	C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N/N		Y		N		Y		Y	
23	Ceiling Fans/E-Call Buttons	Y/Y		Y/N		N/N	\$5	Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Gate	N	(\$5)	Y		N		N		N	
27	Clubhouse/ Meeting Rooms	Y		Y		N	\$5	Y		Y	
28	Pool/ Recreation Areas	F	(\$16)	P/F/L/TB	(\$13)	N	\$5	P/F/L	(\$13)	P/F	(\$10)
29	Computer Center	Y		Y		N	\$3	Y		N	\$3
30	Picnic Area	Y		Y		N	\$3	N	\$3	N	\$3
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		Y	(\$10)	N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$44)
39	Trash /Recycling	Y/N	\$18	N/N	\$18	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		7		1		6		13		6
41	Sum Adjustments B to D		(\$114)		\$3		(\$105)		\$112		(\$96)
42	Sum Utility Adjustments		\$18		\$18						(\$44)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E		(\$96)		\$132		(\$84)		\$126		\$112
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$815		\$880		\$537		\$894		\$837	
45	Adj Rent/Last rent		89%		91%		126%		92%		86%
46	Estimated Market Rent	\$745	\$1.20 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grid, it was determined that the current achievable market rent for units similar to the subject development is \$745 for a one-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for a one-bedroom unit.

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$382 (50%)	\$745	48.72%
	\$484 (60%)		35.03%
Weighted Average			37.89%

The proposed collected rents represent a market rent advantage of 35.03% to 48.72% when compared with achievable market rent and appear to be appropriate for the subject market. The weighted market rent advantage at the subject project is 37.89%, representing a significant rent advantage.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of renovation, the subject project will have a more modern effective age. As such, we have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties.

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



- 13.- 23. The subject project will offer a modest unit amenity package that is slightly inferior to the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

As previously noted, there are three comparable LIHTC projects within the Site PMA. The anticipated occupancy rates of the existing non-subsidized Tax Credit developments during the first year of occupancy at the subject following the completion of renovations is shown in the table below:

Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2018
Jenny Greene Apts.	100.0%	95%+
Logan Lane Apts.	100.0%	95%+
Heron Crossing Apts.	100.0%*	95%+

*As of December 2012

The subject project is age-restricted while the comparable LIHTC projects are general occupancy and should not compete directly with the subject project. Additionally, as shown in the capture rate analysis, there is sufficient depth of support for the subject project. Finally, the subject project is an existing project that is fully occupied and maintains a wait list. Since it will not be adding new units to the affordable rental housing supply, it will not adversely impact the existing LIHTC supply.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$187,118. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$187,118 home is \$1,126, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$187,118
Mortgaged Value = 95% of Median Home Price	\$177,762
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$901
Estimated Taxes and Insurance*	\$225
Estimated Monthly Mortgage Payment	\$1,126

*Estimated at 25% of principal and interest

Should the subject project operate exclusively under the LIHTC program and at maximum allowable rent levels, it would have collected rents of \$382 and \$484. These rents are well below the typical mortgage payment and are an indication that it is unlikely the for-sale housing market will compete directly with the subject project. Further, since the subject project is restricted to seniors age 62+ and has Rental Assistance on all of its units, it is not expected to compete directly with the for-sale housing market.

11. HOUSING VOIDS

As previously noted, we identified and surveyed 831 conventional units within 11 projects. These totals include market-rate, Low-Income Housing Tax Credit and government-subsidized projects. The following table summarizes the distribution of all conventional apartments included in our analysis:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	568	29	94.9%
Tax Credit	2	76	0	100.0%
Tax Credit/Government-Subsidized	2	60	0	100.0%
Government-Subsidized	4	127	0	100.0%
Total	11	831	29	96.5%

As the preceding table illustrates, the only vacancies in the surveyed supply are among the market-rate units. There are no vacancies among the eight Tax Credit and government-subsidized projects in the market, representing a total of 263 occupied units. With all affordable housing units occupied and most projects maintaining wait lists for vacant units, there is a housing void and clear pent-up demand for housing that is affordable to low-income households.

