

**PROFESSIONAL MARKET STUDY
FOR THE HILLCREST APARTMENTS
A PROPOSED LIHTC REHAB DEVELOPMENT**

**LOCATED IN:
WALTERBORO, COLLETON COUNTY, SC**

***PREPARED FOR THE:
HILLCREST SC LLC
CHARLOTTE, NORTH CAROLINA***

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FEBRUARY, 2013

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SECTION A

EXECUTIVE SUMMARY

1. Brief Summary

The proposed LIHTC/USDA rehab multi-family development will target very low to low income households in the general population in Walterboro and Colleton County, South Carolina.

The market study assignment was to ascertain market demand for a proposed rehab LIHTC/USDA (family) multi-family development to be known as the Hillcrest Apartments, for the Hillcrest SC LLC, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	621	Na
2BR/1b	16	793	Na
3BR/1b	8	981	Na
Total	32		

Project Rents: The proposed development will target 25% of the units (all 1BR) at 50% or below of area median income (AMI); and 75% of the units (2BR and 3BR) at 60% or below of AMI.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	8	\$380	\$103	\$483

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	16	\$508	\$109	\$617
3BR/1b	8	\$561	\$133	\$694

*City of Walterboro & USDA-RD (effective 1/1/13)

2a. Average Vacancy Rate for Comparable Market Rate Properties:

- 6.8%

2b. Average Vacancy Rate for LIHTC & LIHTC/USDA family Properties:

- 5.7%

3. Capture Rates:

- The capture rates by income segment and bedroom mix are exhibited under the assumption of a 100% vacant property and no rental assistance (RA) after the rehab process:

Capture Rates by Bedroom Type & Income Targeting			
Income Targeting	1BR	2BR	3BR
50% AMI	5.5%	-	--
60% AMI	-	7.2%	10.7%

- The overall project capture rate for the proposed rehab development assuming 100% vacancy (after the rehab process) and no is estimated at approximately 7.2% .
- The capture rates by income segment and bedroom mix are exhibited under the assumption of the retention of the existing 75% deep subsidy rental assistance (RA) after the rehab process:

Capture Rates by Bedroom Type & Income Targeting			
Income Targeting	1BR	2BR	3BR
50% AMI	5.5%	--	--
60% AMI	--	1.2%	1.7%

- The overall project capture rate for the proposed rehab development assuming 75% RA (after the rehab process) is estimated at approximately 1.7% .

4. Absorption Rate:

- The most likely rent-up scenario for the property, were the subject 100% vacant, suggests a 4-month rent-up time period (an average of 8-units per month).
- Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, (3) the availability of 24-units of deep subsidy rental assistance, and (4) the retention of the typical number of Section 8 voucher holders at the property, it is estimated that the property will retain at least 95% of its tenant base, the most likely/best case rent-up scenario for the property, were the subject

5% vacant, suggests a 1-month rent-up time period.

5. Strength/Depth of Market:

- At the time of the market study, market depth was considered to be adequate in order to incorporate the proposed LIHTC rehab family development, subject to the retention of the existing 75% of deep subsidy rental assistance. Historical and current findings strongly suggest that the retention of 95% or more of the existing tenants is highly achievable.

6. Long Term Negative Impact:

- In the opinion of the market analyst, the proposed LIHTC rehab development **will not negatively impact** the existing supply of program assisted LIHTC properties located within the Walterboro PMA in the short or long term. The proposed rehab development process will not add additional units into the existing supply of LIHTC family housing stock. None of the existing managers of affordable program assisted properties targeting the general population stated that the proposed rehab of the subject development would negatively impact the typical occupancy rate of their respective properties.

7. Proposed Net Rents & Market Rent Advantage:

- The proposed Hillcrest rehab development exhibits a very significant subject property rent advantage by bedroom type at 50%, and an above 10% (which is considered to be a significant advantage) at 60% of AMI. **Percent Advantage:**

	<u>50% AMI</u>	<u>60% AMI</u>	
1BR/1b:	27%	Na	
2BR/1b:	Na	17%	
3BR/1b:	Na	17%	<u>Overall: 19%</u>

8. Achievable Restricted (LIHTC) Rents:

- Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%. However, the subject's gross rents are already closely positioned to be under FMR's for Colleton County, while at the same time operating within a competitive environment. It is recommended that the proposed subject net rents not be increased.

9. Recommendation:

- Based upon the analysis and the conclusions of each of the report sections, in the analyst's professional opinion, it is recommended that the proposed application **proceed forward based on market findings.**

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Hillcrest Total # Units: 32
 Location: Walterboro, SC (518 Sniders Hwy) # LIHTC Units: 32
 PMA Boundary: N: Bamberg & Dorchester Counties; E: Dorchester Co.; S: Edisto Beach PMA; W: Dorchester County
 Development Type: x Family Older Persons Farthest Boundary Distance to Subject: 18 miles

RENTAL HOUSING STOCK (found on pages 53&54)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	713	33	95.4%
Market-Rate Housing	2	192	13	93.2%
Assisted/Subsidized Housing not to include LIHTC	8	436	17	96.1%
LIHTC (All that are stabilized)*	2	88	3	96.7%
Stabilized Comps**	2	192	13	93.2%
Non-stabilized Comps				%

* 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
8	1BR	1	621	\$380	\$520	\$.83	27%	\$634	\$.93
16	2BR	1	793	\$508	\$610	\$.72	17%	\$699	\$.76
8	3BR	1	981	\$561	\$675	\$.67	17%	\$799	\$.71
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
Gross Potential Rent Monthly*				\$15,656	\$19,320		19%		

*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. **Hillcrest will have 24-units of PBRA.**

DEMOGRAPHIC DATA (found on pages 32 to 34)

	2000		2012		2015	
	Count	%	Count	%	Count	%
Renter Households	2,684	19.93%	3,633	25.58%	3,620	25.59%
Income-Qualified Renter HHs (LIHTC)	271	10.10%	367	10.10%	367	10.14%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 43)

Type of Demand	50%	60%	Market-rate	Other:___	Other: PBRA	Overall No PBRA
Renter Household Growth	-1	-2			-8	-3
Existing Households (Overburd + Substand)	181	375			2,226	556
Homeowner conversion (Seniors)	Na	Na			Na	Na
Other:	Na	Na			Na	Na
Less Comparable/Competitive Supply	0	0			0	0
Net Income-qualified Renter HHs	180	373			2,218	553

CAPTURE RATES (found on page 51)

Targeted Population	50%	60%	Market-rate	Other: 50%	Other: 60%w/RA	Overall
Capture Rate	5.5%	8%			1.4%	5.8%/1.3%

ABSORPTION RATE (found on page 52)

Absorption Period: 1 month or 4 months if 100% vacant (**Hillcrest has 24-units of PBRA**)

2012 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
8	1 BR	\$380	\$3,040	\$520	\$4,160	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
16	2 BR	\$508	\$8,128	\$610	\$9,760	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
8	3 BR	\$561	\$4,488	\$675	\$5,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	32		\$15,656		\$19,320	18.96%

SECTION B

PROJECTION DESCRIPTION

The proposed very low to moderate income Low Income Housing Tax Credit (LIHTC) multi-family rehab development will target the general population in the Walterboro area of Colleton County, South Carolina.

Development Location:

Hillcrest Apartments is located at 518 Sniders Highway. It is located approximately .9 miles east of I-95 and 2.5 miles southwest of Downtown Walterboro.

Construction Type:

The market study assignment was to ascertain market demand for a proposed multi-family LIHTC (family) rehab development to be known as the **Hillcrest Apartments**, for the Hillcrest SC LLC, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	621	Na
2BR/1b	16	793	Na
3BR/1b	8	981	Na
Total	32		

Development Profile & Structure Type/Design:

The proposed rehab rental development design will comprise four 8-plex two story walk-up residential buildings. The development will include a separate building which will include a managers office, central laundry, computer room, and community space. The project will provide 52 parking spaces.

The Scope of Work is provided in the Appendix of this market study. The Scope of Work was reviewed by the market analyst. It includes the proposed recommended changes to the current, project unit and development amenity package. Specific recommendations are made regarding site improvements, building exterior improvements, apartment unit improvements, and the community building improvements.

Occupancy Type:

The proposed *Occupancy Type* is **General Population** (LIHTC-family, non age restricted).

Project Rents:

The proposed development will target 25% of the units (all 1BR) at 50% or below of area median income (AMI); and 75% of the units (2BR and 3BR) at 60% or below of AMI.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	8	\$380	\$103	\$483

*City of Walterboro & USDA-RD (effective 1/1/13)

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	16	\$508	\$109	\$617
3BR/1b	8	\$561	\$133	\$694

*City of Walterboro & USDA-RD (effective 1/1/13)

Utilities:

The tenant will be responsible for water, sewer, electric for heat, hot water, cooking and general purposes. The owner will provide trash removal and pest control. Utility costs are based upon estimates provided by the City of Walterboro, and USDA-RD, with an effective date of January 1, 2013 (see Appendix).

Rental Assistance:

The proposed rehab development will offer 24-units of USDA-RD Section 515 deep subsidy rental assistance (RA).

Project Amenity Package

The development will include the following amenity package:

Unit Amenities*

- range/microwave/hood
- central ir
- smoke alarms
- ceiling fan
- carpet & vinyl laminate
- refrigerator w/ice maker*
- dish washer
- cable ready & internet ready
- mini-blinds

*Energy Star compliant

Development Amenities

- on-site mgmt office
- central laundry
- playground
- walking trail
- postal shelter
- community room w/kitchenette
- covered picnic area
- equipped computer room
- sitting benches

Placed in Service Date

The estimated projected year that the Hillcrest Apartments will be placed in service as a rehabed property is late 2014 or early 2015.

Architectural Plans

The architectural firm for the proposed development is Don Harwood Architects, LLC. At the time of the market study, the floor plans and elevations had not been completed.

Current Project Parameters for Hillcrest are:

Hillcrest Apartments, 518 Sniders Highway (843) 538-2181

Type: USDA-RD fm

Date Built: 1984

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Note Rent</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	8	\$490	\$623	\$103	0
2BR/1b	16	\$508	\$636	\$109	0
3BR/1b	8	\$561	\$689	\$133	0
Total	32				0

Typical Occupancy Rate: 97%

Security Deposit: \$250

Utilities Included: sewer, trash

Waiting List: Yes (3-apps)

Concessions: No

Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	Some	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Picnic Area	Yes
Storage	Yes	Community Room	No

Design: 2 story walk-up

RA: 24-units

Tenant Gross Income, Rent Roll

Based upon a February 2013, property compliance report, tenant gross income ranged between \$3,600 and \$26,000. The estimated average gross income was \$13,665 and the estimated median gross income was \$11,825. The most current available rent roll is provided in the Appendix.

SECTION C

**SITE & NEIGHBORHOOD
EVALUATION**

The site of the proposed LIHTC/USDA-RD rehab family apartment development, known as Hillcrest Apartments is located at 518 Sniders Highway. It is located approximately .9 miles east of I-95 and 2.5 miles southwest of Downtown Walterboro. The site is located within the city limits of

Walterboro in the southwestern portion of the city. Specifically, the site is located in Census Tract 9703 and Zip Code 29488.

The site and market area were visited on January 23, 2013.
Note: The site is **not** located within a Qualified Census Tract (QCT).

Site & Neighborhood Characteristics

Street and highway accessibility are very good relative to the site. Ready access from the site is available to the major retail trade areas, public schools, local health care facilities, major employers, and downtown Walterboro. Access to all major facilities can be attained within a 5 to 10-minute drive. The site is approximately .9 miles from I-95 and 2.5 miles from the US Highway 17 A. Access to the site is off Sniders Highway (CR 63), which is a primary connector within Walterboro.

Ingress/Egress/Visibility

The traffic density on Sniders Highway is estimated to be medium, with a speed limit of 45 miles per hour (in the vicinity of the site). The site in relation to the subject property and Sniders Highway is very agreeable to signage and offers excellent drive-by visibility.

The approximately 3.2-acres, square shaped tract presently comprises the location of the subject, the Hillcrest Apartments. For the most part the tract is relatively flat. The site is not located in a flood plain. Source: FEMA website (www.msc.fema.gov), Map Number 45029C0315F, Panel 315 of 731, Effective Date: 11/7/2001. All public utility services are available to the tract and excess capacity exists. At present, the tract is zoned HDR, High Density Residential. This zoning designation allows multi-family development. The surrounding land use and land use designations around the site are detailed below:

Direction	Existing Land Use	Designation
North	a commercial property; followed by mostly vacant wooded land use	County Zoning

Direction	Existing Land Use	Designation
East	Commercial and institutional development along Sniders Highway, and Mable Willis Blvd.	County Zoning & HCD Highway Commercial District
South	Institutional development including the SC Department of Transportation maintenance facility	HCD - Highway Commercial District
West	Commercial development	County Zoning

Source: City of Walterboro Adopted Zoning Map, 8/14/2012.

The potential for acceptable curb appeal to the site/subject is considered to be very good. The surrounding landscape in the vicinity of the site offers neither distinctive views nor unsightly views of the surrounding landscape. The surrounding areas to the site appeared to be void of any major negative externalities: including noxious odors, close proximity to power lines, cemeteries, and property boundaries with rail lines.

Infrastructure Development

At the time of the market study, there was no on-going infrastructure development in the immediate vicinity of the site. Also, there is no planned infrastructure development in the current pipeline. The subject access road, as well as the water and sewer lines are already in place. Sources: Mr. Charlie Chewing, Director, Walterboro Public Works Department, and Mr Wayne Crosby, Director, Walterboro Utilities Department, walterborosc.org.

Crime & Perceptions of Crime

The overall setting of the site/subject is considered to be one that is acceptable for continuing residential, and commercial land use within the present neighborhood setting. The immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. Between 2010 and 2011, the overall city crime index for Walterboro decreased by approximately 17%. During that period, reductions in crime (on a numerical basis) were noted in robberies, assaults, burglaries, and murders (1 in 2010; 0 in 2011). There was an increase in thefts. Like other small cities with a predominantly semi urban/ semi rural population, there are specific neighborhoods in the city that are considered to be pockets of crime. However, based upon on-site field research, that area in the vicinity of the site/subject is not considered to be an area which is overly impacted by crime. (See Appendix for crime data source(s).)

Positive & Negative Attributes

Overall, the field research revealed the following charted strengths and weaknesses of the existing site of the Hillcrest Apartments. In the opinion of the analyst, the site is considered to be appropriate as a LIHTC/USDA-RD multi-family development targeting the general population.

SITE ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Located within a mixed institutional and commercial setting	
Excellent linkages to the area road system	
Nearby road speed and noise is acceptable, and excellent visibility regarding curb appeal and signage placement	
Excellent proximity to a fire station and I-95. Also, good proximity to the local schools, downtown, health-care facilities, and employment opportunities	

Note: The pictures on the following pages are of the site and surrounding uses.



(1) Hillcrest off Sniders, Hwy, south to north.



(2) Hillcrest to right, off Sniders Hwy, east to west.



(3) Hillcrest to left off Sniders Hwy, west to east.



(4) Hillcrest entrance, south to north.



(5) Hillcrest manager office, west to east.



(6) Hillcrest building, south to north.



(7) Hillcrest building, front view, south to north.



(8) Hillcrest building, side view, south to north.

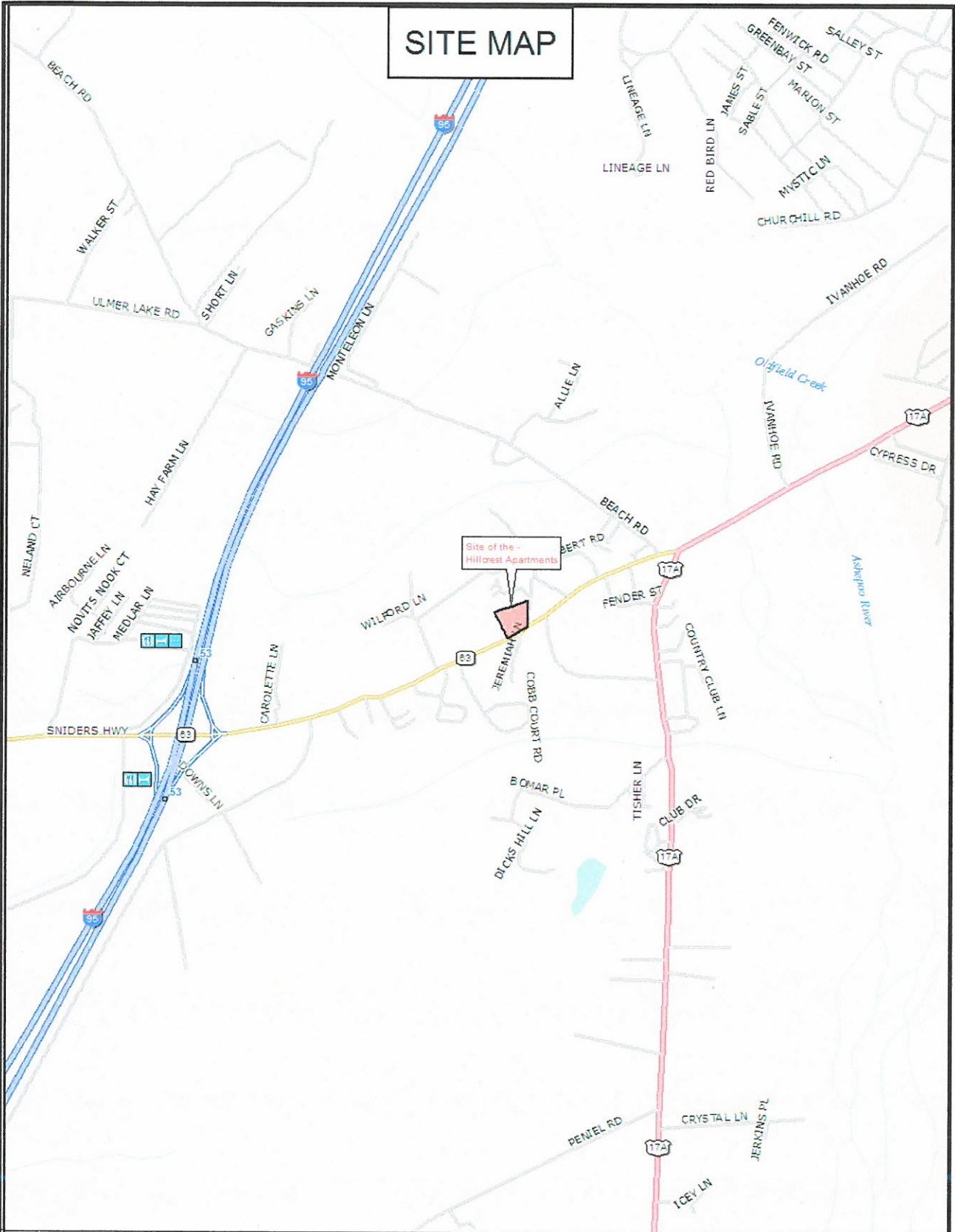


(9) Hillcrest building, Diagonal view.

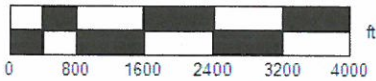


(10) SC Department of Transportation, .1 mile south.

SITE MAP



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Data Zoom 13-0

Access to Services

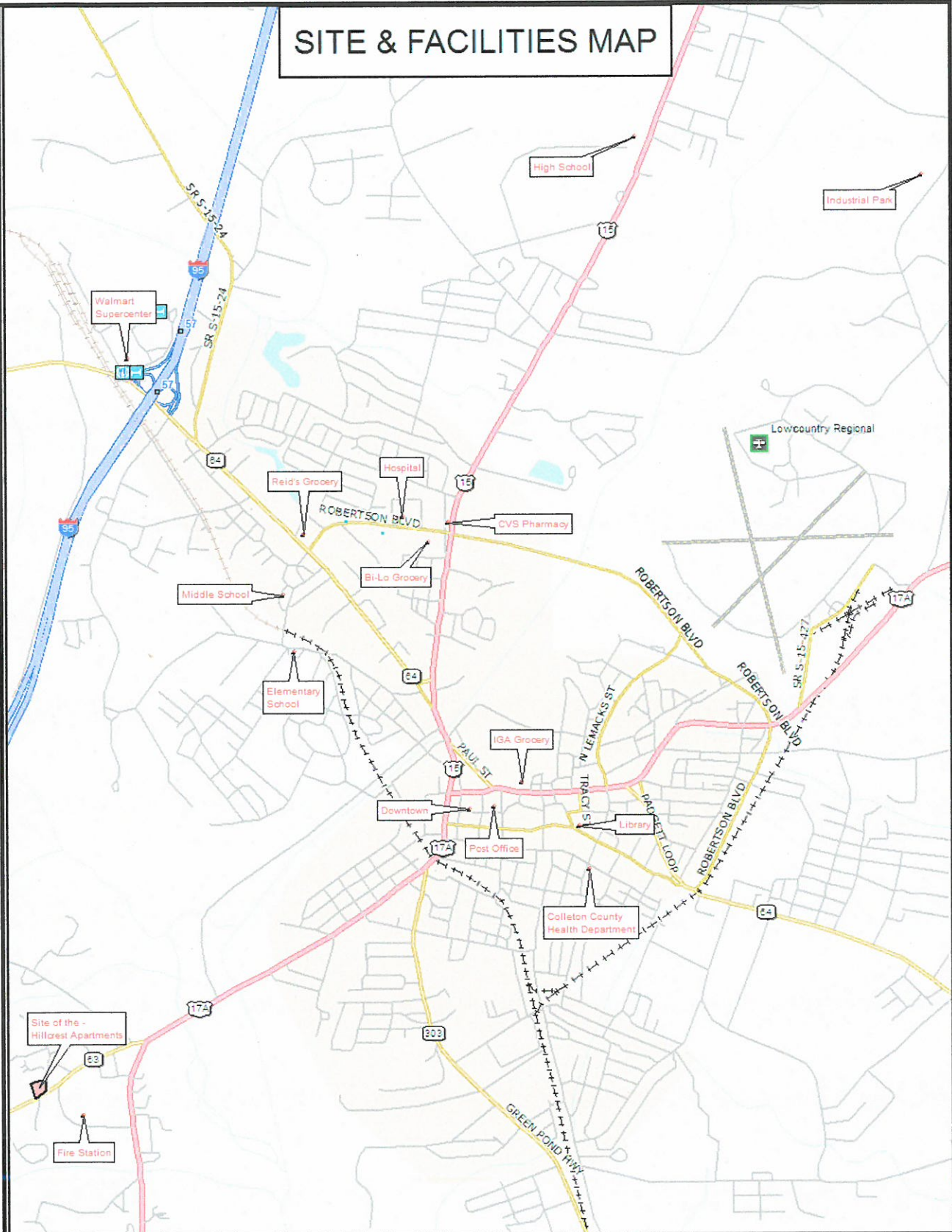
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Site*
Fire Station	.4
Access to I-95	.9
Downtown Walterboro	2.4
Access to US 17 A	2.4
Post Office	2.5
IGA Grocery	2.7
Library	2.8
County Health Department	2.9
Elementary School	3.5
Bi-Lo Grocery	3.5
CVS Pharmacy	3.5
Walgreens Pharmacy	3.5
Robertson Boulevard (Bypass)	3.5
Colleton Medical Center (hospital)	3.6
Middle School	3.8
Reid's Grocery	3.9
Walmart Supercenter	5.1
High School	5.8
Industrial Park	7.8

* in tenths of miles

SITE & FACILITIES MAP

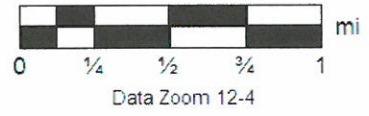


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SECTION D
MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the

location and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA) and Secondary Market Area (SMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography, as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Walterboro and Colleton County, along with an assessment of the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family LIHTC (family) rehab development consists of the following 2010 census tracts:

9701 to 9707

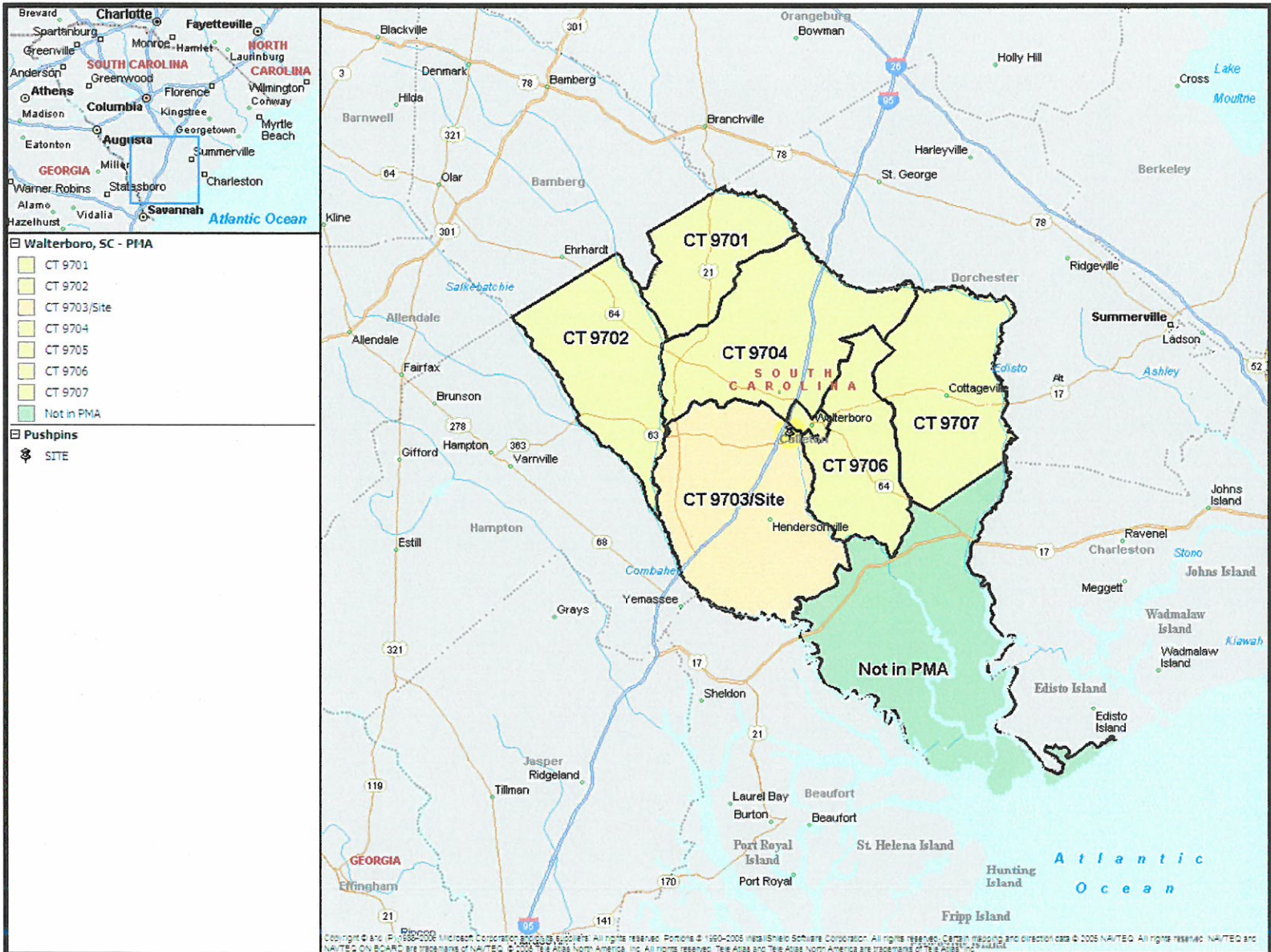
Note: The 2000 census tracts for the PMA were the same as the 2010 census tracts. The only difference was that 2000 census tract 9704 was spilt in 2010, however the overall geographic boundaries remained unchanged.

For the most part, the PMA encompasses all of the City of Walterboro, as well as the majority of the County. The PMA excluded the Edisto Beach area of the County. With the exception of Walterboro, the remainder of the county is very rural. The county includes three other incorporated places the largest of which is Cottageville with a 2010 population of 762.

Note: The subject PMA is the same PMA delineated for the SCSHDA (both LIHTC elderly & family applications) by Wall & Associated in 2009. The PMA delineation process is also based upon information provided by the managers of the Bay Meadows and Hillcrest Apartments, as to where the majority of the current tenants were residing before they became tenants of the subject property.

The PMA is bounded as follows:

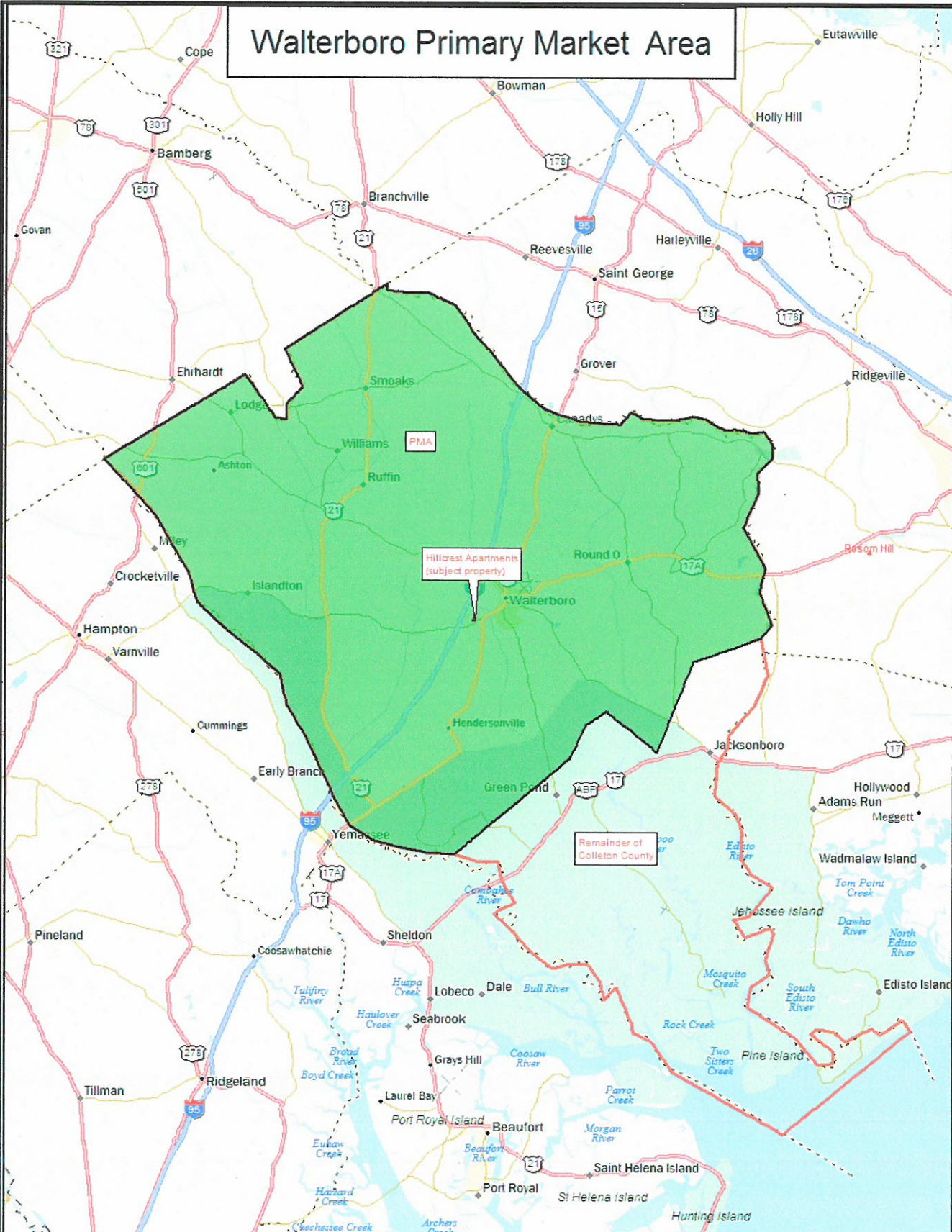
Direction	Boundary	Distance from Subject
North	Bamberg and Dorchester Counties	10-18 miles
East	Dorchester County	16 miles
South	Edisto Beach PMA	12 miles
West	Hampton County	18 miles



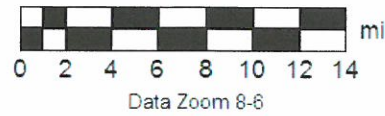
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area, principally the remainder of Colleton County. However, in order to remain conservative the demand methodology excluded any potential demand from a secondary market area.

Walterboro Primary Market Area



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SECTION E

MARKET AREA ECONOMY

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area

to create and sustain growth, and job formation is typically the primary motivation for positive net in-migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 1 through 5 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Colleton County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 1A			
Civilian Labor Force, Colleton County: 2007, 2010 and 2012			
	2007	2011	2012
Civilian Labor Force	16,484	17,208	17,135
Employment	15,491	14,972	15,205
Unemployment	993	2,236	1,930
Unemployment Rate	6.0%	13.0%	11.3%

Table 1B				
Change in Employment, Colleton County				
Years	# Total	# Annual*	% Total	% Annual*
2007 - 2009	- 606	- 202	- 3.91	- 1.30
2009 - 2010	+ 123	Na	+ 0.83	Na
2010 - 2011	- 36	Na	- 0.24	Na
2011 - 2012	+ 233	Na	+ 1.56	Na

* Rounded Na - Not applicable

Sources: South Carolina Labor Force Estimates, 2007 - 2012. SC Department of Employment and Workforce, Labor Market Information Division. Koontz and Salinger. February, 2013.

Table 2 exhibits the annual change in civilian labor force employment in Colleton County between 2007 and 2012. Also, exhibited are unemployment rates for the County, State and Nation.

Table 2							
Change in Labor Force: 2007 - 2012							
	Colleton County					SC	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2007	16,484	15,491	-----	993	6.0%	5.6%	4.6%
2008	16,676	15,310	(181)	1,366	8.2%	6.8%	5.8%
2009	17,179	14,885	(425)	2,294	13.4%	11.5%	9.3%
2010	17,283	15,008	123	2,275	13.2%	11.2%	9.6%
2011	17,208	14,972	(36)	2,236	13.0%	10.3%	8.9%
2012	17,135	15,205	233	1,930	11.3%		
Month							
1/2012	16,837	14,730	-----	2,107	12.5%	9.3%	8.3%
2/2012	17,155	15,102	372	2,053	12.0%	9.1%	8.3%
3/2012	17,105	15,213	111	1,892	11.1%	8.9%	8.2%
4/2012	16,984	15,150	(63)	1,834	10.8%	8.8%	8.1%
5/2012	17,422	15,432	282	1,990	11.4%	9.1%	8.2%
6/2012	17,531	15,402	(30)	2,129	12.1%	9.4%	8.2%
7/2012	17,326	15,229	(173)	2,097	12.1%	9.7%	8.3%
8/2012	16,932	15,006	(223)	1,926	11.4%	9.6%	8.1%
9/2012	17,095	15,356	350	1,739	10.2%	9.1%	7.8%
10/2012	17,049	15,325	(31)	1,724	10.1%	8.6%	7.9%
11/2012	17,048	15,315	(10)	1,733	10.2%	8.3%	7.8%

Sources: South Carolina Labor Force Estimates, 2007 - 2012. SC Department of Employment and Workforce, Labor Market Information Division.

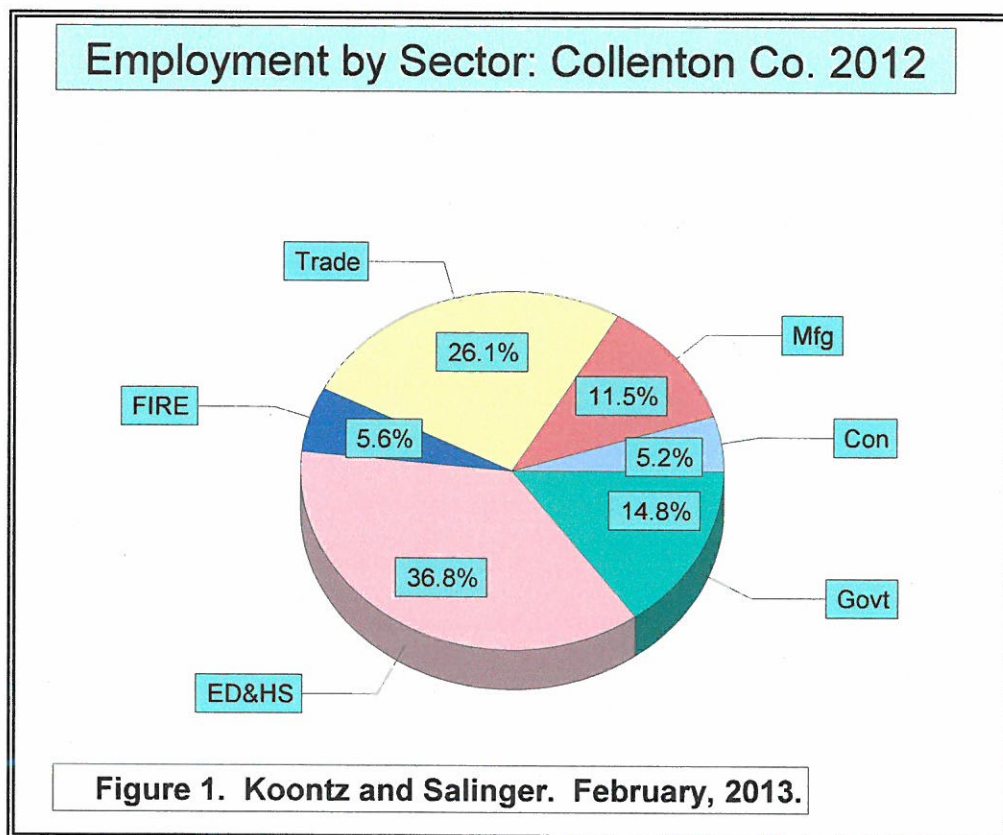
Koontz and Salinger. February, 2013.

Table 3 exhibits average monthly employment by sector in Colleton County between the 2nd Quarter of 2011 and 2012.

Year	Total	Con	Mfg	ED&HS	T	ADS	FIRE	PA
2011	9,994	369	853	2,473	1,724	1,075	423	1,053
2012	9,976	359	796	2,544	1,800	1,040	385	1,024
11-12 # Ch.	- 18	- 10	- 57	+ 71	+ 76	- 35	- 38	- 29
11-12 % Ch.	- 0.2	-2.7	-6.7	+ 2.9	+ 4.4	- 3.3	-9.0	- 2.8

Note: Con - Construction; Mfg - Manufacturing; HS - Education & Health Services; T - Wholesale and Retail Trade; FIRE - Finance, Insurance, and Real Estate; PA - Public Administration (Government); ADS - Administrative Services

Figure 1 exhibits employment by sector in Colleton County in the 2nd Quarter of 2012. The top employment sectors are: service, trade, government and manufacturing. The forecast for 2013, is for the manufacturing sector to stabilize, and the service sector to stabilize (absent local government employment).



Sources: SC Department of Employment and Workforce, 2011 and 2012.
Koontz and Salinger. February, 2013.

Table 4 exhibits the annual change in covered employment in Colleton County between 2002 and the 1st and 2nd Quarter of 2012. Covered employment data differs from civilian labor force data in that it is based on a place -of-service work basis within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

Table 4		
Change in Covered Employment: 2002 - 2012		
Year	Employed	Change
2002	10,604	-----
2003	10,348	(256)
2004	10,524	176
2005	10,432	(92)
2006	10,895	463
2007	10,675	(220)
2008	10,711	36
2009	10,420	(291)
2010	10,171	(249)
2011	9,864	(307)
2012 1 st Q	9,751	-----
2012 2 nd Q	9,976	225

Sources: SC Department of Employment and Workforce, 2002 - 2012. Koontz and Salinger. February, 2013.

Commuting

The majority of the workforce within the PMA have relatively short commutes to work within the City of Walterboro or Colleton County. Average commuting times range between 15 and 20 minutes. It is estimated that approximately 3% of the workforce commutes out of state (Georgia) and 42% of the PMA workforce commutes out of county (within state) to work. The majority commute to nearby Beaufort, Charleston, and Dorchester Counties.

Sources: www.SCWorkforecInfo.com, Colleton County Community Profile, 2007-2011 American Community Survey.

Table 5, exhibits average annual weekly wages in the 2nd Quarter of 2011 and 2012 in the major employment sectors in Colleton County. It is estimated that the majority of workers in the service and trade sectors in 2013 will have average weekly wages between \$400 and \$700.

Table 5				
Average Annual Weekly Wages, 2 nd Quarter 2011 and 2012				
Colleton County				
Employment Sector	2011	2012	% Numerical Change	Annual Rate of Change
Total	\$ 555	\$ 551	- 4	- 0.7
Construction	\$ 621	\$ 658	+ 37	+ 6.0
Manufacturing	\$ 646	\$ 671	+ 25	+ 3.9
Wholesale Trade	\$ 743	\$ 783	+ 40	+ 5.4
Retail Trade	\$ 391	\$ 376	- 15	- 3.8
Finance & Insurance	\$ 700	\$ 683	- 17	- 2.4
Real Estate & Leasing	\$ 596	\$ 569	- 27	- 4.5
Administrative Services	\$ 433	\$ 430	- 3	- 0.7
Education Services	Na	Na	Na	Na
Health Care Services	\$ 609	\$ 632	+ 23	+ 3.8
Leisure & Hospitality	\$ 256	\$ 260	+ 4	+ 1.6
Federal Government	\$1084	\$1118	+ 34	+ 3.1
State Government	\$ 687	\$ 687	0	0.0
Local Government	\$ 571	\$ 517	- 54	- 9.5

Sources: SC Department of Employment and Workforce, Covered Employment, Wages and Contributions, 2011 and 2012.

Koontz and Salinger. February, 2013.

Major Employers

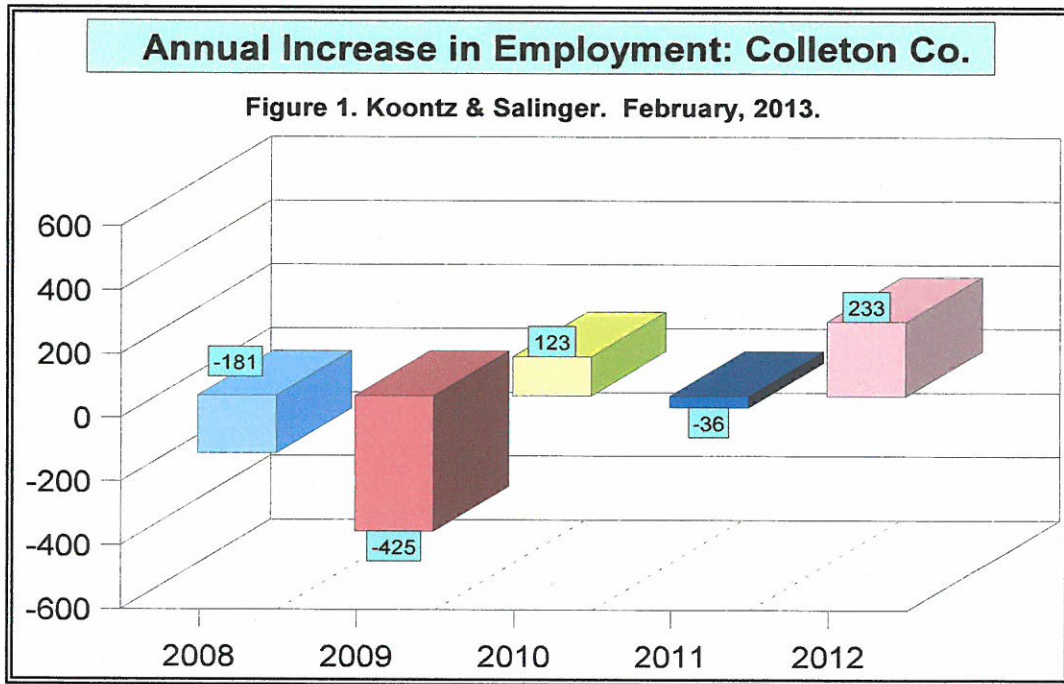
The major employers in Walterboro and Colleton County are listed in Table 6.

Table 6		
Major Employers		
Firm	Product/Service	Number of Employees
Manufacturing		
Dayco	Industrial Hoses/Belts	140
Carolina Visuals	Textiles	140
Walterboro Veneer	Lumber/Hardwood	125
Rockford Manufacturing	Metal Buildings	100
Floralife	Floral Forms	60
Jaxco Industries	Fundraising Products	40
ABB Optimum Nutrition	Sports Drinks	30
IFCO Systems	Pallets	30
Balchem Corporation	Water Treatment Chemicals	20
Pioneer Boats	Boats	10
Non Manufacturing		
Colleton Co School Sys	Education	962
Colleton Medical Center	Health Care	535
Colleton County	Government	400
Walmart	Retail	380
Veterans Victory House	Health Care	245
City of Walterboro	Government	200
Bi-Lo Grocery	Retail	Na

Sources: Walterboro-Colleton Chamber of Commerce, www.walterboro.org
Colleton County Community Profile, SC Department of Commerce

SUMMARY

The economic situation for Colleton County is statistically represented by employment activity, both in workers and jobs. Colleton County experienced cyclical changes in employment between 2001 and 2007. As represented in Tables 1 and 2, Colleton County experienced mostly employment losses between 2007 and 2011, with the exception of 2010. Like much of the state and nation, very significant employment losses were exhibited in 2009, followed by a moderate gain in 2010. Unlike 2011, significant employment gains are forecasted for 2012.



As represented in Figure 1 (and Table 1B), between 2007 and 2009, the average decrease in employment was approximately -200 workers or around -1.3% per year. The rate of employment gain between 2009 and 2010, was moderate at approximately +0.85%, representing a net gain of +123 workers. The rate of employment loss between 2010 and 2011, was slight at approximately -0.25%, representing a net decline of -36 workers. Based upon an examination of the most recent 11-month period of data in 2012, the rate of employment change between 2011 and 2012 suggests a significant reversal of the recent trend of employment losses within the county. The increase between 2011 and 2012 is estimated at around +235 workers, or by approximately +1.5%. Currently, local market employment conditions still remain in a fragile state, exhibiting recent signs of stabilization, on a sector by sector basis, but still very much subject to a downturn in local, state, and national economic conditions, such as the recent "fiscal cliff", "debt ceiling", and "budget sequestration" discussions at the national level.

Monthly unemployment rates in 2010 and 2011 were among the highest exhibited in over 10-years in Colleton County. Monthly unemployment rates remained high in 2012, ranging between 10.2% and 12.5%, with an overall estimate of 11.3%. These rates of unemployment for the local economy are reflective of Colleton County participating in the last State, National, and Global recession and the subsequent period of slow

to very slow recovery growth. The last recession was severe. The National forecast for 2013 (at present) is for the unemployment rate to approximate 7% in the later portion of the year. Typically, during the last three years, the overall unemployment rate in Colleton County has been, on average, 2% to 3% greater than the state and national average unemployment rates. The annual unemployment rate in 2013 in Colleton County is forecasted to remain high, in the vicinity of 10% to 10.5%, but improving (slightly) on a relative year to year basis.

Employment in Colleton County is concentrated in and around Walterboro, the county seat. Walterboro is the commercial and employment hub for most of Colleton County. Walterboro's nearby proximity to I-95, provides two small employment nodes offering a concentration of primarily low wage employment opportunities in the leisure and hospitality sector, as well as retail trade employment. Within Walterboro the major employment nodes are: (1) the Colleton Medical Center complex, (2) the downtown area of Walterboro, and (3) the industrial park located near the local airport, the Low Country Regional Airport.

Colleton County has a small manufacturing sector, located mostly around the airport. Recent manufacturing growth announcements have included:

(1) October 12, 2012, Crescent Dairy & Beverages announced a new ultra pasteurized beverage processing facility in Colleton County. The investment will exceed \$30 million and create up to 60 new jobs, and

(2) December 7, 2012, Sarla Performance Fibers, a producer of yarn and threads, announced it will locate new operations in Colleton County. The \$13.8 million investment is expected to create 100 new jobs.