As noted throughout this report, should the subject project lose its Rental Assistance and operate exclusively under the LIHTC program, it will be the only age-restricted and non-subsidized affordable project in the market. With most of the existing supply serving very low-income households or higher income households, there appears to be a void for affordable housing serving senior households with incomes of up to 50% and 60% of AMHI. While the subject project does not involve the introduction of new units into the market, the renovation of the subject units will help to preserve an affordable senior housing alternative that is void in this market.

With no affordable rental housing projects in the development pipeline, we believe there will remain a housing void for affordable rental housing in the Site PMA for the foreseeable future.

I. INTERVIEWS

The following are summaries of interviews conducted with local sources regarding the area's housing market.

- Michelle Fulton, Property Manager of Devenwood Apartments (subject site), stated there is a need for affordable senior housing in Ridgeland. Ms. Fulton explained there is a lot of senior or accessible housing in Beaufort and Bluffton, but people in Ridgeland typically do not want to relocate to those areas. Ms. Fulton stated there are not adequate accessible senior options in Ridgeland and her property is consistently full.
- Catherine Powers, Assistant Property Manager of Oldfield Mews (Map I.D. 902) located outside of the Site PMA in Bluffton, South Carolina, stated there is a need for more affordable housing for families and seniors in the Ridgeland and Hardeeville areas. Ms. Powers explained areas like Bluffton and Beaufort are generally more expensive and seniors from smaller areas like Ridgeland looking for low-income options generally cannot afford to move to Bluffton. Ms. Powers stated Ridgeland would benefit from more affordable one-and two-bedroom apartments for seniors.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 24 existing units at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rents, amenities or renovation completion date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed LIHTC rents will be perceived as appropriate in the marketplace. The subject project is expected to retain Rental Assistance on all 24 units, requiring tenants to continue to pay 30% of their income towards rents. As such, the subject units are expected to remain a significant value in the market. This is demonstrated in Section IV.

Given the occupancy rate of affordable developments within the Site PMA and the lack of non-subsidized senior rental housing that is affordable to low-income households, the subject project will continue to offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 8.5% of income-qualified senior households in the market, there is sufficient support for the subject development assuming it retains Rental Assistance on all units. Therefore, it is our opinion that the subject project will have minimal, if any, impact on the existing Tax Credit developments in the Site PMA.

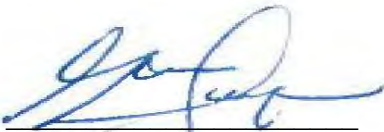
K. SIGNED STATEMENT REQUIREMENT

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

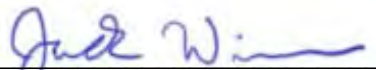
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L. Qualifications