Source: SC State Department of Commerce, www.sccommerce.com

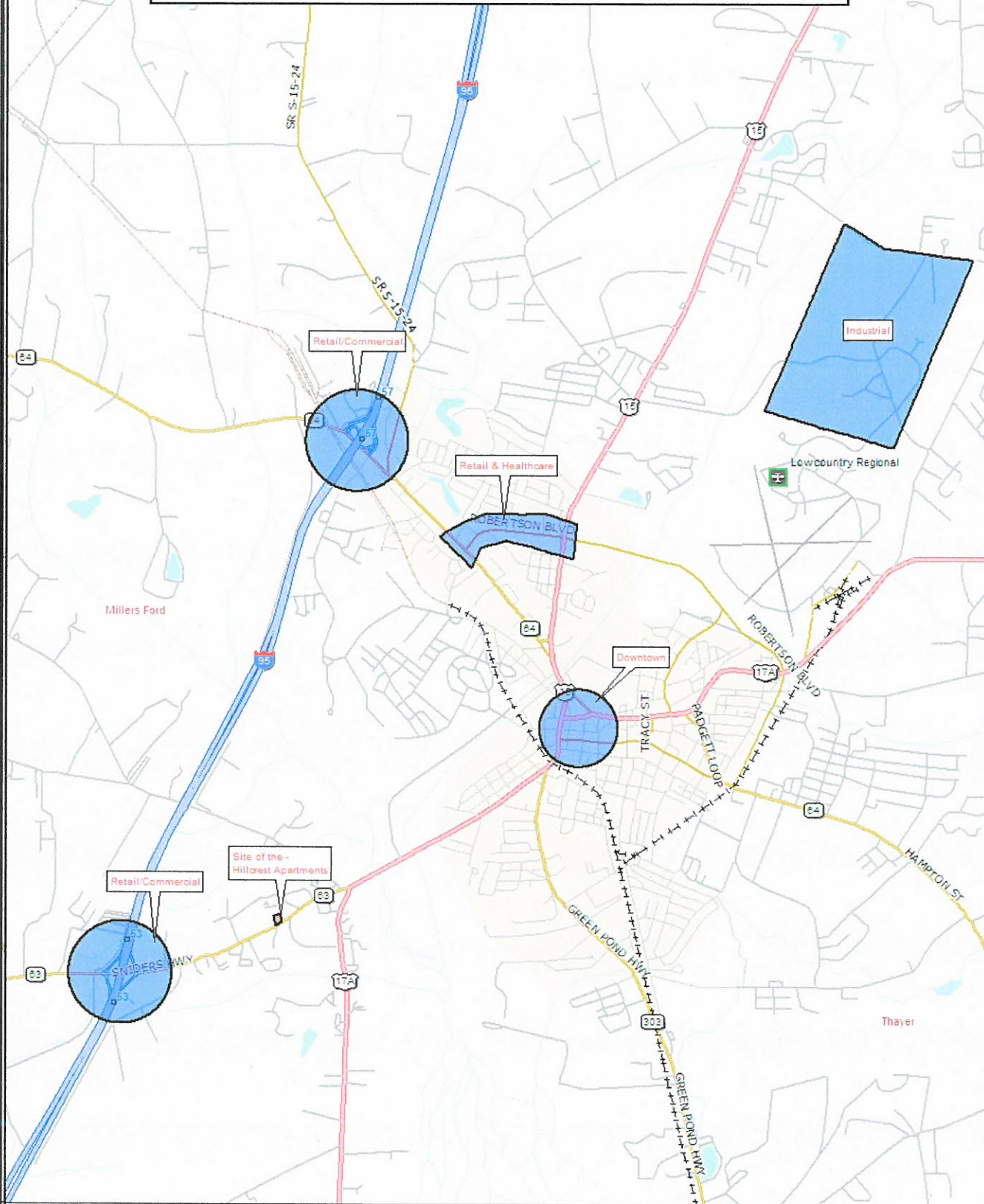
Local Economy - Relative to Subject & Impact on Housing Demand

Recent economic indicators are more supportive of a stable local economy over the next year, mostly owing to a well diversified employment base, and several recent major economic development announcements. In addition, it is more likely than not that Colleton County will experience moderate employment growth in 2013.

The key factor to a successful LIHTC/USDA-family rehab development will be rent positioning. As presently structured the subject's proposed net rents by AMI and bedroom type are very competitive within the current local apartment market.

In summary, the near term outlook for the Walterboro/Colleton County local economy is for a stable economy into 2013, subject to an avoidance of the negative impacts of the "fiscal cliff", and the "debt ceiling crisis" in early 2013. Regardless of the "fiscal cliff", "debt ceiling", and "budget sequestration", economic growth is expected between mid to late 2013. Over the next few years, most economists forecast that the overall regional, state and national economies will slowly increase in size to at least representing that period in time before the deep recession of 2008-2009.

Major Employment Nodes in Walterboro, SC



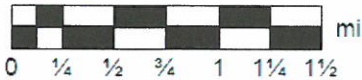
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Data Zoom 11-7

SECTION F

COMMUNITY DEMOGRAPHIC DATA

Tables 7 through 12 exhibit indicators of trends in population and household growth.

Table 7 exhibits the change in total population in Walterboro, the Walterboro PMA, and Colleton County between 2000 and 2015. The year 2015 is estimated to be the placed in service year (Source: 2013 SC Tax Credit Manual - Exhibit S, Market Study Guidelines).

Total Population Trends

Both the Walterboro PMA, and Colleton County exhibited modest population gains between 2000 and 2010. The rate of increase within the PMA between 2000 and 2010, approximated +.30% per year. Population losses in the PMA between 2012 and 2015 are forecasted at a modest to moderate rate at around -.45% per year. The forecasted rate of decline within the county closely approximates the PMA. The majority of the rate of decline is attributed primarily to out-migration of population, owing to the poor economic environment within the county over the last 10-years.

The projected change in population for the City of Walterboro is subject to local annexation policy and in-migration of rural county residents into the city. Overall, the rate of decline within the city is forecasted to closely approximate the rate of decline for the PMA.

Population Projection Methodology

The forecast for total population is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas 2010 to 2018 population projections. The most recent set of projections prepared by the South Carolina Budget and Control Board were used as a cross check to the Nielsen-Claritas data set. Note: At present, the South Carolina Budget and Control Board projections have yet to fully incorporate the 2010 census into the forecast methodology. This is anticipated to occur in the Spring of 2013.

Sources: (1) 2000 and 2010 US Census.

(2) South Carolina State and County Population Projections, prepared by the South Carolina Budget and Control Board.

(3) Nielsen Claritas 2013 and 2018 Projections.

Table 7 exhibits the change in total population in Walterboro, the Walterboro PMA, and Colleton County between 2000 and 2015.

<p style="text-align: center;">Table 7</p> <p style="text-align: center;">Total Population Trends and Projections: Walterboro, Walterboro PMA, and Colleton County</p>					
Year	Population	Total Change	Percent	Annual Change	Percent
Walterboro					
2000	5,153	-----	-----	-----	-----
2010	5,946	+ 793	+ 15.39	+ 79	+ 1.54
2012	5,904	- 42	- 0.71	- 21	- 0.35
2013	5,883	- 21	- 0.36	- 21	- 0.36
2015	5,873	- 10	- 0.17	- 5	- 0.08
Walterboro PMA					
2000	35,847	-----	-----	-----	-----
2010	36,971	+ 1,124	+ 3.14	+ 112	+ 0.31
2012	36,627	- 344	- 0.93	- 172	- 0.47
2013	36,455	- 172	- 0.47	- 172	- 0.47
2015*	36,323	- 132	- 0.36	- 66	- 0.18
Colleton County					
2000	38,264	-----	-----	-----	-----
2010	38,892	+ 628	+ 1.64	+ 63	+ 0.16
2012	38,469	- 423	- 0.62	- 211	- 0.31
2013	38,257	- 212	- 0.55	- 212	- 0.55
2015	38,071	- 186	- 0.49	- 93	- 0.25

* 2015 - Estimated placed in service year.

Calculations: Koontz and Salinger. February, 2013.

Table 8 exhibits the change in population by age group within the Walterboro PMA between 2010 and 2013.

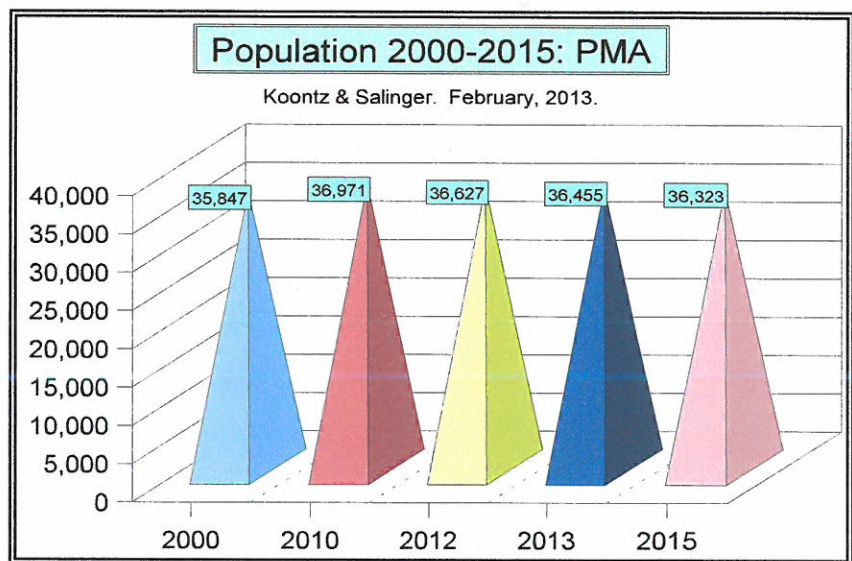
Table 8						
Population by Age Groups: Walterboro PMA, 2010 - 2013						
	2010 Number	2010 Percent	2013 Number	2013 Percent	Change Number	Change Percent
Age Group						
0 - 20	10,591	28.65	10,347	28.38	- 244	- 2.30
21 - 24	1,683	4.55	1,808	4.96	+ 125	+ 7.43
25 - 44	8,541	23.10	8,167	22.40	- 374	- 4.38
45 - 54	5,510	14.90	5,156	14.14	- 354	- 6.42
55 - 64	5,031	13.61	4,938	13.55	- 93	- 1.85
65 +	5,615	15.19	6,039	16.57	+ 424	+ 7.55

Sources: 2010 Census of Population, South Carolina.
Nielsen Claritas 2013 Projections.
Koontz and Salinger. February, 2013.

Table 8 revealed that population decreased in most of the exhibited age groups within the Walterboro PMA between 2010 and 2013. The decrease was moderate in the primary renter age group of 21 to 44 at less than 3%. Overall, a significant portion of the PMA population is in the non elderly apartment living age groups of 21 to 54, representing 41.5% of the total population.

Between 2000 and 2010, PMA population increased at a annual rate of approximately +.30%. Between 2012 and 2013 the PMA population is forecasted to decrease at an annual rate of around -.45%. About half of the population losses in the PMA during this period are expected to occur within the City of Walterboro, and the remainder in the county along and near the major highway corridors.

The figure to the right presents a graphic display of the numeric change in population in the PMA between 2000 and 2015.



HOUSEHOLD TRENDS & CHARACTERISTICS

Table 9 exhibits the change in **total** households in the Walterboro PMA between 2000 and 2015. The modest to moderate decrease in household formations in the PMA has continued since the 2010 census and reflects the recent population trends and near term forecasts. The moderation in the decrease in the number of households is owing to the continuing decline in overall household size.

The decline in the rate of persons per household has continued over the last 10 years, and is projected to stabilize at around 2.42 to 2.43 between 2013 and 2015 in the PMA. The reduction in the rate of decline is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters' supply since the 2010 census was taken.

Table 9					
Walterboro PMA Household Formations: 2000 to 2015					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household¹	Total Households²
PMA					
2000	35,847	333	35,514	2.6369	13,468
2010	36,971	388	36,583	2.5618	14,280
2012	36,627	395	36,232	2.5514	14,201
2013	36,455	400	36,055	2.5461	14,161
2015	36,323	400	35,923	2.5396	14,145

Sources: Nielsen-Claritas Projections.

2000 & 2010 Census of Population, South Carolina.

Calculations: The control for the forecast of households was the 2010 Census. Hista data was interpolated between 2010 and 2018 and the numerical trends were applied to the control and projected forward.

Koontz & Salinger. February, 2013.

¹Continuation of the 2000 to 2010 persons per household rate of change.

²Population in Households divided by persons per unit count.

Table 10				
Change in Household Formations Walterboro PMA				
Year	Total Change	Annual Change	Percent Change	% Annual Change
PMA				
2000-2010	+ 812	+ 81	+ 6.03	+ 0.60
2010-2012	- 79	- 40	- 0.55	- 0.28
2012-2013	- 40	- 40	- 0.28	- 0.28
2013-2015	- 16	- 8	- 0.11	- 0.05

Sources: 2000 & 2010 Census of Population, South Carolina.
 Nielsen-Claritas Projections.
 Koontz and Salinger. February, 2013.

The projection of household formations in the PMA between 2000 and 2010 exhibited a moderate annual increase of around 80 households or approximately +.60% per year.

The projection of household formations in the PMA between 2010 and 2013 exhibited a modest to moderate decrease of 40 households per year or approximately -.30% per year. The rate and size of the annual decrease is considered to be supportive of rehab apartment development (that targets the very low, to low income population), more so than new construction apartment development (that does not offer deep subsidy rental assistance).

Table 11

Households, by Tenure, by Person Per Household
Walterboro PMA, 2010 - 2013

Households	Owner				Renter			
	2010	2013	Change	% 2013	2010	2013	Change	% 2013
1 Person	2,623	2,640	+ 17	25.06%	1,177	1,187	+ 10	32.74%
2 Person	3,801	3,748	- 53	35.57%	899	889	- 10	24.52%
3 Person	1,781	1,774	- 7	16.84%	589	588	- 1	16.22%
4 Person	1,355	1,326	- 29	12.59%	498	488	- 10	13.46%
5 + Person	1,071	1,048	- 23	9.95%	486	473	- 13	13.05%
Total	10,631	10,536	- 95	100%	3,649	3,625	- 24	100%

Sources: 2010 Census of Population, South Carolina.
Nielsen Claritas 2013 Projections.
Koontz and Salinger. February, 2013.

Table 11 indicates that in 2013 approximately 85% of the renter-occupied households in the Primary Market Area contain 1 to 5 persons (the target group by household size).

The majority of these households are:

- singles (both elderly and non elderly)
- couples, roommates,
- single head of households, with children, and
- married couples, with children

Table 12 exhibits households within the Walterboro PMA by owner-occupied and renter-occupied tenure.

The 2010 to 2015 tenure trend revealed a modest decrease in renter-occupied tenure within the Walterboro PMA.

Table 12					
Households by Tenure: Walterboro PMA					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	13,468	10,784	80.07	2,684	19.93
2010	14,280	10,631	74.45	3,649	25.55
2012	14,201	10,568	74.42	3,633	25.58
2013	14,161	10,536	74.40	3,625	25.60
2015	14,145	10,525	74.41	3,620	25.59

Sources: 2000 & 2010 Census of Population, South Carolina.
Nielsen-Claritas Projections.
Koontz and Salinger. February, 2013.

Calculations: The control for the forecast of households, by tenure was the 2010 Census. Hista data was interpolated between 2010 and 2018 and the numerical trends were applied to the control and projected forward.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD Median Income Guidelines for three person households (the recommended maximum household size in a 3BR unit, at 5 persons per bedroom) in Colleton County, South Carolina at 50% and 60% of AMI.

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 13A and 13B exhibit renter-occupied households, by income group, in the Walterboro PMA in 2010, forecasted to 2013 and 2018.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2013 and 2018, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey.

Tables 13A and 13B exhibit renter-occupied households, by income in the Waltherboro PMA in 2010, projected to 2013 and 2018.

Table 13A				
Waltherboro PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2010 Number	2001 Percent	2013 Number	2013 Percent
Under \$10,000	861	23.59	860	23.72
10,000 - 20,000	783	21.45	793	21.88
20,000 - 30,000	577	15.81	619	17.08
30,000 - 40,000	602	16.49	568	15.67
40,000 - 50,000	204	5.59	213	5.88
50,000 - 60,000	142	3.89	151	4.17
60,000 +	481	13.81	421	11.61
Total	3,650	100%	3,625	100%

Table 13B				
Waltherboro PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2013 Number	2013 Percent	2018 Number	2018 Percent
Under \$10,000	860	23.72	890	24.63
10,000 - 20,000	793	21.88	781	21.61
20,000 - 30,000	619	17.08	623	17.24
30,000 - 40,000	568	15.67	566	15.66
40,000 - 50,000	213	5.88	207	5.73
50,000 - 60,000	151	4.17	132	3.65
60,000 +	421	11.61	415	11.48
Total	3,625	100%	3,614	100%

Sources: 2006 - 2010 American Community Survey.
 Nielsen Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. February, 2013.

SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified demand methodology. This incorporates sources of age qualified income eligible demand from new renter household growth and from existing renter

households residing within the Walterboro market. In addition, even though it is not significant in the area at this time, the amount of substandard housing that still exists within the Walterboro PMA will be factored into the demand methodology.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimate that the subject will be placed in service in 2015, as a completed rehab development.

In this section, the effective project size is 32-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 13A and 13B from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like kind competitive supply. In this case discriminated by income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted LIHTC apartment projects in the market area.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60% or below of AMI.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2013 HUD Income Guidelines were used.
- (5) - 0% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 8 1BR units, 16 2BR units, and 8 3BR units. The recommended maximum number of people per unit is:

1BR - 1 and 2-persons
2BR - 2, 3 and 4-persons
3BR - 3, 4, 5 and 6-persons

The proposed development will target 25% of the units at 50% or below of area median income (AMI), and 75% at 60% AMI. 100% of the units at 60% AMI will have deep subsidy Rental Assistance (RA).

The lower portion of the target income range is set by the proposed subject 1BR gross rent at 50% AMI. Typically the 1BR gross rent sets the lower threshold limit and the 2BR and 3BR gross rents (income ranges at 60% AMI) fall between the lower and the HUD based person per household income range by AMI. Note: The subject development will provide 24-units of deep subsidy rental assistance (RA) which will in effect reduce the lower portion of the target income range at 60% AMI to effectively \$0.

Given the fact that the subject development provides for 75% of the units (all at 60% AMI) to have deep subsidy Rental Assistance (RA), the demand methodology will exhibit demand both with and without rental assistance, for that portion of demand at 60% AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. For LIHTC family applications 35% of income to rent is established as the rent to income ratio.

The proposed 1BR net rent at 50% AMI is \$380. The estimated utility costs is \$103. The proposed 1BR gross rent is \$483. The lower income limit at 50% AMI based on a rent to income ratio of 35% for a 1BR unit is established at \$16,560.

The proposed 2BR net rent at 60% AMI is \$508. The estimated utility costs is \$109. The proposed 2BR gross rent is \$617. The lower income limit at 60% AMI based on a rent to income ratio of 35% for a 2BR unit is established at \$21,155.

The proposed 3BR net rent at 60% AMI is \$561. The estimated utility costs is \$133. The proposed 3BR gross rent is \$694. The lower income limit at 60% AMI based on a rent to income ratio of 35% for a 3BR unit is established at \$23,795.

The AMI at 50% and 60% for 1 to 5 person households in Colleton County, SC follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$16,650	\$19,980
2 Person -	\$19,000	\$22,800
3 Person -	\$21,400	\$25,680
4 Person -	\$23,750	\$28,500
5 Person -	\$25,650	\$30,780

Source: 2013 HUD Median Income Guidelines.

Overall Income Ranges by AMI

50% AMI

The overall income range for the targeting of income eligible households at 50% AMI is \$16,560 to \$19,000.

60% AMI

Without RA

The overall income range for the targeting of income eligible households at 50% AMI is \$21,155 to \$30,780.

With RA

The overall income range for the targeting of income eligible households at 50% AMI is \$0 to \$30,780.

Fair Market Rents

The 2013 Final Fair Market Rents for Colleton County, SC are as follows:

Efficiency	=	\$ 569
1 BR Unit	=	\$ 573
2 BR Unit	=	\$ 722
3 BR Unit	=	\$ 924
4 BR Unit	=	\$ 965

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.org

Note: The proposed subject property 1BR gross rent at 50% AMI is set below the 2013 maximum 1BR Fair Market Rents in Colleton County. Thus, the proposed subject property 1BR units at 50% AMI will be readily marketable to Section 8 Housing Choice voucher holders.

The proposed subject property 2BR and 3BR gross rents at 60% AMI are set below the 2013 maximum 2BR and 3BR Fair Market Rents in Colleton County. Thus, the proposed subject property 2BR and 3BR units at 60% AMI will be readily marketable to Section 8 Housing Choice voucher holders.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI (without RA)

It is projected that in 2015 approximately **5.5%** of the renter-occupied households in the PMA were in the subject property 50% AMI LIHTC target income group of \$16,560 to \$19,000.

60% AMI (Without RA)

It is projected that in 2015 approximately **16.5%** of the renter-occupied households in the PMA were in the subject property 50% AMI LIHTC target income group of \$21,155 to \$30,780.

60% AMI (With RA)

It is projected that in 2015 approximately **64.5%** of the renter-occupied households in the PMA were in the subject property 60% AMI LIHTC target income group of \$0 to \$30,780.

Adjustments

No adjustment was made for income overlap. The two income bands at 50% and 60% AMI, as presently calculated are 100% discrete, under the assumption of no deep subsidy rental assistance.

Effective Demand Pool

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

- * net household formation (normal growth),
- * existing renters who are living in substandard housing, and
- * existing renters who are in rent overburdened situations.

Several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2012 to 2015 forecast period,
- (2) taking into consideration like-kind competition introduced into the market between 2011 and 2012, and
- (3) taking into consideration the existing 100% deep subsidy rental assistance, at 60% AMI.

New Household Growth

For the PMA, forecast housing demand through household formation totals a negative, -56 households over the 2012 to 2015 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2012 to 2015 forecast period it is calculated that -13 or approximately 23% of the new household formations would be renters.

50% AMI

Without RA

Based on 2015 income forecasts, -1 renter household falls into the 50% AMI target income segment of the proposed subject property, without deep subsidy rental assistance (RA).

60% AMI

Without RA

Based on 2015 income forecasts, -2 renter households fall into the 60% AMI target income segment of the proposed subject property, without deep subsidy rental assistance (RA).

With RA

Based on 2015 income forecasts, -8 renter households fall into the 60% AMI target income segment of the proposed subject property, with deep subsidy rental assistance (RA).

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2007-2011 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2007-2011 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 258 renter-occupied households were defined as residing in substandard housing. Based upon 2007-2011 American Community Survey data, 257 renter-occupied households were defined as residing in substandard housing.

The forecast for 2012 based upon a straight line trend of over crowding data, and holding constant at year 2011 lacking complete plumbing data was for 256 renter occupied household residing in substandard housing in the PMA in 2012. The forecast in 2015 was for 255 renter occupied household residing in substandard housing in the PMA.

50% AMI

Without RA

Based on 2015 income forecasts, 14 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI, without deep subsidy rental assistance (RA).

60% AMI

Without RA

Based on 2015 income forecasts, 42 substandard renter households fall into the target income segment of the proposed subject property at 60% AMI, without deep subsidy rental assistance (RA).

With RA

Based on 2015 income forecasts, 164 substandard renter households fall into the target income segment of the proposed subject property at 60% AMI, with deep subsidy rental assistance (RA).

Demand from Existing Renters that are Rent Overburdened

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the

estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2007-2011 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2015 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to the recent 2008-2010 national and worldwide recession since the report of the findings in the 2007-2011 American Community Survey. The 2007-2011, ACS indicates that approximately 56% of all households age 25-64 are rent overburdened, and that approximately 97% of all renters (regardless of age) within the \$0,000 to \$10,999 income range are rent overburdened, versus approximately 94% in the \$10,000 to \$19,999 income range, and 57% in the \$20,000 to \$34,999 income range.

*Note: HUD considers a rent overburdened household at 30% of income to rent.

50% AMI

Without RA

It is estimated that approximately 90% of the renters with incomes in the 50% AMI target income segments of \$16,560 to \$19,000 are rent overburdened. In the PMA it is estimated that 167 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, without deep subsidy rental assistance (RA).

60% AMI

Without RA

It is estimated that approximately 60% of the renters with incomes in the 60% AMI target income segments of \$21,155 to \$30,780 are rent overburdened. In the PMA it is estimated that 333 existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property, without deep subsidy rental assistance (RA).

With RA

It is estimated that approximately 95% of the renters with incomes in the 60% AMI target income segments of \$0 to \$30,780 are rent overburdened. In the PMA it is estimated that 2,062 existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property, with deep subsidy rental assistance (RA).

Total Effective Tenant Pool

50% AMI

Without RA

The potential demand from these sources (within the PMA) total 180 households/units for the subject apartment development at 50% AMI, without deep subsidy rental assistance (RA).

60% AMI

Without RA

The potential demand from these sources (within the PMA) total 373 households/units for the subject apartment development at 60% AMI, without deep subsidy rental assistance (RA).

With RA

The potential demand from these sources (within the PMA) total 2,218 households/units for the subject apartment development at 60% AMI, with deep subsidy rental assistance (RA).

Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

These estimates of demand will still need to be adjusted for the introduction of new like-kind LIHTC supply into the PMA that is either: (1) currently in the rent-up process, (2) under construction, and/or (3) in the pipeline for development.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct, like-kind competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are no LIHTC apartment developments under construction within the PMA, nor are there any in the pipeline for development.

On August 14 2012, the City of Walterboro Board of Zoning Appeals denied a Special Exception Application for a potential LIHTC development to be known as Savannah Meadows (Bells Highway location). The ruling is being appealed to the Circuit Court. Sources: Mr. David B. Dood, Planning and Codes Director, and www.collentontoday.com (Posted 8/24/2012).

A review of the 2010 to 2012 list of awards made by the South Carolina Housing Finance and Development Authority revealed that in the last three rounds no awards were made for LIHTC family development located within the City of Walterboro.

At the time of the market survey, there were no Market Rate apartment developments under construction or in the pipeline for development in Walterboro or the Walterboro PMA.

No adjustments were made within the demand methodology in order to take into consideration new like-kind (LIHTC family) supply.

Since the subject provides 24-units with deep subsidy rental assistance, two sets of demand calculations are presented.

The segmented, effective demand pool for the Walterboro PMA is summarized in Table 14, assuming **no** deep subsidy rental assistance, at 50% AMI.

The segmented, effective demand pool for the Walterboro PMA is summarized in Table 15, assuming **no** deep subsidy rental assistance, at 60% AMI.

The segmented, effective demand pool for the Walterboro PMA is summarized in Table 16, assuming the existing 100% deep subsidy rental assistance, that will be attached to the units at 60% AMI.