The Company

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

The Staff

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

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

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

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

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

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

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

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

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

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

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

RIDGELAND, SOUTH CAROLINA

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

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

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

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

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

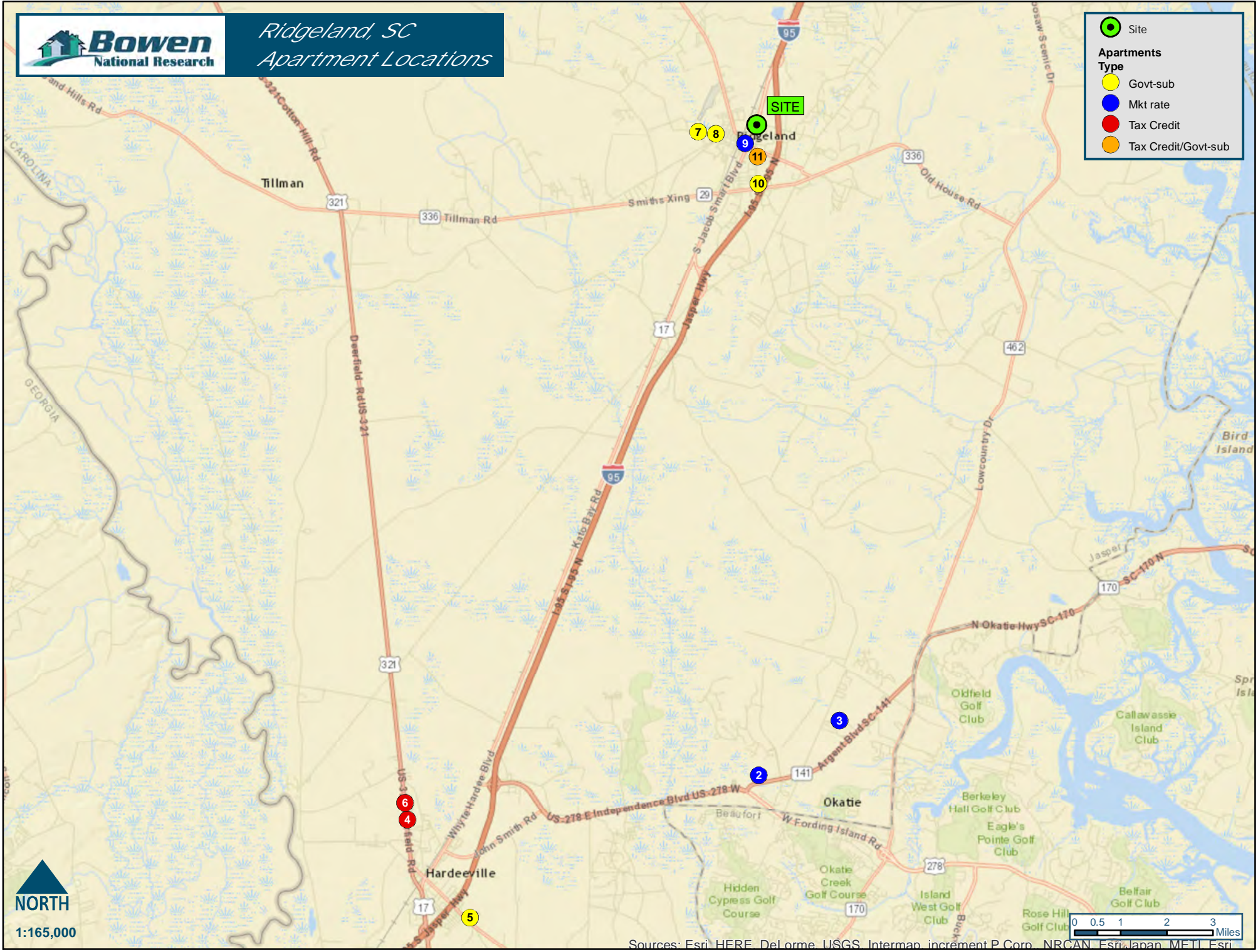


Ridgeland, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:165,000

0 0.5 1 2 3 Miles

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

MAP IDENTIFICATION LIST - RIDGELAND, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Devenwood Apts. (Site)	TGS	B	1993	24	0	100.0%	-
2	Courtney Bend at New River	MRR	A-	2008	254	15	94.1%	15.1
3	Auston Chase	MRR	A-	2009	300	14	95.3%	13.5
4	Jenny Greene Apts.	TAX	B+	2011	50	0	100.0%	14.8
5	Deer Run Apts.	GSS	C+	1985	48	0	100.0%	16.2
6	Deerfield Village	TAX	B+	2008	26	0	100.0%	14.5
7	Bay Tree I	GSS	C	1986	40	0	100.0%	1.1
8	Bay Tree II	GSS	C+	1986	16	0	100.0%	1.0
9	Ridgepoint Apts.	MRR	C+	1950	14	0	100.0%	0.5
10	Woodridge Apts.	GSS	C+	1980	23	0	100.0%	1.2
11	Logan Lane Apts.	TGS	B+	1992	36	0	100.0%	0.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	3	568	29	94.9%	0
TAX	2	76	0	100.0%	0
TGS	2	60	0	100.0%	0
GSS	4	127	0	100.0%	1

Total units does not include units under construction.

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

* - Drive Distance (Miles)

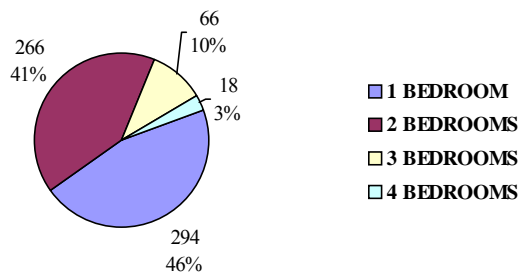
Survey Date: January 2016

DISTRIBUTION OF UNITS - RIDGELAND, SOUTH CAROLINA

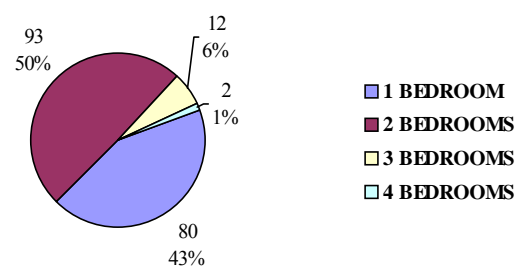
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	282	49.6%	14	5.0%	\$1,116
2	1	10	1.8%	0	0.0%	\$724
2	2	232	40.8%	13	5.6%	\$1,224
3	2	44	7.7%	2	4.5%	\$1,479
TOTAL		568	100.0%	29	5.1%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	12	15.8%	0	0.0%	\$510
2	2	24	31.6%	0	0.0%	\$615
3	2	22	28.9%	0	0.0%	\$719
4	2.5	18	23.7%	0	0.0%	\$802
TOTAL		76	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	30	50.0%	0	0.0%	N.A.
2	1.5	26	43.3%	0	0.0%	N.A.
3	2	4	6.7%	0	0.0%	N.A.
TOTAL		60	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	50	39.4%	0	0.0%	N.A.
2	1	50	39.4%	0	0.0%	N.A.
2	1.5	17	13.4%	0	0.0%	N.A.
3	1.5	8	6.3%	0	0.0%	N.A.
4	1.5	2	1.6%	0	0.0%	N.A.
TOTAL		127	100.0%	0	0.0%	
1 UNITS UNDER CONSTRUCTION						
GRAND TOTAL		831	-	29	3.5%	

DISTRIBUTION OF UNITS BY BEDROOM






NON-SUBSIDIZED










SUBSIDIZED



SURVEY OF PROPERTIES - RIDGELAND, SOUTH CAROLINA



1 Devenwood Apts. (Site)			
	Address 137 Captian Bill Rd. Ridgeland, SC 29936	Phone (843) 264-8141 (Contact in person)	Total Units 24
	Year Built 1993 Comments 60% AMHI; RD 515, has RA (24 units); Random units have tenant installed ceiling fan; Select units have patio/balcony; Square footage estimated	Contact Michelle	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 5 households
2 Courtney Bend at New River			
	Address 321 Donegal Dr. Hardeeville, SC 29927	Phone (843) 208-3420 (Contact in person)	Total Units 254
	Year Built 2008 Comments Does not accept HCV; Rents change daily; Rent range based on floor plan, view & length of lease; Some 3-br have attached garage	Contact Caitlyn	Vacancies 15 Occupied 94.1% Floors 3 Quality Rating A- Waiting List None
3 Auston Chase			
	Address 59 Summerlake Cir. Ridgeland, SC 29936	Phone (843) 645-2844 (Contact in person)	Total Units 300
	Year Built 2009 Comments Does not accept HCV; Rents change daily; Unit mix & square footage estimated	Contact Mellissa	Vacancies 14 Occupied 95.3% Floors 2,3 Quality Rating A- Waiting List None
4 Jenny Greene Apts.			
	Address 22 Thatcher Rd. Hardeeville, SC 29927	Phone (843) 208-2213 (Contact in person)	Total Units 50
	Year Built 2011 Comments 50% & 60% AMHI; HCV (1 unit); Select units have ceiling fans	Contact Jessica	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List 90 households
5 Deer Run Apts.			
	Address 167 Walsh Dr. Hardeeville, SC 29927	Phone (803) 259-4503 (Contact in person)	Total Units 48
	Year Built 1985 Renovated 2005 Comments RD 515, has RA (40 units); HCV (2 units); Select units have exterior storage	Contact Cherokee	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 30 households