Table 14

Demand Estimate **no/Deep Subsidy RA @50% AMI: Walterboro PMA**

	AMI
● <u>Demand from New Growth - Renter Households</u>	<u>50%</u>
Total Projected Number of Households (2015)	3,620
Less: Current Number of Households (2012)	<u>3,633</u>
Change in Total Renter Households	- 13
% of Renter Households in Target Income Range	<u>5.5%</u>
Total Demand from New Growth	<u>- 1</u>
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2012)	257
Number of Households in Substandard Housing(2015)	255
% of Substandard Households in Target Income Range	<u>5.5%</u>
Number of Income Qualified Renter Households	14
● <u>Demand from Existing Renter Households</u>	
Number of Renter Households (2015)	3,620
Minus Number of Substandard Renter Household	<u>- 255</u>
Total in Eligible Demand Pool	3,365
% of Households in Target Income Range	<u>5.5%</u>
Number of Income Qualified Renter Households	185
Proportion Income Qualified (that are Rent Overburden)	<u>90%</u>
Total	167
● <u>Net Total Demand (New & Existing Renters)</u>	180
● <u>Adjustment for Like-Kind Supply</u>	
Minus New Supply of Competitive Units (2011-2012)	<u>0</u>
● <u>Gross Total Demand</u>	180

Table 15

Demand Estimate **no/Deep Subsidy RA @60% AMI**: Walterboro PMA

	AMI
● <u>Demand from New Growth - Renter Households</u>	<u>60%</u>
Total Projected Number of Households (2015)	3,620
Less: Current Number of Households (2012)	<u>3,633</u>
Change in Total Renter Households	- 13
% of Renter Households in Target Income Range	<u>16.5%</u>
Total Demand from New Growth	- 2
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2012)	257
Number of Households in Substandard Housing(2015)	255
% of Substandard Households in Target Income Range	<u>16.5%</u>
Number of Income Qualified Renter Households	42
● <u>Demand from Existing Renter Households</u>	
Number of Renter Households (2015)	3,620
Minus Number of Substandard Renter Household	<u>- 255</u>
Total in Eligible Demand Pool	3,365
% of Households in Target Income Range	<u>16.5%</u>
Number of Income Qualified Renter Households	555
Proportion Income Qualified (that are Rent Overburden)	<u>60%</u>
Total	333
● <u>Net Total Demand (New & Existing Renters)</u>	373
● <u>Adjustment for Like-Kind Supply</u>	
Minus New Supply of Competitive Units (2011-2012)	<u>0</u>
● <u>Gross Total Demand</u>	373

Table 16

Demand Estimate w/Deep Subsidy RA @ 60% AMI: Walterboro PMA

	AMI
● <u>Demand from New Growth - Renter Households</u>	<u>60%</u>
Total Projected Number of Households (2015)	3,620
Less: Current Number of Households (2012)	<u>3,633</u>
Change in Total Renter Households	- 13
% of Renter Households in Target Income Range	<u>64.5%</u>
Total Demand from New Growth	- 8
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2012)	257
Number of Households in Substandard Housing(2015)	255
% of Substandard Households in Target Income Range	<u>64.5%</u>
Number of Income Qualified Renter Households	164
● <u>Demand from Existing Renter Households</u>	
Number of Renter Households (2015)	3,620
Minus Number of Substandard Renter Household	<u>- 255</u>
Total in Eligible Demand Pool	3,365
% of Households in Target Income Range	<u>64.5%</u>
Number of Income Qualified Renter Households	2,170
Proportion Income Qualified (that are Rent Overburden)	<u>95%</u>
Total	2,062
● <u>Net Total Demand (New & Existing Renters)</u>	2,226
● <u>Adjustment for Like-Kind Supply</u>	
Minus New Supply of Competitive Units (2011-2012)	<u>0</u>
● <u>Gross Total Demand</u>	2,218

Capture Rate Analysis: 50% AMI (Without RA)

Total Number of Households Income Qualified at 50% AMI = 180 (w/o RA). For the subject 8 LIHTC units at 50% AMI, this equates to an overall non segmented LIHTC Capture Rate of 4.4% (unadjusted).

● <u>Capture Rate</u> (8-units)	50% <u>AMI</u>
Number of Units in LIHTC Segment	8
Number of Income Qualified Households	180
Required Capture Rate	4.4%
● <u>Total Demand by Bedroom Mix</u>	

It is estimated that approximately 80% of the target group is estimated to fit a 1BR unit profile, and 20% of the target group is estimated to fit a 2BR unit profile. Source: Table 11 and Survey of the Competitive Environment. The subject is offering only 1BR units at 50% AMI, which targets both 1 person and 2 person households. In order to take into consideration and to account for the fact that some (not many) 2 person households within the overall demand group will desire a 2BR unit, the proportion of the mix is changed was adjusted from 100% to 80%/20%.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 50% AMI w/o RA)

1BR - 144
2BR - 36

Total - 180

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	144	0	144	8	5.5%
2BR	36	0	36	0	Na

Capture Rate Analysis: 60% AMI (Without RA)

Total Number of Households Income Qualified at 60% AMI = 373 (w/o RA). For the subject 24 LIHTC units at 60% AMI, this equates to an overall non segmented LIHTC Capture Rate of 6.4% (unadjusted).

● <u>Capture Rate</u> (24-units)	60% <u>AMI</u>
Number of Units in LIHTC Segment	24
Number of Income Qualified Households	373
Required Capture Rate	6.4%

● Total Demand by Bedroom Mix

It is estimated that approximately 30% of the target group is estimated to fit a 1BR unit profile, 50% of the target group is estimated to fit a 2BR unit profile, and 20% of the target group is estimated to fit a 3BR unit profile. Source: Table 11 and Survey of the Competitive Environment. However, the subject is offering only 2BR, and 3BR units at 60% AMI, and not 1BR units. The overall demand would have been greater with some 1BR units, owing to the fact that 1BR units would have lowered the overall income range. In order to take this into consideration and to account for the fact that some 2 person households within the overall demand group will desire a 1BR unit, the proportion of the mix is changed to 20% 1BR, 60% 2BR and 20% 3BR.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 60% AMI w/o RA)

1BR	-	75
2BR	-	223
3BR	-	75
Total	-	373

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	75	0	75	0	Na
2BR	223	0	223	16	7.2%
3BR	75	0	75	8	10.7%

Capture Rate Analysis: 60% AMI (With RA)

Total Number of Households Income Qualified at 60% AMI = 2,218 (with RA). For the subject 24 LIHTC units at 60% AMI, this equates to an overall non segmented LIHTC Capture Rate of 1.1% (unadjusted).

● <u>Capture Rate</u> (24-units)	60% <u>AMI</u>
Number of Units in LIHTC Segment	24
Number of Income Qualified Households	2,218
Required Capture Rate	1.1%

● Total Demand by Bedroom Mix

It is estimated that approximately 30% of the target group is estimated to fit a 1BR unit profile, 50% of the target group is estimated to fit a 2BR unit profile, and 20% of the target group is estimated to fit a 3BR unit profile. Source: Table 11 and Survey of the Competitive Environment. However, the subject is offering only 2BR, and 3BR units at 60% AMI, and not 1BR units. The overall demand would have been greater with some 1BR units, owing to the fact that 1BR units would have lowered the overall income range. In order to take this into consideration and to account for the fact that some 2 person households within the overall demand group will desire a 1BR unit, the proportion of the mix is changed to 20% 1BR, 60% 2BR and 20% 3BR.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 60% AMI with RA)

1BR	-	444
2BR	-	1,330
3BR	-	444
Total	-	2,218

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	444	0	444	0	Na
2BR	1,330	0	1,330	16	1.2%
3BR	444	0	444	8	1.7%

Overall Capture Rates (adjusted)

50% AMI

Without RA

- Overall Project Capture Rate: 5.5% (adjusted)

60% AMI

Without RA

- Overall Project Capture Rate: 8% (adjusted)

With RA

- Overall Project Capture Rate: 1.4% (adjusted)

Comment

Hillcrest typically has an occupancy rate of around 97%. Allowing for a average of 1-vacant unit and no existing tenant relocation after the rehab process reduces the above capture rate for the 50% AMI segment to 1%. In addition, the 60% AMI segments without RA is reduced to 1% and with RA to less than 1%.

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Absorption Analysis

Assuming the property was 100% vacant, and comparable to a new construction LIHTC family development, the rent-up period estimate is based upon several recently built LIHTC-family developments located within the City of Walterboro:

LIHTC-family

Edisto Terrace 48-units 6-months to attain 100% occupancy

HOME-family

Windsor East 26-units 3-months to attain 100% occupancy

Edisto Terrace opened in 2007. The rent-up period was estimated by Partnership Property Management, (336) 544-2300. Windsor Terrace opened in 2007. The rent-up period was estimated by the Manager (Ms Heather), (843) 549-6440.

Based upon this information the most likely/best case rent-up scenario for the property, were the subject 100% vacant, suggests a 4-month rent-up time period (an average of 8-units per month).

The absorption of the project is contingent upon an attractive product after the rehab process, professional management, and a strong marketing and pre-leasing program.

The proposed development does not have a Relocation Plan. It was reported that the development rehab process will take place in such a way that no tenants will be relocated during the rehab process.

Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, (3) the availability of 24-units of deep subsidy rental assistance, and (4) the retention of the typical number of Section 8 voucher holders at the property, it is estimated that the property will retain at least 95% of its tenant base, the most likely/best case rent-up scenario for the property, were the subject 5% vacant, suggests a 1-month rent-up time period.

Stabilized occupancy, subsequent to the end of the rehab process is expected to be 93% or higher within a one month period, beyond the absorption period.

SECTION H

COMPETITIVE ENVIRONMENT & SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions in the PMA.

The Walterboro apartment market is representative of a semi-urban apartment market, significantly influenced by a much larger rural hinterland. There are two market rate

apartment properties of size in Walterboro. Other than the two market rate apartment properties, the majority of the immediate area market rate rental stock in the city is comprised mostly of small rent houses. The majority of the program assisted rental properties surveyed in Walterboro were in good condition. The majority of the market rate supply that is located in the rural area of the county outside of Walterboro comprises primarily single-family homes for rent, as well as single-wide and double-wide trailers.

The program assisted apartment stock located within Walterboro consists mostly of USDA-RD Section 515 and HUD Section 8 apartment properties. Walterboro has one existing (non USDA-RD) LIHTC family and one existing (non USDA-RD) LIHTC elderly new construction property. In addition, Walterboro has one Home family property.

Part I - Survey of Program Assisted Apartments (located w/in the PMA)

Ten program assisted apartment properties, representing 524-units, were surveyed in detail. All 10 properties are located within Walterboro. Three properties are either LIHTC or Home developments (1 elderly & 2 family), four are USDA/RD properties (1 elderly & 3 family), and three are HUD Section 8 properties. Several key findings in the surveyed program assisted apartments include:

- * At the time of the survey, the overall estimated vacancy rate of all surveyed program assisted apartment properties was less than 4%, at 3.8%.
- * At the time of the survey, the overall estimated vacancy rate of the surveyed USDA-RD apartment properties was approximately 6.7%.
- * At the time of the survey, the overall estimated vacancy rate of the surveyed HUD Section 8 family apartment properties was approximately 1.8%.
- * At the time of the survey, the LIHTC family property (Edisto Terrace Apartments) was 100% occupied.
- * At the time of the survey, the Home family property (Companion @ Windsor East Apartments) was 90% occupied.
- * Three of the four (including the subject) USDA-RD properties maintain a waiting list, ranging in size between 3 and 4

applications. All of the HUD properties presently maintain a waiting list, ranging in size between 12 and 32 applications. All of the LIHTC and Home properties maintain a waiting list ranging in size between 5 and 10 applications.

* Typical occupancy rates at the surveyed program assisted apartment properties ranged between 90% to 100%. Most properties reported typical occupancy of 95% or 97%.

* The bedroom mix of all of the surveyed program assisted properties (that provided detailed bedroom mix data) is 28% 1BR; 49% 2BR, and 23% 3BR and 4BR.

* The typical occupancy rates at the surveyed LIHTC family apartment properties in the 4th quarter of 2012 ranged between 85% and 100%.

LIHTC Occupancy Rates: 2 nd and 4 th Quarters 2012		
LIHTC-family Development	2 nd Quarter	4 th Quarter
Bay Meadows	90%	85%
Edisto Terrace	96%	98%
Hillcrest	97%	100%
Meadow Creek	97%	93%

Source: South Carolina State Housing Development Authority.

* The most comparable surveyed program assisted properties to the subject in terms of income restriction are: Hillcrest (LIHTC/USDA family), and Meadow Creek (LIHTC/USDA family).

* A map showing the location of the surveyed LIHTC properties is provided on page 63.

Survey of Competitive Market Rate Apartments

Two market rate properties, representing 192 units, were surveyed in detail. Both of the surveyed properties are located within the Walterboro city limits. Several key findings in the conventional market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was approximately 6.8%.

* The typical occupancy rates reported for most of the surveyed properties ranges between the low 90's to mid 90's.

* The bedroom mix of the surveyed market rate properties is 26.5% 1BR, 50.5% 2BR, and 23% 3BR.

* A survey of the conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$532	\$525	\$500-\$550
2BR/1b	\$608	\$610	\$600-\$615
2BR/2b	\$659	\$659	\$659-\$659
3BR/1.5b & 2b	\$701	\$700	\$699-\$710

Source: Koontz & Salinger. February 2013

* Of the two surveyed market rate properties (Forest Point) excludes all utilities from the net rent, and one (Plantation Oaks) includes water, sewer, and trash removal within the net rent.

* Security deposits range between \$100 and \$250, or were based upon one month's rent. The overall estimated median security deposit in the Walterboro conventional apartment market is \$200.

* Of the two surveyed market rate properties (Forest Point) is presently offering a rent concession. The other property (Plantation Oaks) does not offer concessions.

* A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Rent	Average	Median	Range
1BR/1b	629	630	570-682
2BR/1b	770	770	770-770
2BR/2b	923	923	923-923
3BR/1.5 & 2b	1060	1050	910-1093

Source: Koontz & Salinger. February, 2013

* A map showing the location of the surveyed market rate properties is provided on page 64.

Comparable Properties

* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Forest Point	Forest Point	Na
Plantation Oaks	Plantation Oaks	Na

Source: Koontz & Salinger. February, 2013

* A map showing the location of the surveyed comparable market rate properties is provided on page 65. The comparable properties are highlighted in red.

Summary of PMA Vacancy Rates

LIHTC fm Properties	-	0.0%
USDA-RD fm Properties	-	6.7%
HOME fm Properties	-	10.0%
HUD fm Properties	-	1.8%
Market Rate	-	6.8%
Overall (family)	-	4.6%

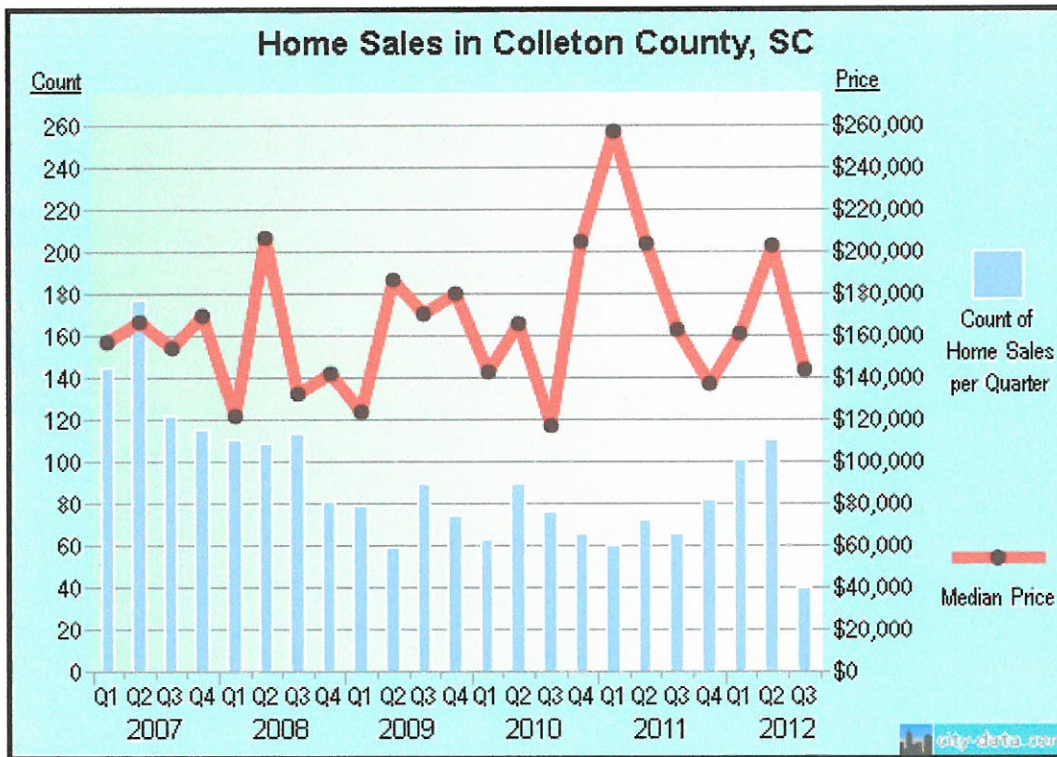
Section 8 Housing Choice Vouchers

There is no local HUD Section 8 Housing Choice Voucher program serving the City of Walterboro or Colleton County. The management and allocation of Section 8 vouchers for Walterboro and Colleton County is via the State HUD Office in Columbia, SC.

At the time of the survey, approximately 8% of the units in the LIHTC and Home family properties (excluding the USDA/LIHTC properties) were occupied with a Section 8 voucher, and approximately 25% of the units in the one LIHTC-elderly property were occupied with a Section 8 voucher.

For-Sale Market

The figure below exhibits homes in Colleton County, SC, between 2007 and 2012. In the 3rd Quarter of 2012, most home sales in Colleton County were in the vicinity of \$140,000 to \$150,000.



Source: www.city-data.com/county/Colleton_County-SC.html

For-Sale Market

A review of 3BR/2b (stick built) single-family homes listed for sale in Walterboro in the area local paper, and various web sites indicated an overall price range of around \$75,000 to \$345,000 (excluding extreme outliers), for homes located within Walterboro and the Walterboro area of Colleton (excludes Edisto Beach area). Most of the listed smaller and older homes were located in Walterboro, with an estimated average listing price of \$90,000, and an estimated median listing price of \$85,000. (The sample set included 25, 3BR/2b single-family homes.)

For homes located outside Walterboro, yet within Colleton County the overall price range is \$125,000 to \$345,000 (excluding extreme outliers), of which most were newer homes, with an estimated average listing price of \$245,000, and an estimated median listing price of \$200,000. (The sample set included 25, 3BR/2b single-family homes.)

The proposed LIHTC family rehab development most likely would lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership in the majority of the Walterboro, SC home buying market. The majority of the tenants at the subject property will have annual incomes in the \$10,000 to \$20,000 range. Today's home buying

market, both stick-built, modular, and mobile home requires that one meet a much higher standard of income qualification, long term employment stability, credit standing, and a savings threshold. These are difficult hurdles for the majority of LIHTC family households to achieve in today's home buying environment.

In addition, owing to the fact that the subject offers 24-units of deep subsidy rental assistance, and is available to households with a HUD Section 8 Housing Choice voucher, any existing tenants desiring home ownership very likely would require deep subsidies to be included within the purchase of a new home. The number of homes introduced into the local market that would fit this description, such as Habitat for Humanity, is extremely small.

Sources: www.weichert.com/SC/Colleton/Walterboro
www.homes.com/Real_Estate/SC/City/Walterboro
www.realestate.aol.com/homes-for-sale-listings-Walterboro

Future Changes in Local Housing Stock

Permit activity in Colleton County between 2008 and 2011 declined significantly when compared to the 2000 to 2007 time period. The reduction ranges between 40% to 70%. See Appendix A, Building Permits.

The likelihood of any USDA-RD Section 515 or HUD Section 202 new construction apartment development occurring or being awarded in 2013 or 2014, in Colleton County is uncertain, yet highly unlikely.

At the time of the market study, there was no pipeline permit activity for new construction apartments or single-family home development (of size) within the City of Walterboro.

SF Homes for Rent: Typical Net Rents

A review of local newspaper ads and the internet revealed that typical net rents for 2BR/1b single-family homes, range between \$600 and \$715, with an estimated median net rent of \$625. The size of the 2BR/1b rent houses ranged between 938 to 986 sf.

A review of local newspaper ads and the internet revealed that typical net rents for 3BR/1b single-family homes, range between \$670 and \$675. The size of the 3BR/1b rent houses ranged between 910 to 1025 sf.

Only a few mobile homes for rent were listed. The typical net rent ranges between \$275 and \$650, and most were around \$500-\$600.

Sources: The Press and Standard, 1/22/2013
www.recycler.com/for-rent/houses/Walterboro-sc
www.realtor.com/homesforrent

Table 16 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed program assisted apartment properties within the Walterboro PMA competitive environment.

Table 16											
SURVEY OF PROGRAM ASSISTED COMPETITIVE SUPPLY PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	32	8	16	8	Na	\$380	\$508	\$561	621	793	981
LIHTC											
Cambridge Point	40	16	24	--	3	\$351-\$443	\$417-\$528	--	712	952	--
Edisto Terrace	48	4	32	12	0	\$333-\$364	\$413-\$470	\$493-\$527	705	912	1057
Sub Total	88	20	56	12	3						
HOME											
Windsor East	26	--	8	18	3	--	\$409-\$464	\$460-\$605	--	Na	Na
Sub Total	26	--	8	18	3						
USDA-RD											
Bay Meadows	48	16	32	--	7	\$442	\$538	--	Na	Na	--
Hillcrest	32	8	16	8	0	\$490	\$508	\$561	Na	Na	Na
Magnolia V	24	24	--	--	0	\$490	--	--	650	--	--
Meadow Ck	30	9	21	--	2	\$434	\$474	--	Na	Na	--
Sub Total	134	57	69	8	9						
HUD 8											
Druid Hills	144	40	64	40	2	BOI	BOI	BOI	Na	Na	Na
Lincoln	64	16	24	24	0	BOI	BOI	BOI	Na	Na	Na
Walterboro	68	16	34	18	3	BOI	BOI	BOI	Na	Na	Na
Sub Total	276	72	122	82	5						
Total*	524	149	255	120	20						

* - Excludes the subject property

Na - Not available

BOI - Based On Income

USDA exhibited rents are Basic Rents

Source: Koontz and Salinger. February, 2013.

Table 17 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed market rate apartment properties within the Walterboro PMA competitive environment.

Table 17											
SURVEY OF MARKET RATE COMPETITIVE SUPPLY PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject.	32	8	16	8	Na	\$380	\$508	\$561	621	793	981
Forest Point	120	27	57	36	8	\$634- \$664	\$699- \$736	\$799- \$812	682	923	1093
Plantation Oaks	72	24	40	8	5	\$500- \$525	\$600- \$615	\$710	570	770	910
Total*	192	51	97	44	13						

* - Excludes the subject property

Comparable properties highlighted in red.

Source: Koontz and Salinger. February, 2013.

Table 18, exhibits the key amenities of the subject and the surveyed program assisted apartment properties. Overall, the subject is comparable and competitive with the area program assisted apartment properties, regarding the unit and development amenity package.

Table 18 SURVEY OF PROGRAM ASSISTED COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Bay Meadows	x	x			x			x	x	x	x		x
Cambridge Pt	x	x			x	x	x	x	x	x	x	x	x
Windsor East	x	x				x		x	x	x	x		
Druid Hills		x			x		s		x	s	x		
Hillcrest	x	x			x		s		x	x	x		x
Edisto Terrace	x	x			x	x		x	x	x	x	x	x
Lincoln	x	x			x				x	x	x		
Magnolia Village	x	x							x	x	x	x	
Meadow Creek	x	x						x	x	x	x		
Walterboro Village	x	x							x	x	x		

Source: Koontz and Salinger. February, 2013.

s - some

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, storage, patio/balcony)

Table 19, exhibits the key amenities of the subject and the surveyed market rate apartment properties. Overall, the subject is competitive with the area conventional supply, regarding the unit amenity package. Owing to the subject being a rehab development of a USDA-RD property it is not as competitive regarding comparability with market rate development amenity packages, in particular swimming pool, and tennis court are not typical components of a USDA-RD development.