Project Type

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

Survey Date: January 2016

SURVEY OF PROPERTIES - RIDGELAND, SOUTH CAROLINA


6 Deerfield Village			
	Address Magnolia Cir. & Deerfield Rd. Hardeeville, SC 29927	Phone (843) 784-2988 (Contact in person)	Total Units 26
	Year Built 2008 Comments 50% AMHI; Accepts HCV	Contact Wayne	Vacancies 0 Occupied 100.0% Floors 1,1.5 Quality Rating B+ Single-Family Homes Waiting List 19 households
7 Bay Tree I			
	Address 107 1st Ave. Ridgeland, SC 29936	Phone (843) 726-6333 (Contact in person)	Total Units 40
	Year Built 1986 Comments HUD Section 8; Square footage estimated	Contact Shanise	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C Waiting List 1 household
8 Bay Tree II			
	Address 107 1st Ave. Ridgeland, SC 29936	Phone (843) 726-6333 (Contact in person)	Total Units 16
	Year Built 1986 Comments HUD Section 8; Square footage estimated	Contact Shanise	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ Senior Restricted (62+) Waiting List None
9 Ridgpoint Apts.			
	Address 107-109 N Green St. Ridgeland, SC 29936	Phone (843) 263-6724 (Contact in person)	Total Units 14
	Year Built 1950 Renovated 1990 Comments Does not accept HCV; Two units have dishwasher	Contact Bailey	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 1 household
10 Woodridge Apts.			
	Address 414 S. Logan St. Ridgeland, SC 29936	Phone (843) 726-6506 (Contact in person)	Total Units 23
	Year Built 1980 Comments RD 515, has RA (10 units); Accepts HCV (0 currently); One 2-br under repair; Square footage estimated	Contact Michelle	Vacancies 0 Occupied 100.0% Floors 1, 2 Quality Rating C+ Waiting List 8 households

Project Type

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

Survey Date: January 2016

SURVEY OF PROPERTIES - RIDGELAND, SOUTH CAROLINA

11 Logan Lane Apts.			
	Address 544 Logan St. Ridgeland, SC 29936 Year Built 1992 Renovated 2015 Contact Michelle Comments 60% AMHI; RD 515, has RA (31 units); Accepts HCV (0 currently); Square footage estimated	Phone (843) 726-3171 (Contact in person)	Total Units 36 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+
	Waiting List 5 households		

Project Type

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

Survey Date: January 2016

COLLECTED RENTS - RIDGELAND, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2		\$934 to \$1084	\$1008 to \$1054	\$1285 to \$1488					
3		\$964	\$1032	\$1244					
4		\$420 to \$485					\$485 to \$555	\$560 to \$605	\$615 to \$675
6			\$326	\$369	\$396				
9		\$425	\$550						

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

Survey Date: January 2016

PRICE PER SQUARE FOOT - RIDGELAND, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Courtney Bend at New River	1	759 to 1008	\$1086 to \$1236	\$1.23 to \$1.43
3	Auston Chase	1	750 to 1000	\$1116	\$1.12 to \$1.49
9	Ridgepoint Apts.	1	600	\$559	\$0.93
4	Jenny Greene Apts.	1	702	\$510 to \$575	\$0.73 to \$0.82
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Courtney Bend at New River	2	884 to 1197	\$1200 to \$1246	\$1.04 to \$1.36
3	Auston Chase	2	850 to 1150	\$1224	\$1.06 to \$1.44
9	Ridgepoint Apts.	1	900	\$724	\$0.80
4	Jenny Greene Apts.	2	1059	\$615 to \$685	\$0.58 to \$0.65
6	Deerfield Village	2	1120	\$500	\$0.45
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Courtney Bend at New River	2	1490	\$1520 to \$1723	\$1.02 to \$1.16
3	Auston Chase	2	1300	\$1479	\$1.14
4	Jenny Greene Apts.	2	1215	\$719 to \$764	\$0.59 to \$0.63
6	Deerfield Village	2	1260 to 1335	\$586	\$0.44 to \$0.47
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Jenny Greene Apts.	2.5	1470	\$802 to \$862	\$0.55 to \$0.59
6	Deerfield Village	2.5	1331	\$652	\$0.49

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

Survey Date: January 2016

AVERAGE GROSS RENT PER SQUARE FOOT - RIDGELAND, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.31	\$1.20	\$1.12
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.77	\$0.45	\$0.45
TOWNHOUSE	\$0.00	\$0.61	\$0.61

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.28	\$1.17	\$0.99
TOWNHOUSE	\$0.00	\$0.61	\$0.61

TAX CREDIT UNITS - RIDGELAND, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
11	Logan Lane Apts.	6	634	1	60%	\$415 - \$565
4	Jenny Greene Apts.	6	702	1	50%	\$420
4	Jenny Greene Apts.	6	702	1	60%	\$470 - \$485
◆ 1	Devenwood Apts. (Site)	24	550	1	60%	\$500 - \$665
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Deerfield Village	10	1120	2	50%	\$326
4	Jenny Greene Apts.	7	1059	2	50%	\$485
11	Logan Lane Apts.	26	762	1.5	60%	\$500 - \$655
4	Jenny Greene Apts.	7	1059	2	60%	\$555
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Deerfield Village	10	1260 - 1335	2	50%	\$369
11	Logan Lane Apts.	4	996	2	60%	\$534 - \$693
4	Jenny Greene Apts.	6	1215	2	50%	\$560
4	Jenny Greene Apts.	6	1215	2	60%	\$605
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Deerfield Village	6	1331	2.5	50%	\$396
4	Jenny Greene Apts.	6	1470	2.5	50%	\$615
4	Jenny Greene Apts.	6	1470	2.5	60%	\$675

◆ - Senior Restricted

QUALITY RATING - RIDGELAND, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

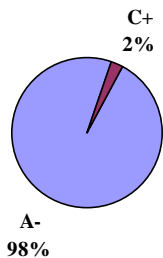
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A-	2	554	5.2%		\$1,116	\$1,224	\$1,479	
C+	1	14	0.0%		\$559	\$724		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

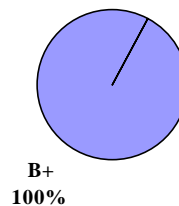
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	2	76	0.0%		\$510	\$615	\$719	\$802

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - RIDGELAND, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	14	0	0.0%	14	2.2%
1970 to 1979	0	0	0	0.0%	14	0.0%
1980 to 1989	0	0	0	0.0%	14	0.0%
1990 to 1999	0	0	0	0.0%	14	0.0%
2000 to 2005	0	0	0	0.0%	14	0.0%
2006	0	0	0	0.0%	14	0.0%
2007	0	0	0	0.0%	14	0.0%
2008	2	280	15	5.4%	294	43.5%
2009	1	300	14	4.7%	594	46.6%
2010	0	0	0	0.0%	594	0.0%
2011	1	50	0	0.0%	644	7.8%
2012	0	0	0	0.0%	644	0.0%
2013	0	0	0	0.0%	644	0.0%
2014	0	0	0	0.0%	644	0.0%
2015**	0	0	0	0.0%	644	0.0%
TOTAL	5	644	29	4.5%	644	100.0 %