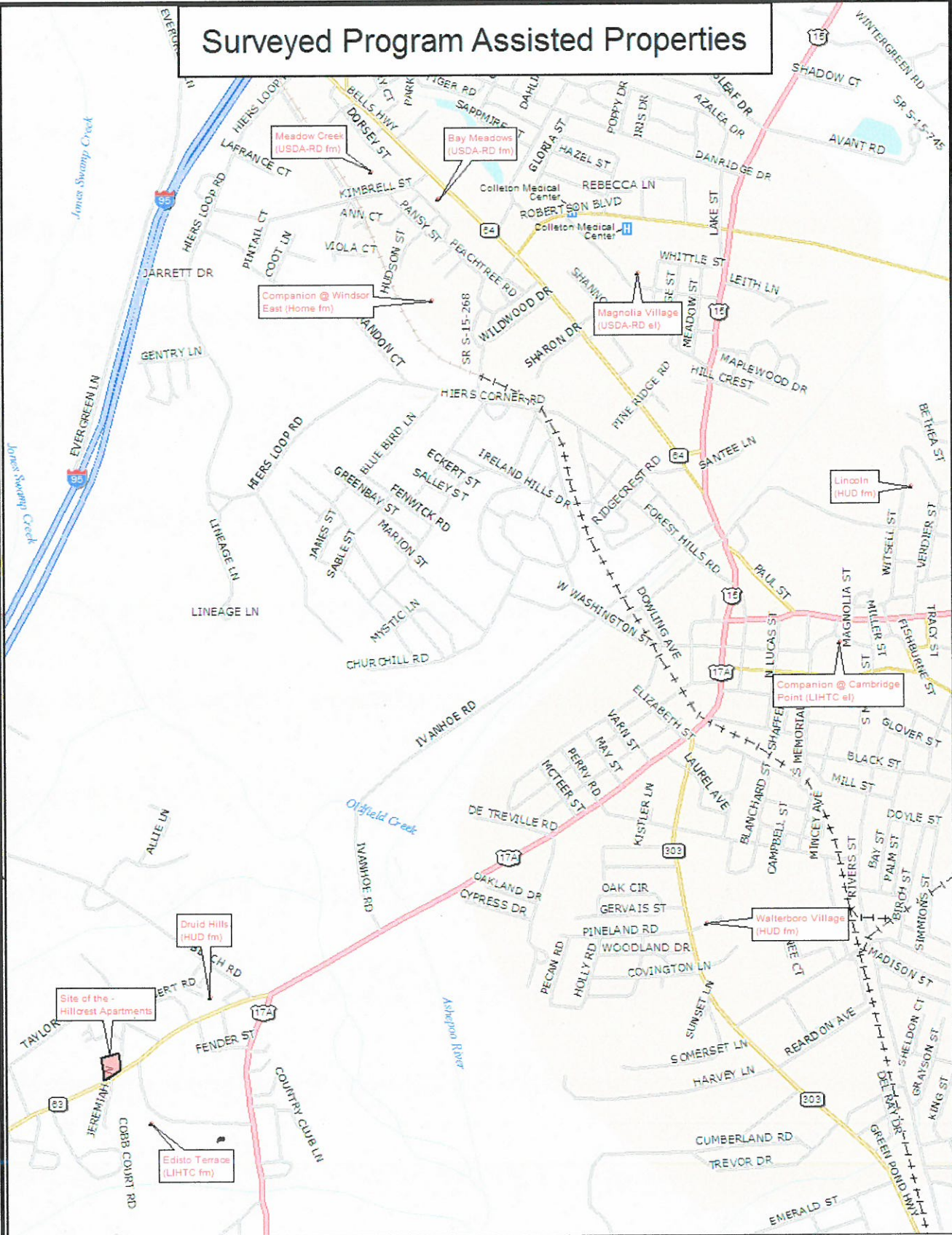
Table 19													
SURVEY OF CONVENTIONAL COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Forest Point	x	x	x		x	x	x	x	x	x	x	x	x
Plantation Oaks	x	x	x	x		x		s	x	x	x		s

Source: Koontz and Salinger. February, 2013.

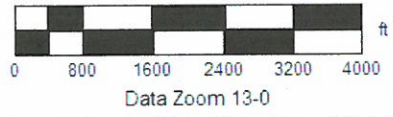
s - some

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

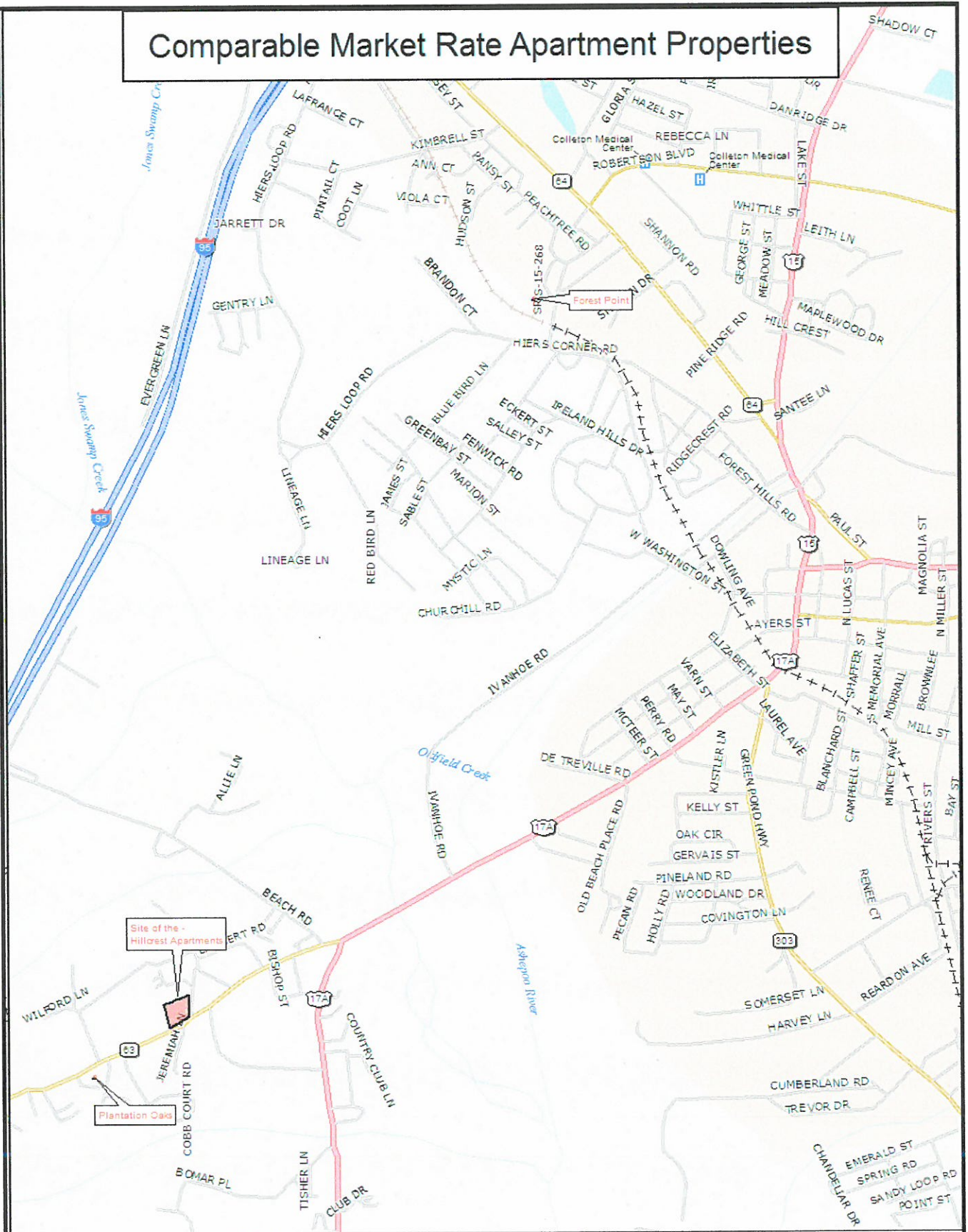
Surveyed Program Assisted Properties



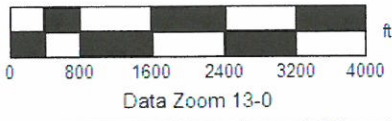
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 www.delorme.com



Comparable Market Rate Apartment Properties



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SECTION I
INTERVIEWS

The basic project parameters of the proposed LIHTC/USDA rehab application were presented to the interview source, in particular: the site/subject location, the proposed project size,

bedroom mix, income targeting and rents. The following statements were made:

(1) - The manager of the Edisto Terrace LIHTC-family apartment development stated that the proposed rehab developments (Bay Meadows and/or Hillcrest) would not negatively impact her property. Source: Ms Claudia Tripp, (843) 538-5657.

(2) - The manager of the Companion @ Windsor East Home-family apartment development stated that the proposed rehab developments (Bay Meadows and/or Hillcrest) would not negatively impact Windsor East. Source: Ms Heather, (843) 549-6440.

(3) - The manager of the Companion @ Cambridge Point LIHTC-elderly apartment development stated that the proposed rehab developments (Bay Meadows and/or Hillcrest) would not negatively impact Cambridge Point. Source: Ms Heather, (843) 549-6440.

(4) - The manager of the Druid Hills I & II HUD-family apartment development stated that the proposed rehab developments (Bay Meadows and/or Hillcrest) would not negatively impact Druid Hills. Source: Ms Betty, (843) 538-5867.

(5) - The manager of the Meadow Creek USDA-family apartment development stated that the proposed rehab developments (Bay Meadows and/or Hillcrest) would not negatively impact her property. Source: Ms Stephanie, (843) 538-8089.

(6) - Mr Jeremy Ware, President, Walterboro-Colleton County Chamber of Commerce, was contacted (843)549-9595. Mr. Ware, stated that the proposed rehab developments (both Hillcrest and Walterboro) would be the type of development activity that would be supported by the local civic community, as it would assist in the retention of well managed, attractive, and affordable rental housing in the community.

Analyst Note: It is unlikely that local officials would be unsupportive of the rehab process for the proposed subject property development. The property has been successfully managed within Walterboro since 1985, has paid local taxes on a timely basis, and according to Gem Management, with the exception of the occasional incident report with local authorities regarding an issue with a tenant, the property does not have any on-going or historic negative issues with the city.

SECTION J

CONCLUSIONS &
RECOMMENDATIONS

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC/USDA rehab development of **32**-units.

The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable, subject to the retention of the 75% of existing deep subsidy RA.**

2. The current LIHTC and program assisted apartment market is **not** representative of a soft market. The vacancy rate for the surveyed LIHTC family property was approximately 0%. The current market rate apartment market (located within the competitive environment) is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties approximately 7%.
3. The proposed complex unit amenity package is considered to be competitive within the PMA apartment market for affordable properties.
4. Bedroom Mix - The subject will offer 1BR, 2BR, and 3BR units. Based upon market findings, the proposed bedroom mix is considered to be appropriate. All household sizes will be targeted. The bedroom mix at the most recent LIHTC family property in the Waltherboro market (Edisto Terrace) offered 1BR, 2BR, and 3BR units. All bedroom types were very well received by the local market in terms of demand and absorption.
5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50% AMI, and 60% AMI, in particular with the retention of the existing rental assistance. The table on the next page, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties.
6. Based upon: (1) an examination of the rent roll and tenant incomes, (2) an examination of historical occupancy rates, and (3) the retention of the existing deep subsidy rental assistance, it is estimated that the property will retain at least 95% of its tenant base, the most likely/best case rent-up scenario for the property, were the subject 5% vacant, suggests a 1-month rent-up time period.
7. Based upon the analysis and the conclusions of each of the report sections, in the analyst's professional opinion, it is recommended that the proposed application **proceed forward based on market findings.**

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

Clearly, the rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50%, and an above 10% (which is considered to be a significant advantage) at 60% of AMI.

Percent Advantage:

	<u>50% AMI</u>	<u>60% AMI</u>
1BR/1b:	27%	Na
2BR/1b:	Na	17%
3BR/1b:	Na	17%

Rent Reconciliation			
50% AMI	1BR	2BR	3BR
Proposed subject net rents	\$380	---	---
Estimated Market net rents	\$520	---	---
Rent Advantage (\$)	+\$140	---	---
Rent Advantage (%) rounded	27%	---	---
60% AMI	1BR	2BR	3BR
Proposed subject net rents	---	\$508	\$561
Estimated Market net rents	---	\$610	\$675
Rent Advantage (\$)	---	+\$102	+\$114
Rent Advantage (%) rounded	-	17%	17%

Source: Koontz & Salinger. February, 2013

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that Hillcrest (a proposed LIHTC/USDA rehab family development) proceed forward with the development process as presently configured and proposed.

Negative Impact

In the opinion of the market analyst, the proposed LIHTC rehab development will not negatively impact the existing supply of program assisted LIHTC properties located within the Walterboro PMA in the short or long term. The proposed rehab development process will not add additional units into the existing supply of LIHTC family housing stock. None of the existing managers of affordable program assisted properties targeting the general population stated that the proposed rehab of the subject development would negatively impact the typical occupancy rate of their respective properties.

However relocation of family tenants in the area program assisted properties could occur. This is considered to be normal when a new property or a recently rehabed property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 50%, and 60% AMI are considered to be competitively positioned within the market. In addition, they are appropriately positioned in order to attract income and age qualified Section 8 Housing Choice Voucher holders within Walterboro and Colleton County.

It is recommended that the proposed subject LIHTC net rents at 50%, and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC rehab family development, and proposed subject net rents are in line with the other LIHTC and program assisted developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers at 50% and 60% AMI, when taking into consideration differences in age, unit size and amenity package.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject 1BR and 2BR net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%, in particular for those units positioned at 50% AMI. However, the subject's gross rents are already closely positioned to be under Fair Market Rent for Colleton County, while at the same time operating within a competitive environment. It is recommended that the proposed subject 1BR, 2BR, and 3BR net rents not be increased, in particular when taking into consideration the subject property's age, income restrictions, and existing deep subsidy rental assistance.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended.

Mitigating Risks

The subject development is very well positioned to be successful in the market place, once the rehab process has been completed. It will offer a product that will be competitive regarding: rent positioning, project design, amenity package, professional management, and most importantly that 75% of the units will have deep subsidy rental assistance (RA). The major unknown mitigating risk to the development as presently configured will be the status of the local economy during 2013-2014 and beyond.

Another potential mitigating risk is the status of deep subsidy rental assistance. Presently, the subject offers 24-units that have deep subsidy rental assistance (RA). In addition, the subject accepts households with a Section 8 Housing Choice voucher. The potential exists, however unlikely, that in the future the Federal government will lack funds necessary to maintain existing deep subsidy rental assistance and housing choice vouchers that serve the very low to low income population.

Rent Reconciliation Process

Two market rate properties in Walterboro were used as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- no adjustment was made for the floor/level of the unit in the building; the subject is 2-story walk-up and the comparable properties are either 2-story walk-up, or 3-story walk-up,
- no "time adjustment" was made; all of the comparable properties were surveyed in January, 2013,
- no "distance or neighborhood adjustment" was made; owing to the fact that comparisons are being made between a proposed LIHTC rehab development versus existing market rate family properties, all located within Walterboro,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout,
- no adjustment was made for the age of the property; both of the comparables were built or rehabed in the 2000's,

- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),
- no adjustment is made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- an adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer in the net rent and includes trash removal. One of the comparable properties include cold water, sewer, and trash removal within the net rent. One does not. An adjustment will be made for water, sewer, and trash removal.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- Concessions: One of the two comparable market rate properties offer a concession. An adjustment is made.
- Structure/Floors: No adjustment made.
- Year Built: Not adjustment made.
- Square Feet (SF) Area: An adjustment was made for unit size. The SF adjustment factor is estimated at \$.05 per sf based upon the difference in unit size between the subject and the comparable properties.
- Number of Baths: An adjustment was made for the subject 3BR/1b units owing to the fact that two of the comparable properties offered 3BR/1.5b and 3BR/2b units. The adjustment is \$15 for a ½ bath and \$25 for a full bath. The adjustment is based on a review of the comps.
- Balcony/Terrace/Patio: The subject will not offer a traditional balcony/patio, with an attached storage closet. The balcony/patio adjustment is based on an examination of the market rate comps. The balcony/patio adjustment resulted in a

\$5 value for the balcony/patio.

- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$175; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$4.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$600; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15 , rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers recreational space on the property. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$5 for a tennis court and \$15 for a pool.
- Services d. Water: The subject excludes cold water and sewer in the net rent. Several of the comparable properties include water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is provided by the City of Waltherboro. See Appendix.
- Storage: The dollar value for storage is estimated to be \$5.
- Computer Room: The dollar value for a computer room (with internet service) is estimated to be \$2.
- Fitness Room: The dollar value for an equipped fitness room is estimated to be \$2.
- Clubhouse: The dollar value for a clubhouse and/or community room is estimated to be \$2.

- Location: Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location.
- Condition: Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- Trash: The subject includes trash in the net rent. One of the comparable properties includes trash in the net rent and one does not. An adjustment will be made.

Adjustment Factor Key:

SF - .05 per sf per month

Patio/balcony - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$2 (each)

Disposal - \$4

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$20 W/D Units - \$40

Pool - \$15 Tennis Court - \$5

Playground - \$5 (Na for elderly) Walking Trail - \$2

Full bath - \$25; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;
Inferior - minus \$10

Water & Sewer - 1BR - \$17; 2BR - \$19; 3BR - \$25 (based upon City of
Walterboro, 1/1/2012, actual usage)

Trash Removal - \$15 (estimated)

Age - \$.50 per year (differential) Note: If difference is less than or
near to 5/10 years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most
cases will not be double counted/adjusted.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Hillcrest		Forest Point		Plantation Oaks			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$634		\$525			
Utilities	t	None	\$15	w,s,t	(\$17)		
Concessions		Yes	(\$84)	No			
Effective Rent		\$565		\$508			
B. Design, Location, Condition							
Structures/Stories	2	3		2			
Year Built/Rehab	2015	2002		2004	\$5		
Condition	V Good	Excell		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	1	1		1			
# of Bathrooms	1	1		1			
Size/SF	621	682	(\$3)	570	\$3		
Balcony/Patio/Stor	Y/Y	Y/Y		Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/N	Y/Y	(\$4)	Y/N			
W/D Unit	N	N		N			
W/D Hookups or CL	Y	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		N	\$2		
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y			
Recreation Area	Y	Y		N	\$5		
Computer/Fitness	Y/Y	Y/Y		N/N	\$4		
F. Adjustments							
Net Adjustment			-\$32		+\$24		
G. Adjusted & Achievable Rent		\$533		\$509			
Estimated Market Rent (Avg of 2 comps, rounded)		\$521	Rounded to: \$520		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Hillcrest		Forest Point		Plantation Oaks			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$699		\$615			
Utilities	t	None	\$15	w,s,t	(\$19)		
Concessions		Yes	(\$40)	No			
Effective Rent		\$674		\$596			
B. Design, Location, Condition							
Structures/Stories	2	3		2			
Year Built/Rehab	2015	2002		2004	\$5		
Condition	V Good	Excell		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	2	2		2			
# of Bathrooms	1	2	(\$25)	1			
Size/SF	793	923	(\$10)	770	\$1		
Balcony/Patio/Stor	Y/Y	Y/Y		Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/N	Y/Y	(\$4)	Y/N			
W/D Unit	N	N		N			
W/D Hookups or CL	Y	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		N	\$2		
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y			
Recreation Area	Y	Y		N	\$5		
Computer/Fitness	Y/Y	Y/Y		N/N	\$4		
F. Adjustments							
Net Adjustment			-\$64		+\$17		
G. Adjusted & Achievable Rent		\$610		\$613			
Estimated Market Rent (Avg of 2 comps, rounded)		\$612	Rounded to: \$610		see Table	% Adv	

Three Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Hillcrest		Forest Point		Plantation Oaks			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$799		\$710			
Utilities	t	None	\$15	w,s,t	(\$25)		
Concessions		Yes	(\$100)	No			
Effective Rent		\$714		\$685			
B. Design, Location, Condition							
Structures/Stories	2	3		2			
Year Built/Rehab	2015	2002		2004	\$5		
Condition	V Good	Excell		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	3	3		3			
# of Bathrooms	1	2	(\$25)	1.5	(\$15)		
Size/SF	981	1093	(\$6)	910	\$4		
Balcony-Patio/Stor	Y/Y	Y/Y		Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/N	Y/Y	(\$4)	Y/N			
W/D Unit	N	N		N			
W/D Hookups or CL	Y	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		N	\$2		
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/Y			
Recreation Area	Y	Y		N	\$5		
Computer/Fitness	Y/Y	Y/Y		N/N	\$4		
F. Adjustments							
Net Adjustment			-\$60		+\$10		
G. Adjusted & Achievable Rent		\$654		\$695			
Estimated Market Rent (Avg of 2 comps, rounded)		\$675	Rounded to: \$675		see Table	% Adv	

SECTION K
SIGNED STATEMENT

NCHMA Certification

This market study has been prepared by Koontz & Salinger, a member in good standing in the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analyst's industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable 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 analyst 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.

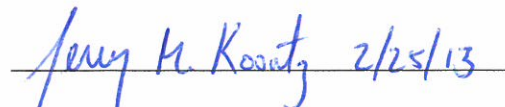
Koontz & Salinger is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Koontz & Salinger is an independent market analyst firm. No principal or employee of Koontz & Salinger has nay financial interest whatsoever in the development for which this analysis has been undertaken. While the document specifies Koontz & Salinger, the certification is always signed by the individual completing the study and attesting to the certification.

SCSHDA Certification

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 Finance & Development Authority's programs. I also affirm that I have no financial interest project or current business relationship with the ownership 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 on the low income housing rental market.

CERTIFICATION

Koontz and Salinger
P.O. Box 37523
Raleigh, North Carolina 27627



Jerry M. Koontz
Market Analyst Author
(919) 362-9085

SECTION L
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental agencies.

JERRY M. KOONTZ

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.
B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC

1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 30 years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, Personal care boarding homes, motels and shopping centers.

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Member in Good Standing: Professional Real Estate Market Analysts Coalition (PREMAC)

National Council of Affordable Housing Market Analysts (NCAHMA)

SECTION M

PROFILES OF COMPARABLE PROPERTIES & REPRESENTATIVE SAMPLE SURVEY OF THE COMPETTIVE ENVIRONMENT

Part I of the survey of the competitive environment focused upon the program assisted apartment properties located within the Walterboro PMA. 100% of the LIHTC supply was surveyed. Part II consists of a sample survey of conventional market rate apartment properties located within Walterboro, and in particular within near proximity to the subject site location. The analysis includes individual summaries and pictures of properties.

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information, or may have inadvertently provided incorrect information. Despite these potential problems, the compilation and synthesis of the status of the comparables (and alternatives) is considered to provide the best indication of the competitive position of the proposed subject development.

Part I - Survey of Program Assisted Apartments

1. Bay Meadows, 200 Dorsey St.

(843) 538-3964

Contact: Faye Vititoe, Mgr (GEM Mgmt)
Date Built: 1985

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Note Rent</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	16	\$442	\$641	\$147	0
2BR/1.5b	32	\$538	\$755	\$170	7
Total	48				7

Typical Occupancy Rate: 90%-94%
Security Deposit: \$99
Utilities Included: trash removal

Waiting List: Yes (3-1BR)
Concessions: Yes

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Picnic Area	No
Storage	Yes	After School Ctr	No

Design: 1 story & townhouse

Additional Information: 1-unit with RA; 18 tenants have Section 8 a voucher; concession on security deposit; 2012 occupancy: 2nd quarter-90%; 4th quarter-85%



2. Companion @ Cambridge Point, 116 Neyle St (843) 549-6440

Type: LIHTC-elderly (50% & 60% AMI)

Contact: Ms Heather, Mgr

Date Built: 2004

Date: January 23, 2013

Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	16	\$351	\$443	\$109	712	0
2BR/2b	24	\$417	\$528	\$135	952	3
Total	40					3

Typical Occupancy Rate: 98%-99%

Security Deposit: \$400

Concessions: No

Waiting List: Yes (5-10 apps)

Utilities: trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes (w/computer lab)	Recreation Area	Yes
Storage	No	Picnic Area/Gazebo	Yes

Design: 4 story w/elevator

Remarks: 10-units are occupied by a Section 8 voucher holder; manager stated that there would be no negative impact; 2012 occupancy: 2nd quarter-98%; 4th quarter-98%



3. Companion @ Windsor East, Forest Circle

(843) 549-6440

Type: LIHTC-family (50% & 60% AMI)

Contact: Ms Heather, Mgr

Date Built: 2007

Date: January 23, 2013

Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	8	\$409	\$464	\$143	Na	1
3BR/2b	18	\$460	\$605	\$178	Na	2
Total	26					3

Typical Occupancy Rate: 95%

Security Deposit: \$400

Utilities Included: trash removal

Waiting List: Yes (5-apps)

Concessions: No

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	No
Clubhouse	No	Car Wash Area	No
Fire Place	No	Picnic Area	No

Project Design: 2 story walk-up

Remarks: 3-units are occupied by a Section 8 voucher holder; manager stated that there would be no negative impact; 2012 occupancy: 2nd quarter-xx%; 4th quarter-xx%



4. Druid Hills I & II, 100 Snider's Highway

(770) 227-1226

Contact: Ms Betty, Manager (1/23/2013)

Type: HUD 8 - family

Date Built: Phase I - 1980; Phase II - 1983

Condition: Good

Phase I

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent*</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	24	BOI	Na	\$62	0
2BR/1b	32	BOI	Na	\$72	0
3BR/1.5	24	BOI	Na	\$97	1
Total	80				1

Phase II

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent*</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	16	BOI	Na	\$63	0
2BR/1b	32	BOI	Na	\$86	0
3BR/1.5	16	BOI	Na	\$98	1
Total	64				1

* rent based on income - BOI

Typical Occupancy Rate: 100%

Waiting List: Yes (32-apps)

Security Deposit: BOI

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Some
Dishwasher	No	Carpeting	Yes
Disposal	Some	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Picnic Area	No
Storage	No	Community Room	No

Design: 1 story & 2 story walk-up

Additional Information: manager does not expect "negative impact"



Druid Hills I



Druid Hills II

5. Hillcrest Apartments, 518 Sniders Highway

(843) 538-2181

Contact: Cristina Dial, Mgr (GEM Mgmt)
Date Built: 1984

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Note Rent</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	8	\$490	\$623	\$103	0
2BR/1b	16	\$508	\$636	\$109	0
3BR/1b	8	\$561	\$689	\$133	0
Total	32				0

Typical Occupancy Rate: 97%
Security Deposit: \$250
Utilities Included: sewer, trash

Waiting List: Yes (3-apps)
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	Some	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Picnic Area	Yes
Storage	Yes	Community Room	No

Design: 2 story walk-up

Additional Information: 0 Section 8 voucher holders, 24-units have RA;
 2012 occupancy: 2nd quarter-97%; 4th quarter-100%



6. Edisto Terrace, 180 Mable T Willis Blvd

(843) 538-5657

Type: LIHTC-family (50% & 60% AMI)

Contact: Ms Claudia Tripp, Mgr

Date Built: 2007

Date: January 18, 2013

Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	4	\$333	\$364	705	0
2BR/2b	32	\$413	\$470	912	0
3BR/2b	12	\$493	\$527	1057	0
Total	48				0

Typical Occupancy Rate: 98%-99%

Security Deposit: \$200

Concessions: No

Waiting List: Yes (5-apps)

Utilities: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes (w/computer lab)	Recreation Area	Yes
Storage	No	Picnic Area/Gazebo	Yes

Design: 2 story walk-up

Remarks: 3-units are occupied by a Section 8 voucher holder; manager stated that there would be no negative impact; 2012 occupancy: 2nd quarter-96%; 4th quarter-98%



7. Lincoln Apartments, 404 Witsell St.

(843) 549-1022

Contact: Mr Bruce Tant (1/24/2013)

Type: HUD 8 fm

Date Built: 1971

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent*</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	16	\$489	Na	\$100	0
2BR/1b	24	\$544	Na	\$130	0
3BR/1b	16	\$616	Na	\$163	0
4BR/1.5b	8	\$669	Na	\$194	0
Total	64				0

* rent based on income - BOI

Typical Occupancy Rate: 100%

Waiting List: Yes

Security Deposit: BOI

Concessions: No

Utilities Included: Allowance

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Picnic Area	No
Storage	No	Community Room	No

Design: 2 story walk-up

Additional Information: "tends to stay full"; expects no negative impact"



8. Magnolia Village, 450 Spruce St.

(843) 549-6615

Contact: Lynn Smith, Boyd Mgmt (1/18/2013)
Date Built: 1994

Type: USDA-RD e1
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	24	\$490	\$562	\$83	650	0

Typical Occupancy Rate: 99%
Security Deposit: \$150
Utilities Included: trash removal

Waiting List: Yes (4)
Concessions: No
Turnover: "very low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	No
Security	No	Picnic Area	Yes
Storage	No	Community Room	Yes

Design: 1 story

Additional Information: 24-units have RA; 2012 occupancy:
2nd quarter-100%; 4th quarter-100%



9. Meadow Creek Apartments, 156 Kimbrel St.

(843) 538-8089

Contact: Ms Stephanie, Mgr (1/25/2013)

Type: USDA-RD fm

Date Built: 1995

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Note Rent</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	9	\$434	\$685	\$111	1
2BR/1.5b	21	\$474	\$706	\$161	1
Total	30				2

Typical Occupancy Rate: 95%

Waiting List: No

Security Deposit: 1 month basic rent

Concessions: No

Utilities Included: trash removal

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Tennis	No
Clubhouse	No	Recreation Area	No
Security	No	Picnic Area	No
Storage	Yes	After School Ctr	No

Design: one story & townhouse

Additional Information: 18 Section 8 voucher holders; 2012 occupancy: 2nd quarter-97%; 4th quarter-93%; expects no negative impact



10. Walterboro Village, 601 Green Pond Hwy.

(843) 538-2772

Contact: Ms Sherrise, Mgr
Date Built: 1979

Type: HUD 8 fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent*</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	16	\$611	Na	Na	2
2BR/1b	34	\$639	Na	Na	1
3BR/1b	16	\$746	Na	Na	0
4BR/1.5b	2	\$819	Na	Na	0
Total	68				3

* rent based on income - BOI

Typical Occupancy Rate: Na
Security Deposit: BOI
Utilities Included: Allowance

Waiting List: Yes (12-apps)
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	No
Security	No	Picnic Area	No
Storage	No	Community Room	No

Design: 1 story & 2 story

Additional Information: 1 vacant unit has mold issues; paid off USDA-RD loan 12 months ago; expects no negative impact



Part II - Sample Survey of Conventional Apartment Properties

1. Forest Pointe, 504 Forest Circle

(843) 549-1910

Contact: Ms Stephanie, Mgr
Date Built: 2002

Date: January 18, 2013
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Special Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	27	\$634-\$664	\$550	682	\$.81	0
2BR/2b	57	\$699-\$736	\$659	923	\$.71	4
3BR/2b	36	\$799-\$812	\$699	1093	\$.64	4
Total	120					8

Typical Occupancy Rate: Na
Security Deposit: \$100-\$250
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	Yes	Recreation Area	Yes
Picnic Area	Yes	Business Center	Yes
Storage	Yes	Garage/Carport	Yes

Design: 3 story walk-up

Additional Information: currently offering a concession on rent



2. Plantation Oaks, 831 Snider's Highway

(843) 538-7900

Contact: Cherie Darling, Manager (Boyd Mgmt)
Date Built: Phase I - 1979; Phase II - 1983
Rehabed in 2004

Date: January 25, 2013
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent/SF</u>	<u>Vacant</u>
1BR/1b	24	\$500-\$525	570	\$.88-\$.92	*
2BR/1b	40	\$600-\$615	770	\$.78-\$.80	*
3BR/1.5b	8	\$710	910	\$.78	*
Total	72				5

Typical Occupancy Rate: Na
Security Deposit: 1 month basic rent
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Some (all 2BR)	Patio/Balcony	Some

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	Yes
Fitness Ctr	No	Recreation Area	No
Security	Yes	Picnic Area	Yes
Storage	No	Community Room	No

Design: 2 story walk-up & townhouse; controlled access

Additional Information: higher rent with balconies; used to be a USDA-RD Section 515 property



NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

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NA

34-36 - Not senior

45 - The proposed LIHTC rehab family development most likely would lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership in the majority of the Walterboro, SC home buying market. The majority of the tenants at the subject property will have annual incomes in the \$10,000 to \$20,000 range. Today's home buying market, both stick-built, modular, and mobile home requires that one meet a much higher standard of income qualification, long term employment stability, credit standing, and a savings threshold. These are difficult hurdles for the majority of LIHTC family households to achieve in today's home buying environment.

52 - Not senior

<p>APPENDIX A</p> <p>PERMIT DATA</p> <p>DATA SET</p> <p>UTILITY ALLOWANCES</p> <p>ARCHITECTURAL PLANS</p> <p>CRIME STATISTICS</p> <p>RENT ROLL & TENANT INCOMES</p> <p>SCOPE OF WORK</p> <p>NCHMA CERTIFICATION</p>
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Table 20 exhibits building permit data between 2000 and 2011 for Colleton County. Since 2000, approximately 17.5% of the permits issued within Colleton County were multi-family, of which the vast majority were within the City of Walterboro.

<p style="text-align: center;">Table 20 New Housing Units Permitted: Colleton County 2000-2012¹</p>					
Year	Net Total ²	1 Unit	2 Units	3-4 Units	5+ Units
2000	130	112	18	--	--
2001	90	82	8	--	--
2002	230	110	--	--	120
2003	136	96	--	--	--
2004	135	119	--	16	--
2005	170	153	--	17	--
2006	169	149	20	--	--
2007	218	216	2	--	--
2008	90	79	6	--	5
2009	58	58	--	--	--
2010	11	11	--	--	--
2011	46	38	--	--	8
2012	Na	Na	Na	Na	Na
Total	1,483	1,223	54	33	173

¹Source: SOCDs Building Permits Database

²Net total equals new SF and MF permits.

DATA SET

Population by Age & Sex
Walterboro, SC

Census 2010				Current Year Estimates - 2013				Five-Year Projections - 2018			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	240	234	474	0 to 4 Years	245	228	473	0 to 4 Years	256	227	483
5 to 9 Years	190	209	399	5 to 9 Years	201	213	414	5 to 9 Years	214	217	431
10 to 14 Years	208	197	405	10 to 14 Years	193	197	390	10 to 14 Years	193	207	400
15 to 17 Years	127	113	240	15 to 17 Years	124	116	240	15 to 17 Years	114	114	228
18 to 20 Years	113	108	221	18 to 20 Years	114	104	218	18 to 20 Years	109	104	213
21 to 24 Years	141	169	310	21 to 24 Years	144	153	297	21 to 24 Years	142	144	286
25 to 34 Years	291	384	675	25 to 34 Years	304	390	694	25 to 34 Years	336	377	713
35 to 44 Years	290	369	659	35 to 44 Years	280	345	625	35 to 44 Years	272	340	612
45 to 54 Years	375	429	804	45 to 54 Years	341	409	750	45 to 54 Years	287	364	651
55 to 64 Years	337	415	752	55 to 64 Years	328	394	722	55 to 64 Years	312	372	684
65 to 74 Years	218	295	513	65 to 74 Years	237	323	560	65 to 74 Years	272	359	631
75 to 84 Years	119	181	300	75 to 84 Years	119	185	304	75 to 84 Years	122	201	323
85 Years and Up	45	149	194	85 Years and Up	45	151	196	85 Years and Up	50	153	203
Total	2,694	3,252	5,946	Total	2,675	3,208	5,883	Total	2,679	3,179	5,858
62+ Years	n/a	n/a	1,212	62+ Years	n/a	n/a	1,269	62+ Years	n/a	n/a	1,342

Source: Nielsen Claritas; Ribbon Demographics

Population by Age & Sex
Walterboro, SC

Census 2010				Current Year Estimates - 2013				Five-Year Projections - 2018			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
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55 to 64 Years	337	415	752	55 to 64 Years	328	394	722	55 to 64 Years	312	372	684
65 to 74 Years	218	295	513	65 to 74 Years	237	323	560	65 to 74 Years	272	359	631
75 to 84 Years	119	181	300	75 to 84 Years	119	185	304	75 to 84 Years	122	201	323
85 Years and Up	45	149	194	85 Years and Up	45	151	196	85 Years and Up	50	153	203
Total	2,694	3,252	5,946	Total	2,675	3,208	5,883	Total	2,679	3,179	5,858
62+ Years	n/a	n/a	1,212	62+ Years	n/a	n/a	1,269	62+ Years	n/a	n/a	1,342

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65 to 74 Years	218	295	513	65 to 74 Years	237	323	560	65 to 74 Years	272	359	631
75 to 84 Years	119	181	300	75 to 84 Years	119	185	304	75 to 84 Years	122	201	323
85 Years and Up	45	149	194	85 Years and Up	45	151	196	85 Years and Up	50	153	203
Total	2,694	3,252	5,946	Total	2,675	3,208	5,883	Total	2,679	3,179	5,858
62+ Years	n/a	n/a	1,212	62+ Years	n/a	n/a	1,269	62+ Years	n/a	n/a	1,342

Source: Nielsen Claritas; Ribbon Demographics

Renter Households						
Age 15 to 54 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	263	125	104	56	71	619
\$10,000-20,000	132	52	157	147	48	536
\$20,000-30,000	81	21	181	41	132	456
\$30,000-40,000	125	160	61	84	16	446
\$40,000-50,000	23	78	1	13	40	155
\$50,000-60,000	18	28	22	29	14	111
\$60,000-75,000	7	63	11	52	47	180
\$75,000-100,000	52	61	2	8	14	137
\$100,000-125,000	4	13	7	2	9	35
\$125,000-150,000	7	1	1	2	2	13
\$150,000-200,000	2	1	2	2	4	11
\$200,000+	1	1	3	0	1	6
Total	715	604	552	436	398	2,705

Renter Households						
Aged 55+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	216	6	3	5	12	242
\$10,000-20,000	100	116	3	19	9	247
\$20,000-30,000	53	39	17	6	6	121
\$30,000-40,000	41	85	5	5	20	156
\$40,000-50,000	13	20	1	5	10	49
\$50,000-60,000	10	13	1	4	3	31
\$60,000-75,000	10	3	1	2	15	31
\$75,000-100,000	5	7	2	16	4	34
\$100,000-125,000	7	2	1	1	6	17
\$125,000-150,000	2	2	1	2	2	9
\$150,000-200,000	1	1	0	0	0	2
\$200,000+	2	1	1	1	1	6
Total	460	295	36	66	88	945

Renter Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	159	6	2	4	9	180
\$10,000-20,000	86	24	2	8	8	128
\$20,000-30,000	45	33	17	4	5	104
\$30,000-40,000	24	40	5	4	5	78
\$40,000-50,000	12	1	1	3	7	24
\$50,000-60,000	8	7	1	3	2	21
\$60,000-75,000	9	1	1	1	12	24
\$75,000-100,000	5	4	2	1	3	15
\$100,000-125,000	5	1	1	1	4	12
\$125,000-150,000	2	2	1	1	0	6
\$150,000-200,000	1	1	0	0	0	2
\$200,000+	1	0	0	1	1	3
Total	357	120	33	31	56	597

Renter Households						
All Age Groups						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	479	131	107	61	83	861
\$10,000-20,000	232	168	160	166	57	783
\$20,000-30,000	134	60	198	47	138	577
\$30,000-40,000	166	245	66	89	36	602
\$40,000-50,000	36	98	2	18	50	204
\$50,000-60,000	28	41	23	33	17	142
\$60,000-75,000	17	66	12	54	62	211
\$75,000-100,000	57	68	4	24	18	171
\$100,000-125,000	11	15	8	3	15	52
\$125,000-150,000	9	3	2	4	4	22
\$150,000-200,000	3	2	2	2	4	13
\$200,000+	3	2	4	1	2	12
Total	1,175	899	588	502	486	3,650

Owner Households						
Age 15 to 54 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	215	83	44	7	40	389
\$10,000-20,000	202	262	95	43	64	666
\$20,000-30,000	144	154	167	111	15	591
\$30,000-40,000	105	183	126	109	117	640
\$40,000-50,000	32	153	76	220	128	609
\$50,000-60,000	100	24	161	119	111	515
\$60,000-75,000	12	207	248	153	166	786
\$75,000-100,000	14	202	114	212	99	641
\$100,000-125,000	7	75	32	126	28	268
\$125,000-150,000	4	33	44	38	30	149
\$150,000-200,000	0	28	20	5	8	61
\$200,000+	2	23	1	14	0	40
Total	837	1,427	1,128	1,157	806	5,355

Owner Households						
Aged 55+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	490	185	56	10	11	752
\$10,000-20,000	601	372	67	37	35	1,112
\$20,000-30,000	280	407	73	20	41	821
\$30,000-40,000	154	316	123	20	14	627
\$40,000-50,000	88	253	73	29	64	507
\$50,000-60,000	40	188	40	23	20	311
\$60,000-75,000	49	307	33	13	41	443
\$75,000-100,000	31	198	125	12	24	390
\$100,000-125,000	24	86	27	14	4	155
\$125,000-150,000	10	35	19	15	1	80
\$150,000-200,000	0	7	4	1	3	15
\$200,000+	6	20	6	0	2	34
Total	1,773	2,374	646	194	260	5,247

Owner Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	332	129	29	6	7	503
\$10,000-20,000	439	256	55	36	23	809
\$20,000-30,000	245	319	48	8	41	661
\$30,000-40,000	112	233	75	20	6	446
\$40,000-50,000	46	157	65	26	14	308
\$50,000-60,000	25	120	13	21	14	193
\$60,000-75,000	28	167	28	5	3	231
\$75,000-100,000	23	110	36	0	23	192
\$100,000-125,000	22	36	6	14	4	82
\$125,000-150,000	4	26	6	2	1	39
\$150,000-200,000	0	4	0	0	0	4
\$200,000+	4	10	2	0	1	17
Total	1,280	1,567	363	138	137	3,485

Owner Households						
All Age Groups						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	705	268	100	17	51	1,141
\$10,000-20,000	803	634	162	80	99	1,778
\$20,000-30,000	424	561	240	131	56	1,412
\$30,000-40,000	259	499	249	129	131	1,267
\$40,000-50,000	120	406	149	249	192	1,116
\$50,000-60,000	140	212	201	142	131	826
\$60,000-75,000	61	514	281	166	207	1,229
\$75,000-100,000	45	400	239	224	123	1,031
\$100,000-125,000	31	161	59	140	32	423
\$125,000-150,000	14	68	63	53	31	229
\$150,000-200,000	0	35	24	6	11	76
\$200,000+	8	43	7	14	2	74
Total	2,610	3,801	1,774	1,351	1,066	10,602

Renter Households						
Age 15 to 54 Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	252	115	108	45	60	580
\$10,000-20,000	139	44	153	145	50	531
\$20,000-30,000	71	30	186	54	127	468
\$30,000-40,000	113	153	54	71	16	407
\$40,000-50,000	20	90	1	14	42	167
\$50,000-60,000	20	35	21	30	14	120
\$60,000-75,000	0	40	8	50	36	134
\$75,000-100,000	52	41	1	5	17	116
\$100,000-125,000	5	11	7	2	10	35
\$125,000-150,000	4	0	4	2	2	12
\$150,000-200,000	1	0	2	2	4	9
\$200,000+	1	1	0	1	2	5
Total	678	560	545	421	380	2,584

Renter Households						
Aged 55+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	258	5	1	6	10	280
\$10,000-20,000	108	122	3	19	10	262
\$20,000-30,000	59	59	21	4	8	151
\$30,000-40,000	34	93	6	5	23	161
\$40,000-50,000	13	22	1	4	6	46
\$50,000-60,000	10	12	2	5	2	31
\$60,000-75,000	10	4	2	2	15	33
\$75,000-100,000	5	6	2	13	4	30
\$100,000-125,000	2	4	1	3	11	21
\$125,000-150,000	6	0	2	4	2	14
\$150,000-200,000	3	0	0	0	1	4
\$200,000+	1	2	2	2	1	8
Total	509	329	43	67	93	1,041

Renter Households						
Aged 62+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	196	4	0	5	9	214
\$10,000-20,000	93	35	2	5	8	143
\$20,000-30,000	49	48	19	3	6	125
\$30,000-40,000	17	57	6	4	6	90
\$40,000-50,000	11	2	1	2	5	21
\$50,000-60,000	8	7	2	4	2	23
\$60,000-75,000	10	2	1	1	12	26
\$75,000-100,000	5	4	2	2	3	16
\$100,000-125,000	2	3	1	1	10	17
\$125,000-150,000	5	0	2	3	1	11
\$150,000-200,000	2	0	0	0	1	3
\$200,000+	1	0	1	2	1	5
Total	399	162	37	32	64	694

Renter Households						
All Age Groups						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	510	120	109	51	70	860
\$10,000-20,000	247	166	156	164	60	793
\$20,000-30,000	130	89	207	58	135	619
\$30,000-40,000	147	246	60	76	39	568
\$40,000-50,000	33	112	2	18	48	213
\$50,000-60,000	30	47	23	35	16	151
\$60,000-75,000	10	44	10	52	51	167
\$75,000-100,000	57	47	3	18	21	146
\$100,000-125,000	7	15	8	5	21	56
\$125,000-150,000	10	0	6	6	4	26
\$150,000-200,000	4	0	2	2	5	13
\$200,000+	2	3	2	3	3	13
Total	1,187	889	588	488	473	3,625

Owner Households						
Age 15 to 54 Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	141	70	39	8	44	302
\$10,000-20,000	192	197	100	68	57	614
\$20,000-30,000	129	126	166	104	14	539
\$30,000-40,000	64	151	104	83	111	513
\$40,000-50,000	39	120	81	199	119	558
\$50,000-60,000	88	18	153	107	102	468
\$60,000-75,000	7	135	213	135	129	619
\$75,000-100,000	13	167	115	179	93	567
\$100,000-125,000	1	54	30	132	24	241
\$125,000-150,000	2	32	23	26	44	127
\$150,000-200,000	0	17	22	10	15	64
\$200,000+	1	14	0	15	0	30
Total	677	1,101	1,046	1,066	752	4,642

Owner Households						
Aged 55+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	525	189	66	7	21	808
\$10,000-20,000	664	424	87	61	39	1,275
\$20,000-30,000	352	530	91	31	52	1,056
\$30,000-40,000	164	334	128	28	15	669
\$40,000-50,000	96	277	96	40	73	582
\$50,000-60,000	39	220	35	32	24	350
\$60,000-75,000	49	305	34	14	39	441
\$75,000-100,000	28	207	136	15	22	408
\$100,000-125,000	31	93	32	15	2	173
\$125,000-150,000	7	37	18	15	2	79
\$150,000-200,000	4	7	3	0	6	20
\$200,000+	4	24	2	2	1	33
Total	1,963	2,647	728	260	296	5,894

Owner Households						
Aged 62+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	371	141	36	3	15	566
\$10,000-20,000	491	304	75	59	28	957
\$20,000-30,000	306	432	58	18	51	865
\$30,000-40,000	119	253	80	28	8	488
\$40,000-50,000	52	187	84	37	16	376
\$50,000-60,000	23	142	9	29	18	221
\$60,000-75,000	30	176	30	6	4	246
\$75,000-100,000	20	121	48	3	21	213
\$100,000-125,000	27	43	10	15	2	97
\$125,000-150,000	4	31	7	1	1	44
\$150,000-200,000	2	4	0	0	1	7
\$200,000+	2	16	1	1	0	20
Total	1,447	1,850	438	200	165	4,100

Owner Households						
All Age Groups						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	666	259	105	15	65	1,110
\$10,000-20,000	856	621	187	129	96	1,889
\$20,000-30,000	481	656	257	135	66	1,595
\$30,000-40,000	228	485	232	111	126	1,182
\$40,000-50,000	135	397	177	239	192	1,140
\$50,000-60,000	127	238	188	139	126	818
\$60,000-75,000	56	440	247	149	168	1,060
\$75,000-100,000	41	374	251	194	115	975
\$100,000-125,000	32	147	62	147	26	414
\$125,000-150,000	9	69	41	41	46	206
\$150,000-200,000	4	24	25	10	21	84
\$200,000+	5	38	2	17	1	63
Total	2,640	3,748	1,774	1,326	1,048	10,536

Renter Households						
Age 15 to 54 Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	245	113	116	46	52	572
\$10,000-20,000	114	37	154	150	48	503
\$20,000-30,000	65	25	192	49	124	455
\$30,000-40,000	106	156	47	70	18	397
\$40,000-50,000	17	85	1	9	42	154
\$50,000-60,000	16	14	26	29	13	98
\$60,000-75,000	1	34	7	59	36	137
\$75,000-100,000	50	45	0	4	17	116
\$100,000-125,000	7	10	4	1	10	32
\$125,000-150,000	2	0	0	0	2	4
\$150,000-200,000	0	3	0	0	4	7
\$200,000+	3	1	0	0	0	4
Total	626	523	547	417	366	2,479

Renter Households						
Aged 55+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	298	7	2	6	5	318
\$10,000-20,000	123	123	5	19	8	278
\$20,000-30,000	65	67	22	5	9	168
\$30,000-40,000	32	107	3	8	19	169
\$40,000-50,000	19	20	2	2	10	53
\$50,000-60,000	12	16	2	4	0	34
\$60,000-75,000	11	6	0	3	20	40
\$75,000-100,000	4	9	0	12	7	32
\$100,000-125,000	3	3	2	2	15	25
\$125,000-150,000	5	1	1	1	2	10
\$150,000-200,000	1	0	0	1	2	4
\$200,000+	2	0	0	1	1	4
Total	575	359	39	64	98	1,135

Renter Households						
Aged 62+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	236	5	2	4	4	251
\$10,000-20,000	110	37	3	4	7	161
\$20,000-30,000	54	55	22	4	7	142
\$30,000-40,000	18	70	3	6	4	101
\$40,000-50,000	18	1	2	0	6	27
\$50,000-60,000	10	8	2	3	0	23
\$60,000-75,000	11	2	0	2	18	33
\$75,000-100,000	4	6	0	1	6	17
\$100,000-125,000	3	2	2	2	14	23
\$125,000-150,000	5	1	1	1	1	9
\$150,000-200,000	1	0	0	1	2	4
\$200,000+	2	0	0	1	1	4
Total	472	187	37	29	70	795

Renter Households						
All Age Groups						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	543	120	118	52	57	890
\$10,000-20,000	237	160	159	169	56	781
\$20,000-30,000	130	92	214	54	133	623
\$30,000-40,000	138	263	50	78	37	566
\$40,000-50,000	36	105	3	11	52	207
\$50,000-60,000	28	30	28	33	13	132
\$60,000-75,000	12	40	7	62	56	177
\$75,000-100,000	54	54	0	16	24	148
\$100,000-125,000	10	13	6	3	25	57
\$125,000-150,000	7	1	1	1	4	14
\$150,000-200,000	1	3	0	1	6	11
\$200,000+	5	1	0	1	1	8
Total	1,201	882	586	481	464	3,614