YEAR RENOVATED - RIDGELAND, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	14	0	0.0%	14	100.0%
2000 to 2005	0	0	0	0.0%	14	0.0%
2006	0	0	0	0.0%	14	0.0%
2007	0	0	0	0.0%	14	0.0%
2008	0	0	0	0.0%	14	0.0%
2009	0	0	0	0.0%	14	0.0%
2010	0	0	0	0.0%	14	0.0%
2011	0	0	0	0.0%	14	0.0%
2012	0	0	0	0.0%	14	0.0%
2013	0	0	0	0.0%	14	0.0%
2014	0	0	0	0.0%	14	0.0%
2015**	0	0	0	0.0%	14	0.0%
TOTAL	1	14	0	0.0%	14	100.0 %

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

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

** As of January 2016

APPLIANCES AND UNIT AMENITIES - RIDGELAND, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	5	100.0%	644
REFRIGERATOR	5	100.0%	644
ICEMAKER	0	0.0%	
DISHWASHER	5	100.0%	644
DISPOSAL	4	80.0%	630
MICROWAVE	3	60.0%	580
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	5	100.0%	644
AC - WINDOW	0	0.0%	
FLOOR COVERING	4	80.0%	644
WASHER/DRYER	2	40.0%	554
WASHER/DRYER HOOK-UP	4	80.0%	630
PATIO/DECK/BALCONY	4	80.0%	630
CEILING FAN	3	60.0%	604
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	5	100.0%	644
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - RIDGELAND, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	2	40.0%	554
ON-SITE MANAGEMENT	4	80.0%	630
LAUNDRY	2	40.0%	64
CLUB HOUSE	3	60.0%	580
MEETING ROOM	1	20.0%	50
FITNESS CENTER	3	60.0%	604
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	4	80.0%	630
COMPUTER LAB	3	60.0%	330
SPORTS COURT	1	20.0%	50
STORAGE	2	40.0%	304
LAKE	2	40.0%	554
ELEVATOR	0	0.0%	
SECURITY GATE	1	20.0%	254
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	2	40.0%	554
PICNIC AREA	3	60.0%	604
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - RIDGELAND, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	11	831	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	11	831	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	11	831	100.0%
			100.0%
ELECTRIC			
TENANT	11	831	100.0%
			100.0%
WATER			
LANDLORD	3	114	13.7%
TENANT	8	717	86.3%
			100.0%
SEWER			
LANDLORD	3	114	13.7%
TENANT	8	717	86.3%
TRASH PICK-UP			
LANDLORD	9	277	33.3%
TENANT	2	554	66.7%
			100.0%

UTILITY ALLOWANCE - RIDGELAND, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$25	\$15		\$6	\$8	\$14	\$15	\$7	\$44	\$16	\$26	\$18	\$20
1	GARDEN	\$28	\$17		\$7	\$9	\$16	\$15	\$8	\$49	\$17	\$27	\$18	\$20
1	TOWNHOUSE	\$31	\$17		\$7	\$9	\$16	\$15	\$8	\$59	\$17	\$27	\$18	\$20
2	GARDEN	\$29	\$20		\$8	\$13	\$23	\$16	\$10	\$67	\$19	\$35	\$18	\$20
2	TOWNHOUSE	\$31	\$20		\$8	\$13	\$23	\$16	\$10	\$77	\$19	\$35	\$18	\$20
3	GARDEN	\$31	\$23		\$9	\$16	\$29	\$17	\$12	\$87	\$22	\$44	\$18	\$20
3	TOWNHOUSE	\$31	\$23		\$9	\$16	\$29	\$17	\$12	\$95	\$22	\$44	\$18	\$20
4	GARDEN	\$33	\$26		\$11	\$18	\$34	\$18	\$14	\$105	\$25	\$52	\$18	\$20
4	TOWNHOUSE	\$32	\$26		\$10	\$18	\$34	\$18	\$14	\$113	\$25	\$52	\$18	\$20

SC-Low County Region (1-2016) Fees

Survey Date: January 2016

ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

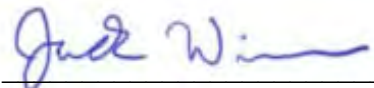
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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