Owner Households						
Age 15 to 54 Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	122	56	36	7	41	262
\$10,000-20,000	170	156	94	74	55	549
\$20,000-30,000	107	109	152	92	15	475
\$30,000-40,000	51	129	95	80	103	458
\$40,000-50,000	28	102	78	184	122	514
\$50,000-60,000	79	13	174	102	90	458
\$60,000-75,000	7	107	192	127	128	561
\$75,000-100,000	9	146	103	172	86	516
\$100,000-125,000	2	49	22	125	25	223
\$125,000-150,000	1	27	26	24	46	124
\$150,000-200,000	0	19	23	8	15	65
\$200,000+	0	16	0	13	1	30
Total	576	929	995	1,008	727	4,235

Owner Households						
Aged 55+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	568	199	64	9	12	852
\$10,000-20,000	709	463	95	72	40	1,379
\$20,000-30,000	369	558	94	32	64	1,117
\$30,000-40,000	173	353	136	38	17	717
\$40,000-50,000	102	283	107	47	72	611
\$50,000-60,000	39	240	32	36	29	376
\$60,000-75,000	47	325	31	15	38	456
\$75,000-100,000	25	204	165	12	21	427
\$100,000-125,000	29	94	34	17	3	177
\$125,000-150,000	10	40	14	14	3	81
\$150,000-200,000	2	8	3	0	5	18
\$200,000+	2	25	1	1	1	37
Total	2,082	2,792	776	293	305	6,248

Owner Households						
Aged 62+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	417	153	38	5	7	620
\$10,000-20,000	544	350	84	71	28	1,077
\$20,000-30,000	324	470	61	19	64	938
\$30,000-40,000	127	277	89	38	7	538
\$40,000-50,000	59	198	93	44	16	410
\$50,000-60,000	26	162	6	34	21	249
\$60,000-75,000	30	198	27	7	4	266
\$75,000-100,000	20	133	68	1	20	242
\$100,000-125,000	27	45	13	16	3	104
\$125,000-150,000	7	34	4	0	3	48
\$150,000-200,000	1	4	0	0	0	5
\$200,000+	5	17	0	0	1	23
Total	1,587	2,041	483	235	174	4,520

Owner Households						
All Age Groups						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	690	255	100	16	53	1,114
\$10,000-20,000	879	619	189	146	95	1,928
\$20,000-30,000	476	667	246	124	79	1,592
\$30,000-40,000	224	482	231	118	120	1,175
\$40,000-50,000	130	385	185	231	194	1,125
\$50,000-60,000	118	253	206	138	119	834
\$60,000-75,000	54	432	223	142	166	1,017
\$75,000-100,000	34	350	268	184	107	943
\$100,000-125,000	31	143	56	142	28	400
\$125,000-150,000	11	67	40	38	49	205
\$150,000-200,000	2	27	26	8	20	83
\$200,000+	2	41	1	14	2	67
Total	2,658	3,721	1,771	1,301	1,032	10,483



B25074

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units
2007-2011 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Colleton County, South Carolina	
	Estimate	Margin of Error
Total:	4,145	+/-435
Less than \$10,000:	927	+/-221
Less than 20.0 percent	17	+/-28
20.0 to 24.9 percent	0	+/-98
25.0 to 29.9 percent	0	+/-98
30.0 to 34.9 percent	63	+/-62
35.0 percent or more	460	+/-152
Not computed	387	+/-162
\$10,000 to \$19,999:	945	+/-240
Less than 20.0 percent	9	+/-15
20.0 to 24.9 percent	20	+/-31
25.0 to 29.9 percent	13	+/-22
30.0 to 34.9 percent	11	+/-18
35.0 percent or more	676	+/-209
Not computed	216	+/-109
\$20,000 to \$34,999:	996	+/-277
Less than 20.0 percent	234	+/-157
20.0 to 24.9 percent	45	+/-46
25.0 to 29.9 percent	18	+/-24
30.0 to 34.9 percent	134	+/-99
35.0 percent or more	264	+/-116
Not computed	301	+/-122
\$35,000 to \$49,999:	605	+/-258
Less than 20.0 percent	161	+/-102
20.0 to 24.9 percent	110	+/-89
25.0 to 29.9 percent	125	+/-93
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	22	+/-35
Not computed	187	+/-143
\$50,000 to \$74,999:	425	+/-159
Less than 20.0 percent	295	+/-140
20.0 to 24.9 percent	3	+/-4
25.0 to 29.9 percent	13	+/-18
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98

	Colleton County, South Carolina	
	Estimate	Margin of Error
Not computed	114	+/-76
\$75,000 to \$99,999:	191	+/-134
Less than 20.0 percent	139	+/-103
20.0 to 24.9 percent	4	+/-6
25.0 to 29.9 percent	0	+/-98
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98
Not computed	48	+/-74
\$100,000 or more:	56	+/-42
Less than 20.0 percent	11	+/-13
20.0 to 24.9 percent	0	+/-98
25.0 to 29.9 percent	0	+/-98
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98
Not computed	45	+/-41

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2007-2011 American Community Survey (ACS) data generally reflect the December 2009 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2000 data. Boundaries for urban areas have not been updated since Census 2000. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.



B25072

AGE OF HOUSEHOLDER BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units
2007-2011 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Colleton County, South Carolina	
	Estimate	Margin of Error
Total:	4,145	+/-435
Householder 15 to 24 years:	498	+/-163
Less than 20.0 percent	86	+/-66
20.0 to 24.9 percent	25	+/-32
25.0 to 29.9 percent	42	+/-50
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	168	+/-113
Not computed	177	+/-84
Householder 25 to 34 years:	950	+/-241
Less than 20.0 percent	294	+/-169
20.0 to 24.9 percent	16	+/-24
25.0 to 29.9 percent	38	+/-55
30.0 to 34.9 percent	47	+/-72
35.0 percent or more	262	+/-121
Not computed	293	+/-144
Householder 35 to 64 years:	2,274	+/-339
Less than 20.0 percent	455	+/-185
20.0 to 24.9 percent	141	+/-103
25.0 to 29.9 percent	75	+/-69
30.0 to 34.9 percent	124	+/-91
35.0 percent or more	843	+/-223
Not computed	636	+/-182
Householder 65 years and over:	423	+/-146
Less than 20.0 percent	31	+/-37
20.0 to 24.9 percent	0	+/-98
25.0 to 29.9 percent	14	+/-23
30.0 to 34.9 percent	37	+/-42
35.0 percent or more	149	+/-112
Not computed	192	+/-86

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

UTILITY ALLOWANCES

UTILITY ALLOWANCE WORKSHEET

Effective: January 1, 2012

Complex Name: Hillcrest

CURRENT UTILITY ALLOWANCE PROPOSED UTILITY ALLOWANCE

1 Bedroom 112 103
 2 Bedroom 94 109
 3 Bedroom 128 133
 0 Bedroom 0 0

Items Included:	# OF UNITS	\$ AVERAGE	# OF UNITS	\$ AVERAGE	# OF UNITS	\$ AVERAGE	# OF UNITS	\$ AVERAGE
Water <u>City of Waterboro</u>	1 BR 3 of 8	17.46	2 BR 8 of 16	19.39	3 BR 8 of 8	24.83	0 BR of 0	0.00
Sewer <u>Included in water</u>	1 BR of 8	0.00	2 BR of 16	0.00	3 BR of 8	0.00	0 BR of 0	0.00
Electric <u>Coastal Electric</u>	1 BR 4 of 8	85.00	2 BR 9 of 16	88.88	3 BR 7 of 8	107.78	0 BR of 0	0.00
Gas <u>N/A</u>	1 BR of 8	0.00	2 BR of 16	0.00	3 BR of 8	0.00	0 BR of 0	0.00
Garbage <u>Paid by complex</u>	1 BR of 8	0.00	2 BR of 16	0.00	3 BR of 8	0.00	0 BR of 0	0.00
TOTAL UTILITIES	1 BR (Total)	<u>102.46</u>	2 BR (Total)	<u>108.27</u>	3 BR (Total)	<u>132.61</u>	0 BR (Total)	<u>0.00</u>
(Rounded to next highest dollar)	1 BR	<u>103</u>	2 BR	<u>109</u>	3 BR	<u>133</u>	0 BR	<u>0</u>
Proposed Allowance *	1 BR	<u>103</u>	2 BR	<u>109</u>	3 BR	<u>133</u>	0 BR	<u>0</u>

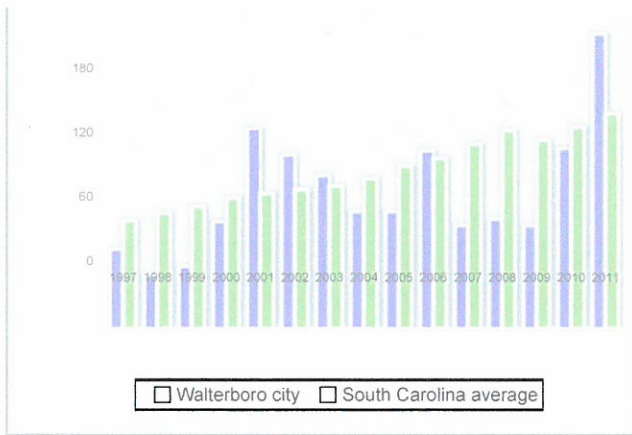
A change is proposed for 2012.

Utility Calculation Worksheet

Property Name:		#118 Hillcrest Apartments						
Utility Type:		City of Waltherboro - Water (Billed every 2 months)						
Unit Type	1 Br.	1 Br.	1 Br.	1 Br.	1 Br.	1 Br.	1 Br.	1 Br.
Unit #	A1	A2	A3					
	Apr-11	\$ 31.42	\$ 28.64	\$ 39.94				
	Mar-11	\$ -	\$ -					
	Feb-11	\$ 31.42	\$ 28.08	\$ 44.03				
	Jan-11	\$ -	\$ -					
	Dec-10	\$ 31.42	\$ 28.08	\$ 46.59				
	Nov-10	\$ -	\$ -					
	Oct-10	\$ 31.42	\$ 28.08	\$ 44.03				
	Sep-10	\$ -	\$ -	\$ -				
	Aug-10	\$ 31.05	\$ 28.08	\$ 44.80				
	Jul-10	\$ -	\$ -					
	Jun-10	\$ 37.82	\$ 26.82	\$ 46.76				
	May-10	\$ -	\$ -	\$ -				
Yearly Total		\$ 194.55	\$ 167.78	\$ 266.15				
Unit Average		\$ 16.21	\$ 13.98	\$ 22.18				
Yearly Avg. All Units		\$ 17.46						

ARCHITECTURAL PLANS

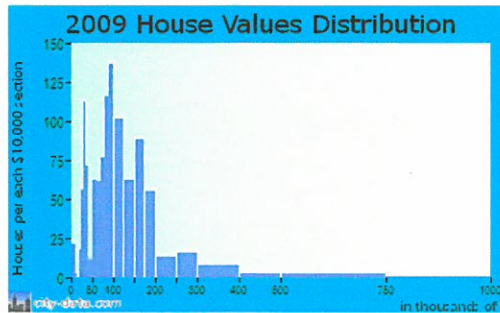
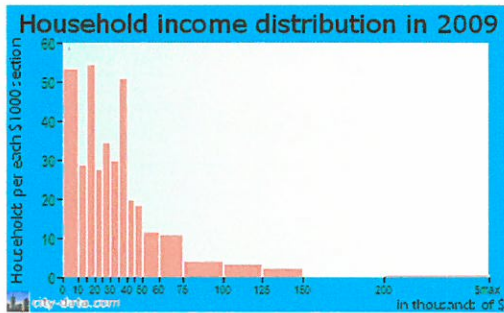
CRIME STATISTICS



Latitude: 32.90 N, Longitude: 80.67 W

Daytime population change due to commuting: +4,393 (+85.3%)
 Workers who live and work in this city: 863 (50.0%)

Area code: 843



Crime in Walterboro by Year

Type	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Murders	1	1	1	0	0	3	0	4	1	0
per 100,000	19.0	19.3	18.4	0.0	0.0	53.6	0.0	68.7	17.1	0.0
Rapes	7	2	5	5	4	5	4	5	4	5
per 100,000	132.7	38.7	92.2	89.4	71.0	89.3	69.2	85.8	68.5	91.6
Robberies	17	19	12	14	17	37	37	15	18	14
per 100,000	322.3	367.3	221.3	250.4	301.7	650.6	640.5	257.5	308.2	256.4
Assaults	43	55	51	52	71	84	74	94	60	31
per 100,000	815.2	1063.2	940.6	930.1	1260.2	1499.7	1280.9	1613.7	1027.2	567.7
Burglaries	60	79	70	77	92	99	78	113	189	108
per 100,000	1137.4	1527.2	1291.0	1377.2	1632.9	1767.5	1350.2	1939.9	3235.7	1977.7
Thefts	586	366	326	424	523	463	512	500	448	523
per 100,000	11109.0	7075.2	6012.5	7583.6	9282.9	8266.4	8862.7	8583.7	7669.9	9577.0
Auto thefts	28	30	24	33	45	41	39	24	28	24
per 100,000	530.8	579.9	442.6	590.2	798.7	732.0	675.1	412.0	479.4	439.5
Arson	11	3	1	2	4	2	5	0	2	3
per 100,000	208.5	58.0	18.4	35.8	71.0	35.7	86.6	0.0	34.2	54.9
City-data.com crime index (higher means more crime, U.S. average = 319.1)	872.3	745.1	657.6	701.0	853.1	1069.5	905.1	1005.3	861.8	737.6

(click on a table row to update graph)

**RENT ROLL
&
TENANT INCOMES**

Rent Roll

Hillcrest Apartments (118)

Report Date: 12/2012
 Building: 1

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
Units without Square Footage Set								
A1	Sapp, Marceline	04/09/2010	03/31/2013	H1	\$490.00	\$60.00	60.00	0
A2	Koger, Judy	06/09/2008	04/30/2013	H1	\$490.00	\$103.00	103.00	0
A3	Kelly, Laura	12/23/2008	03/31/2013	S1	\$490.00	\$0.00	0.00	0
A4	Brown, Latria	08/04/2008	07/31/2013	S1	\$490.00	\$97.00	97.00	0
A5	Miles, Helen	09/02/2011	07/31/2013	S1	\$490.00	\$186.00	186.00	0
A6	Jones, Carol	03/04/2011	02/28/2013	S1	\$490.00	\$84.00	84.00	0
A7	Bright, Je'Lacee	07/01/2012	11/30/2013	S1	\$490.00	\$85.00	85.00	0
A8	Schmitt, Carla	05/03/2012	08/31/2013	S1	\$490.00	\$97.00	97.00	0
B1	* VACANT * 12/1/2012 - 12/4/2012			S3	\$72.00	\$0.00	0.00	0
B1	Poole, Stacia	12/05/2012	11/30/2013	S3	\$489.00	\$527.00	477.00	0
B2	Bostic, Dedra	03/30/2010	02/28/2013	S3	\$561.00	\$205.00	205.00	0
B3	Scott, Jacqueline	02/26/2010	08/31/2013	S3	\$561.00	\$55.00	55.00	0
B4	Hodges, Lawanda	03/06/2009	08/31/2013	S3	\$561.00	\$45.00	45.00	0
B5	Blue, Dana	12/04/2008	04/30/2013	S3	\$561.00	\$157.00	177.00	0
B6	Risher, Tiffany	10/30/2008	06/30/2013	S3	\$561.00	\$30.00	30.00	0
B7	Gadsden, Jacquetta	10/26/2012	09/30/2013	S3	\$561.00	\$0.00	0.00	0
B8	Brown, Naniesha	04/02/2007	11/30/2013	S3	\$561.00	\$148.00	148.00	0
C1	Yates, Albert	07/17/2012	10/31/2013	S2	\$508.00	\$135.00	135.00	0
C2	Jenkins, Amanda	08/20/2012	07/31/2013	S2	\$508.00	\$481.00	508.00	0
C3	Stephens, Jeremaine	04/04/2011	11/30/2013	S2	\$508.00	\$508.00	508.00	0
C4	McMillan, Sonya	03/12/2010	05/31/2013	S2	\$508.00	\$20.00	20.00	0
C5	Wright, Natasha	04/03/2009	08/31/2013	S2	\$508.00	\$508.00	508.00	0
C6	Mock, Talika	05/17/2012	04/30/2013	S2	\$508.00	\$508.00	508.00	0
C7	Farmer, Natashan	07/11/2011	06/30/2013	S2	\$508.00	\$144.00	163.00	0
C8	Albright, Quashina	11/06/2012	10/31/2013	S2	\$508.00	\$481.00	481.00	0
D1	Jenkins, Doretha	07/01/2012	06/30/2013	S2	\$508.00	\$508.00	508.00	0
D2	Richardson, Samantha	03/23/2011	02/28/2013	S2	\$508.00	\$97.00	97.00	0
D3	Bostic, Dawana	11/01/2007	08/31/2013	S2	\$508.00	\$210.00	210.00	0
D4	Kirkland, Nikki	04/26/2010	09/30/2013	S2	\$508.00	\$299.00	299.00	0
D5	*MR Stacia, Poole	09/18/2012	12/04/2012	S2	\$66.00	\$62.00	62.00	0
D5	Burke, Armita	12/21/2012	11/30/2013	S2	\$180.00	\$180.00	180.00	0
D5	* VACANT * 12/5/2012 - 12/20/2012			S2	\$262.00	\$0.00	0.00	0
D6	Richardson, Brenda	04/24/2007	02/28/2013	S2	\$508.00	\$259.00	259.00	0
D7	Matthews, Vakevia	11/29/2010	10/31/2013	S2	\$508.00	\$333.00	333.00	0
D8	Kirkland, Traci	11/03/2011	10/31/2013	S2	\$508.00	\$218.00	218.00	0
					\$16,536.00	\$6,830.00	6,846.00	
Units in Building:	32							
Occupied Units:	32							
% Occupied:	100%							

** = Expired Lease

*MR = Moved out during the report range.

Print Date & Time: 01/14/2013 3:45:32PM

Rent Roll

Hillcrest Apartments (118)

Report Date: 12/2012

Total Units: 32
Total Occupied: 32.00
Total % Occupied: 100.00

Grand Totals:

\$16,536.00 \$6,830.00 6,846.00

Selected Parameters:

Property Name - Hillcrest Apartments

Rent Roll for - 12/2012

Show Negative Rents as Zero - True

Sort By Unit - True

** = Expired Lease

*MR = Moved out during the report range.

Print Date & Time: 01/14/2013 3:45:32PM

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Hillcrest Apartments BUILDING : LD # Default
 PROPERTY : 2021 Cross Beam Drive, Charlotte, NC 28217 TOTAL # : 32
 COUNTY/MSA : COLLETON/HILLCREST/B # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 14
 DATE : 02/11/2013 % OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : 43.75%

BIN	Unit #	S # of Occ	Tenant Name	Initial Occ Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
Default	A1	1	Sapp, Marceline	4/9/10	03/31/2013	8,235	20,340	60%	8,520	21,996	60%	60	103	430	163.00	593.00	589	Yes	60%
Default	A2	1	Koger, Judy	6/9/08	04/30/2013	7,888	19,560	60%	8,616	22,020	60%	103	103	387	206.00	593.00	589	Yes	60%
Default	A3	1	Kelly, Laura	12/23/08	03/31/2013	13,645	19,560	60%	4,080	21,996	60%	-1	103	491	102.00	593.00	589	Yes	60%
Default	A4	1	Brown, Larria	8/4/08	07/31/2013	5,096	19,560	60%	8,376	22,020	60%	97	103	393	200.00	593.00	589	Yes	60%
Default	A5	1	Miles, Helen	9/2/11	07/31/2013	11,567	18,050	50%	11,962	18,350	50%	186	103	304	289.00	593.00	491	Yes	50%
Default	A6	1	Jones, Carol	3/4/11	02/28/2013	8,088	20,640	60%	8,376	21,996	60%	84	103	406	187.00	593.00	589	Yes	60%
Default	A7	1	Bright, Je'Laece	7/1/12	01/31/2014	13,908	22,020	60%	3,600	22,020	60%	-13	103	503	90.00	593.00	589	Yes	60%
Default	A8	1	Schmitt, Carla	5/3/12	08/31/2013	6,816	22,020	60%	8,376	22,020	60%	97	103	393	200.00	593.00	589	Yes	60%
Default	B1	3	Prook, Stacia	12/5/12	11/30/2013	26,000	28,300	50%	26,000	28,300	50%	548	133	0	681.00	681.00	681	Yes	50%
Default	B2	3	Bostic, Debra	3/30/10	02/28/2013	14,508	21,800	50%	21,261	23,560	50%	205	133	356	338.00	694.00	681	Yes	50%
Default	B3	3	Scout, Jacqueline	2/26/10	08/31/2013	17,680	24,200	50%	11,060	23,600	50%	55	133	506	188.00	694.00	681	Yes	50%
Default	B4	3	Hodgers, Lawanda	3/6/09	08/31/2013	6,882	18,650	50%	9,368	23,600	50%	45	133	516	178.00	694.00	681	Yes	50%
Default	B5	3	Blue, Dana	12/4/08	04/30/2013	16,152	20,950	50%	17,254	23,600	50%	177	133	384	310.00	694.00	681	Yes	50%
Default	B6	3	Risher, Tiffany	10/30/08	06/30/2013	20,283	20,950	50%	14,648	26,200	50%	30	133	531	163.00	694.00	681	Yes	50%
Default	B7	3	Gadsden, Jacqueta	10/26/12	01/31/2014	5,532	26,200	50%	7,540	26,200	50%	4	133	557	137.00	694.00	681	Yes	50%
Default	B8	3	Brown, Nonisha	4/2/07	11/30/2013	10,367	25,150	50%	15,292	33,960	60%	148	133	413	281.00	694.00	817	Yes	60%
Default	C1	2	Yates, Albert	7/17/12	10/31/2013	15,444	20,950	50%	10,244	20,950	50%	481	109	0	590.00	590.00	590	Yes	50%
Default	C2	2	Jenkins, Amanda	8/20/12	07/31/2013	15,817	23,600	50%	15,817	23,600	50%	481	109	0	590.00	590.00	590	Yes	50%
Default	C3	2	Stephens, Jermaine	4/4/11	11/30/2013	20,067	23,640	60%	9,541	25,140	60%	508	109	0	617.00	617.00	708	Yes	60%
Default	C4	2	McMillan, Sonya	3/12/10	05/31/2013	12,064	21,800	50%	9,489	23,600	50%	20	109	488	129.00	617.00	590	Yes	50%
Default	C5	2	Wright, Natasha	4/3/09	08/31/2013	17,507	26,160	60%	21,889	28,320	60%	508	109	0	617.00	617.00	708	Yes	60%
Default	C6	2	Mock, Talika	5/17/12	04/30/2013	23,053	25,140	60%	23,053	25,140	60%	508	109	0	617.00	617.00	708	Yes	60%
Default	C7	2	Famer, Natasha	7/11/11	06/30/2013	18,392	30,960	60%	18,126	31,440	60%	508	109	0	617.00	617.00	708	Yes	60%
Default	C8	2	Albright, Quashia	11/6/12	10/31/2013	11,825	26,200	50%	11,825	26,200	50%	481	109	0	590.00	590.00	590	Yes	50%
Default	D1	2	Jenkins, Doretha	7/1/12	06/30/2013	20,800	25,140	60%	20,800	25,140	60%	508	109	0	617.00	617.00	708	Yes	60%
Default	D2	2	Richardson, Samantha	3/23/11	02/28/2013	9,957	22,150	50%	9,578	23,560	50%	97	109	411	206.00	617.00	589	Yes	50%

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

PROPERTY TAX CREDIT COMPLIANCE REPORT

PROPERTYNAME : Hillcrest Apartments Default
PROPERTY : 2021 Cross Beam Drive, Charlotte, NC 28217 BUILDING : LD # 32
COUNTY/MSA : COLLETON/HILLCREST/B TOTAL # : 14
DATE : 02/11/2013 # OF UNITS IN BLDG AT OR BELOW 50% OF MEDIAN : 14
% OF TOTAL IN BLDG AT OR BELOW 50% OF MEDIAN : 43.75%

BIN	Unit #	Site # of Occ.	Tenant Name	Initial Occ. Date	Expiration Date of Tenant Cert.	Gross Income @ Move In	Maximum Qualifying Income @ Move In	Move-In Set Aside	Current Gross Income	Current Maximum Qualifying Income	Current Set Aside	Tenant Paid Rent	UA	Subsidy	TPR + UA +Subsidy	Max. Qual. Rent	Qualified Yes /No	Set Aside Description
Default	D3	2	Botic, Dawann	11/1/07	08/31/2013	17,588	22,380	60%	17,410	25,140	60%	210	109	298	319.00	708	Yes	60%
Default	D4	2	Kirkland, Nikki	4/26/10	09/30/2013	11,036	23,220	60%	21,946	28,320	60%	299	109	209	408.00	708	Yes	60%
Default	D5	2	Burke, Amita	12/21/12	11/30/2013	11,310	31,440	60%	11,310	31,440	60%	508	109	0	617.00	708	Yes	60%
Default	D6	2	Richardson, Brenla	4/24/07	02/28/2013	9,710	19,560	60%	15,109	25,164	60%	259	109	249	368.00	706	Yes	60%
Default	D7	2	Matthevs, Vakevia	11/29/10	10/31/2013	15,784	23,640	60%	22,298	25,140	60%	333	109	175	442.00	708	Yes	60%
Default	D8	2	Kirkland, Traci	11/3/11	10/31/2013	15,639	25,800	50%	14,502	26,200	50%	218	109	290	327.00	590	Yes	50%

**** Number of Units Required**
Set Aside Description Name
 50% 14
 60% 18
Total Number of Units: **32**

* Tenant has an expired lease.
 ** Rounded up to the nearest unit to ensure compliance.

SCOPE OF WORK

HILL CREST APARTMENTS WORK WRITE-UP

2.14.13

SITE IMPROVEMENTS:

A. New Covered Picnic Area:

1. Prepare and form the area (see Drawings; Site Plan for location and details) for a new 12' x 12' x 4" thick reinforced concrete slab over 4" crushed stone.
2. Construct a new 12' x 12' gazebo structure with 6 x 6 treated wood posts at each corner of the slab set in 16" x 16" x 30" deep concrete footings and a roof structure composed of 6:12 pitch wood trusses (6:12 pitch) at 2' oc bearing on treated wood girders (2- 2x10's) at all four sides (include hurricane clips) of the structure, anchored to the posts, 5/8" OSB sheathing, 15# roofing felt, and 30yr warranty **Architectural Asphalt Shingles** (see Specifications) 1 x 6 treated wood fascia, and soffit and ceiling composed of 3/8" plywood panels (see Specifications).
3. Remove existing wood planking from table and seating of existing picnic table. Install new 2 x 6 synthetic Treks synthetic planks (see Specifications) on existing picnic table and bench areas. Anchor table to new concrete slab.
4. Install (1) new **ADA Picnic Table** (see Specifications) under the new Gazebo (see Item No. 2 above and the Site Plan), anchoring it to the new concrete slab per the manufacturer's installation instructions.

B. Postal Shelter:

1. Construct a Postal Shelter over the existing postal boxes (see Drawings, Site Plan for location) consisting of (4) 6 x 6 treated wood corner posts set in 16" x 16" x 30" deep concrete footings located at the four corners of the existing concrete slab, two beams, consisting of two-treated wood 2 x 8's extending along the two sides of , and anchored to, the corner posts with beam hangers, 4:12 pitch wood trusses anchored to the top of the beams (include hurricane clips) at 2'-0" oc, and roofing consisting of 5/8" OSB sheathing, 15# roofing felt, and 30 year warranty architectural shingle (see Specifications), 1 x 6 treated wood fascia, and soffit and ceiling composed of 3/8" plywood panels (see Specifications).

C. New Walking Trail:

1. Grade as needed and install new 4' wide x 1,250 lineal foot **Asphalt-Paved Walking Path** (see Specifications) as indicated and detailed on the Site Plan.
2. Install new bench along trail as indicated on Site Plan (see Specifications).

D. Existing Perimeter Fencing:

Make repairs as needed to the existing 6' high chain link perimeter fencing.

E. Existing Benches:

1. Remove existing wood planking from the seats and backs of the (4) existing benches and dispose of the material legally.
2. Install new 2 x 6 synthetic Treks synthetic planks (see Specifications) in place of the original planking using the same method of attachment used for the original planks.

F. Grading/Infill:

1. Backfill along all sidewalks and concrete landings where the existing grade has settled below the elevation of these surfaces bringing the finished grade level with the surfaces. Tamp backfill to prevent further settling and install grass seed (see Specifications) in these areas.
2. Where the settled grade along the sidewalk/landing is within planting area, mulch (see Specifications) may be used to bring grade back to level with the surfaces.
3. Regrade around perimeter of existing buildings as needed to provide a minimum 6 inches between weep holes at brick areas and between bottom of siding at sided areas and finish grade or mulch.
4. Regrade around perimeter of existing buildings as needed to provide a minimum 5% slope away from foundation walls. Slope shall continue for a minimum of 10 feet from building.
5. All regrading shall include removal of grass and plant material, and preparation for and seeding of regraded area.

G. Dumpster Screens:

1. Install **new 6' Treated Wood Fencing** (see Specifications) along three sides of the two existing dumpster areas (see Drawings, Site Plan for locations), anchoring the fencing to new 6x 6 treated wood posts set at the corners of the screening and at 6'-0" oc along the three sides of the screening wood posts.

H. Landscaping:

1. Prune and trim all existing plant material and vegetation as needed, removing any dead plant material
2. Apply 4" mulch to all existing planting beds and around existing trees.

I. Drip Irrigation System:

1. Install a **Drip Irrigation System** (see Specifications) to serve all existing landscaped areas. The system shall include all tubing, terminal ends, and timers.

J. Camera Video Security System:

1. Provide a minimum (6) **Camera Video Security System** (see Specifications) with (4) cameras monitoring the exterior site and (2) cameras monitoring the Office.

K. Sidewalks:

1. Remove existing concrete sidewalks where noted on Site Plan because of excessive cross slopes or deteriorated conditions. Install new 4" thick reinforced concrete walks, matching the width of adjacent walks. Install new walks with maximum 2% cross slope.
2. Remove concrete walks where new ADA compliant curb cuts are to be installed in relation to H/C parking areas and their associated access lanes, as noted on the Site Plan.

L. Parking Lots:

1. Repair any cracks in existing asphalt pavement and apply sealer coat to entire surface of all parking areas. Restripe parking areas to provide parking spaces as listed on the Site Plan.
2. Install curbing along areas of the Paved Parking areas that do not have curbing. New curbing can be formed or pre-formed concrete or formed asphalt. Curbing shall be a 6" in height.

M. Entrance Sign:

1. Remove existing entrance sign and related supports and dispose of materials legally.
2. Install new 6'-0" wide by 4'-0" high **Entrance Sign** (see Specifications), anchoring it two 16" x 16" x 6'-0" high brick piers each constructed on 32" x 32" x 12" thick concrete footings. Sign shall be located where indicated on the Site Plan.

N. Recycling Bin:

1. Install new **Recycling Bin** (see Specifications) where noted on Site Plan (see Site Plan for location). Bin shall be placed on a concrete slab and shall provide a 5' wide accessible concrete walk from the parking area.

BUILDING EXTERIOR:

A. Siding and Trim:

1. On all (7) two story apartment wings and the one story wings at each end of these same buildings, and the one story Office/Laundry (converted) Community Room remove all existing vinyl siding and trim, vinyl soffit material, entry ceiling material, aluminum gutters and downspouts, and aluminum fascia wrap. Dispose of all materials legally.
2. Install new **0.44" Solid Vinyl Siding and Trim and Ceiling/Soffit Material** (see Specifications) in place of all existing vinyl siding, trim and ceiling/soffit material per manufacturer's recommendations. Caulk all joints between new vinyl components and adjacent non-vinyl surfaces. Vinyl colors shall be as selected by Owner.

B. Windows:

1. Remove all existing windows from Apartment Buildings and the Office/Laundry Building (approximate total 67 windows). Contractor shall donate the windows to local charity or non-profit agency.
 - a) (64) 47" x 47" sliding windows (apartments)
 - b) (2) 42" x 54" double hung windows (Office and Laundry of Office/Laundry Building)
 - c) (1) 34" x 36" double hung window (Laundry of Office/Laundry Building)
2. Install new **Energy Star rated solid vinyl single hung window units with Low E insulated glass**, screens, integral trim (see Specifications) per manufacturer's recommendations, in original openings. New units shall match the original window sizes. No reduction in window sizes will be permitted. Caulk all joints between the windows' trim and the adjacent surfaces. Patch any interior surfaces disturbed or damaged during the installation.

C. Roofing, Gutters, and Downspouts:

1. Remove existing asphalt shingles, roofing felt, drip edges, ridge vents, and aluminum gutters and downspouts from all buildings and dispose of material legally.
2. Repair or replace all damaged sheathing, rafters, or trusses. Replace any 3/8" sheathing with a minimum 7/16" sheathing.
3. Install **30 year warranty Architectural Roof Shingles** (see Specifications). Shingles are to be nailed (not stapled) per manufacturer's instructions.

4. Installation shall include new roofing felt, continuous aluminum drip edges, and ridge vents. Install roof shingles over ridge to match roof shingles.
5. Install Ice Dam Membrane extending from roof's eave edge to a point 24 inches inside the exterior wall of building, and along all roof valleys extending 24" up each side of valley.
6. Remove existing gutters and downspouts from all buildings and dispose.
7. After installation and painting of new fascia, install **Seamless Prefinished Aluminum Gutters and Downspouts** (see Specifications).
8. Stamped downspout cut-outs in new gutters shall match the size of the new downspouts. An alternate is to install properly sized boots in the gutters to receive the downspouts.
9. Connect downspouts to underground leaders where they exist, or to concrete splash blocks.

D. Exterior Entry Doors:

1. Prepare and paint exterior surface of all existing entry doors to Apartments, Office/Laundry/Community Room Building (approximate total 35).
2. Remove existing sliding doors in all (32) apartments. Install (32) new prehung fiberglass clad patio door units with Low E insulated glass, predrilled for locksets and latchsets scheduled to replace the existing sliding doors.

E. Apartments Breezeways:

1. At the first floor level of all apartment entry breezeways remove existing concrete pad as noted on Drawings (see Floor Plans for locations and details) in preparation for installation of sloped walk, raised pad at first floor apartment entries (flush with finished first floor elevations) and sloped breezeway floor area.
2. Install new reinforced concrete (see Specifications) in areas described above.

F. Exterior Stairs (in breezeways):

1. Prepare and paint all exposed wood and metal surfaces of all existing exterior stairs in apartment breezeways. This will include all stair treads and risers and all new and existing railings.
2. Extend center railing to be continuous from top to bottom. At top of stairs, at landing, extend railing along landing rail and anchor to wall. All new railing and railing extensions shall comply with Code requirements.

G. Building Signs:

1. Remove all existing apartment building numbers (approximately 5), apartment numbers, and Office/Laundry Building numbers (approximately 35). Install new **Building Signs** (see Specifications). Install new apartment, Community Building, and Office/Laundry **Number Signs** to the right of each entry door. Entry numbers shall include braille lettering

H. Exterior Entry Lighting:

1. Remove existing entry lighting at each apartment entry, Community Building entry, and Office/Laundry entries (approximate count 35). Contractor shall donate the light fixtures to local charity or non-profit agency. Remove common lighting from breezeways of (4) Apartment Buildings (approximately 16 fixtures) and from covered entry at Office/Laundry (approximately 2 fixtures).
2. Install (approximately) 35 wall mounted exterior **Energy Star rated CFL light fixtures** (see Specifications) (apartment entries), and (18) new ceiling mounted exterior **Energy Star rated CFL light fixtures** (see Specifications) (apartment breezeways and Office/Laundry Building). Installation shall include installation of new electrical rough-in box, reuse of existing wiring, and installation of new fixtures per manufacturer's recommendations and Electrical Code regulations.

APARTMENT INTERIORS:

A. **One Bedroom Apartments:**

The following description applies to (7) apartments (see Drawings; Site Plan for location and Floor Plans for layout):

1. Window Blinds:
 - a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).
2. Entry:
 - a. Remove existing 3' x 4' sheet vinyl flooring at Entry and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over 4' x 4' area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this 4' x 4' area per manufacturer's recommendations.
 - b. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. Kitchen/Dining:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixtures.
Contractor shall donate all of the above to local charity or non-profit agency.
- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install one new GFIC receptacle to left of Range location.
- d. Replace all water supply valves to the Kitchen fixtures within each apartment.**
- e. Install new ¼" luan subfloor over all Kitchen and Dining area floors, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings:
 - 1) 36" sink base with removable front/bottom.
 - 2) 18" drawer base
 - 3) 30" base cabinet with removable front/bottom.
 - 4) 14 lineal feet of wall cabinets
 - 5) 9'-0" of counter with integral backsplashes
- g. Install new Kitchen Appliances (see Specifications):
 - 1) 30" electric range
 - 2) **30" Range Hood** with recirculating fan. Install Range Queen extinguishing systems in each range hood unit.
 - 3) **Energy Star rated Dishwasher**
 - 4) **Energy Star rated 18.0 cu. Ft. refrigerator with ice maker**
- h. Install new **double bowl** stainless steel sink with levered faucet.
- i. Install new **Energy Star rated surface mounted fluorescent light fixture** in Kitchen and **CFL Surface Mounted Ceiling Light Fixture** in Dining area (see Specifications).
- j. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).

4. Laundry/Mechanical:

- a. **Install new Washer water supply fixture and valve in the Laundry area of room. Install new electrical outlets as needed to serve Washer and Dryer hook-ups.**
- b. Remove existing surface mounted pull-chain ceiling light fixture and install new switched **CFL Surface Mounted Ceiling Fixture** (see Specifications).
- c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over

Laundry area floor, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.

- d. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- e. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new VCT flooring (see Specifications) over this area per manufacturer's recommendations.
- f. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in closet and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.
- g. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with piping draining to the outside.
- h. Insulate exposed water lines.
- i. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

5. Living Room:

- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Rough-in will include rough-in boxes suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- c. Prepare and paint walls, ceiling, door, and trim (see Specifications). Included is the Coat Closet opening into Living Room.

6. Hall and (2) Hall Closets:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over

this area, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over this area per manufacturer's recommendations.

- b. Remove existing ceiling light fixture in Hall. Contractor shall donate fixture to local charity or non-profit agency. Install new **Energy Star rated surface mounted CFL ceiling light fixture** (see Specifications).
- c. Prepare and paint walls, ceiling, trim, and doors (see Specifications).

7. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall mounted light, and bath accessories.
- c. **Remove the existing tub/tub surround and fixtures.**
- d. Remove existing door, frame, and latchset and dispose of legally. Rough in for and install new 3068 prehung door with new latchset.
- e. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. **Replace water supply valves to all Bathroom fixtures.**
- g. Install new **30" Wide Vanity Cabinet** with removable front and base, one piece synthetic marble top (see Specifications) and **Energy Star rated low flow faucet** (see Specifications).
- h. Install **Energy Star rated low flow water closet** (see Specifications).
- i. **Install Energy Star rated low flow Shower Head** (see Specifications).
- j. **Install new 3-piece tub to include new surround on three sides and new bath fixtures.**
- k. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light** (see Specifications).
- l. Install new Bathroom accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, and shower rod (see Specifications).
- m. Prepare and paint walls, ceiling, trim, and new door (see Specifications).

8. Bedroom, and walk-in Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing Bedroom and Walk-in Closet doors, frames, and latchsets and dispose of legally. Rough in for and install (2) new 3068 prehung doors with new latchsets in these locations.

- c. Install new **Energy Star** rated **surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications. Installation will include rough-in boxes suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom, Closet, and Linen Closet.

B. One Bedroom ADA Apartment:

The following description applies to (1) apartment (see Drawings; Site Plan and Floor Plans for location and layout):

1. Window Blinds:

- a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).

2. Entry:

- a. Remove existing 3' x 4' sheet vinyl flooring at Entry and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over 4' x 4' area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this 4' x 4' area per manufacturer's recommendations.
- b. Install new levered latchset on Entry door.
- c. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. Kitchen/Dining:

- b. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixture. Contractor shall donate all of the above to local charity or non-profit agency.
- c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- d. Install one new GFIC receptacle to left of Range location.
- e. **Replace all water supply valves to the Kitchen fixtures within each apartment.**
- f. Install new ¼" luan subfloor over all Kitchen and Dining area floors, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over these areas per manufacturer's recommendations.
- g. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings. Base cabinets shall have 9" toe kicks. All cabinets shall have 4" 'C' pull handles

- 1) 36" sink base with removable front/bottom.
 - 2) 18" drawer base
 - 3) 30" base cabinet with removable front/bottom.
 - 4) 16 lineal feet of wall cabinets
 - 5) 12'-0" of counter with integral backsplashes
- h. Install new Kitchen Appliances (see Specifications):
- 1) 30" electric range
 - 2) **30" Range Hood** with recirculating fan. Provide remote switching for both fan and light. Install Range Queen extinguishing systems in each range hood unit.
 - 3) **Energy Star rated Dishwasher**
 - 4) **Energy Star rated 18.0 cu. Ft. side-by-side refrigerator with ice maker**
- i. Install new 6" deep **double bowl** stainless steel sink with levered faucet. Sink drains shall be rear mounted.
- j. Install new **Energy Star rated surface mounted fluorescent light fixture** in Kitchen.
- k. Remove existing ceiling light fixture in Dining area. Install new surface mounted **Energy Star rated CFL ceiling light fixture** (see Specifications).
- l. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).
4. Laundry (converted Pantry Closet):
- a. **Install new Washer water supply fixture and valve in the (converted) Laundry area of room. Install new electrical outlets as needed to serve Washer and Dryer hook-ups.**
 - b. Remove existing surface mounted pull-chord ceiling light fixture and install new switched **CFL Surface Mounted Ceiling Fixture** (see Specifications).
 - c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over Laundry area floor, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over these areas per manufacturer's recommendations.
 - d. Remove existing bifold door and frame and dispose of legally. Rough in for and install new prehung 3068 door with new levered latchset.
5. Mechanical Closet:
- a. Remove existing surface mounted pull-chord ceiling light fixture and install new switched **CFL Surface Mounted Ceiling Fixture** (see Specifications).
 - b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over

Mechanical Closet floor, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over these areas per manufacturer's recommendations.

- c. Install new levered latchset.
- d. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- e. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in closet and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.
- f. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with piping draining to the outside.
- g. Insulate exposed water lines.
- h. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

6. Living Room:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Install new **VCT flooring** (see Specifications) over this area per manufacturer's recommendations.
- b. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). There is currently no ceiling fixture. Installation will include all circuitry and rough-in as needed for installation. Rough-in will include rough-in boxes suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- c. Prepare and paint walls, ceiling, door, and trim (see Specifications). Included is the Coat Closet opening into Living Room.

7. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.

- b. Remove existing water closet, wall hung sink and faucet, tub/tub surround and bath fixtures, shower head, exhaust fan/light, wall mounted light, and bath accessories. Contractor shall donate all items to local charity or non-profit agency.
 - c. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over this area per manufacturer's recommendations.
 - d. **Replace water supply valves to all Bathroom fixtures.**
 - e. Install new **Wall Hung Sink** (see Specifications) and **Energy Star rated low flow faucet** (see Specifications). Install insulation on exposed drain pipe.
 - f. Install **Energy Star rated low flow ADA water closet.**
 - g. **Install Energy Star rated low flow Shower Head.**
 - h. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light.**
 - i. Install new Bathroom accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, (2) fold-up grab bars, and shower rod (see Specifications).
 - j. **Install new 3' x 5' roll in shower, shower surround, and ADA-compliant bath fixture.**
 - k. Install new levered latchset.
 - l. Prepare and paint walls, ceiling, trim, and door (see Specifications).
8. Bedroom and Closet:
- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
 - b. Remove existing Linen Closet to make room for new 3068 door and clear floor space. Rough in for and install new 3068 prehung door with levered latchset (see Drawings; Plans for details, this area)
 - c. Remove existing Carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over these areas per manufacturer's recommendations.
 - d. Remove existing sliding door and frame. Rough in for and install new prehung pr of 2668 doors with new levered latchsets.
 - e. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). There is currently no ceiling fixture. Installation will include all circuitry and rough-in as needed for installation. Rough-in will include rough-in boxes suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.

- f. Remove existing sliding Closet doors including frame, doors, and hardware and dispose of materials legally. Prepare opening, including demo and framing for rough opening, for installation of prehung pair of 2668 door to include frame, door, and hardware.
- g. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- h. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

C. **Two Bedroom Apartments:**

The following description applies to (15) apartments see Drawings; Site Plan and Floor Plans for locations and layouts):

1. Window Blinds:

- a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).

2. Entry:

- b. Remove existing 3' x 4' sheet vinyl flooring at Entry and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over 4' x 4' area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this 4' x 4' area per manufacturer's recommendations.
- b. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. Kitchen/Dining:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixture. Contractor shall donate all of the above to local charity or non-profit agency.
- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install one new GFIC receptacle to left of Range location.
- d. Replace all water supply valves to the Kitchen fixtures within each apartment.**
- e. Install new ¼" luan subfloor over all Kitchen and Dining area floors, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings:
 - 1) 36" sink base with removable front/bottom.
 - 2) 18" drawer base

- 3) 36" base cabinet with removable front/bottom.
- 4) 14 lineal feet of wall cabinets
- 5) 9'-0" of counter with integral backsplashes

- g. Install new Kitchen Appliances (see Specifications):
 - 1) 30" electric range
 - 2) **30" Range Hood** with recirculating fan. Install Range Queen extinguishing systems in each range hood unit.
 - 3) **Energy Star rated Dishwasher**
 - 4) **Energy Star rated 18.0 cu. Ft. refrigerator with ice maker**
- h. Install new **double bowl** stainless steel sink with levered faucet.
- i. Install new **Energy Star rated surface mounted fluorescent light fixture** in Kitchen.
- j. Remove existing ceiling light fixture in Dining area. Install new surface mounted **Energy Star rated CFL ceiling light fixture** (see Specifications).
- k. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).

4. Laundry/Mechanical:

- a. **Install new Washer water supply fixture and valve in the (converted) Laundry area of room. Install new electrical outlets as needed to serve Washer and Dryer hook-ups.**
- b. Remove existing surface mounted ceiling light fixture and install new **CFL Surface Mounted Ceiling Fixture** (see Specifications).
- c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over Laundry area floor, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
- d. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- e. Remove existing door and frame. Rough in for and install new prehung 3068 door with new latchset.
- f. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new VCT flooring (see Specifications) over this area per manufacturer's recommendations.
- g. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in closet and

condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.

- h. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with piping draining to the outside.
- i. Insulate exposed water lines.
- j. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

5. Living Room:

- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing door, frame, and latchset. Rough in for and install new 3068 prehung door with new latchset.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Prepare and paint walls, ceiling, door, and trim (see Specifications). Included is the Coat Closet opening into Living Room.

6. Hall, Hall Closet:

- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Replace ceiling light fixture in Hall with new **Energy Star rated ceiling mounted CFL light**
- c. Prepare and paint walls, ceiling, and trim (see Specifications).

7. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall mounted light, and bath accessories.
- c. **Remove the existing tub/tub surround and fixtures.**

- d. Remove existing Bathroom door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- e. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. **Replace water supply valves to all Bathroom fixtures.**
- g. Install new **30" Wide Vanity Cabinet** with removable front and base, one piece synthetic marble top (see Specifications) and **Energy Star rated low flow faucet** (see Specifications).
- h. Install **Energy Star rated low flow water closet** (see Specifications).
- i. **Install Energy Star rated low flow Shower Head** (see Specifications).
- j. **Install new 3-piece tub to include new surround and bath fixtures.**
- k. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light** (see Specifications).
- l. Install new Bathroom accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, and shower rod (see Specifications).
- m. Prepare and paint walls, ceiling, trim, and new door (see Specifications).

8. Bedroom 1, and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing Bedroom door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

9. Bedroom 2, and Walk-In Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.

- b. Remove existing Bedroom and Walk-in Closet doors, frames, and latchsets and dispose of material legally. Rough in for and install (2) new prehung 3068 doors in these locations with new latchsets.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

D. **Two Bedroom ADA Apartment:**

The following description applies to (1) apartment, see Drawings; Site Plan and Floor Plans for locations and layouts):

1. Window Blinds:

- a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).

2. Entry:

- a. Remove existing 3' x 4' sheet vinyl flooring at Entry and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over 4' x 4' area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this 4' x 4' area per manufacturer's recommendations.
- b. Install new levered latchset on Entry door.
- c. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. Kitchen/Dining:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixture. Contractor shall donate all of the above to local charity or non-profit agency.
- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install one new GFI receptacle to left of Range location.
- d. **Replace all water supply valves to the Kitchen fixtures within each apartment.**
- e. Install new ¼" luan subfloor over all Kitchen and Dining area floors, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.

- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings. Base cabinets shall have 9" toe kicks. All cabinets shall have 4" 'C' pull handles
 - 1) 36" sink base with removable front/bottom.
 - 2) 18" drawer base
 - 3) 30" base cabinet with removable front/bottom.
 - 4) 14 lineal feet of wall cabinets
 - 5) 9'-0" of counter with integral backsplashes
 - g. Install new Kitchen Appliances (see Specifications):
 - 1) 30" electric range
 - 2) **30" Range Hood** with recirculating fan. Provide remote switching for both fan and light. Install Range Queen extinguishing systems in each range hood unit.
 - 3) **Energy Star rated Dishwasher**
 - 4) **Energy Star rated 18.0 cu. Ft. side-by-side refrigerator with ice maker**
 - h. Install new 6" deep **double bowl** stainless steel sink with rear mounted drains and levered faucet.
 - i. Install new **Energy Star rated surface mounted fluorescent light fixture** in Kitchen.
 - j. Remove existing ceiling light fixture in Dining area. Install new surface mounted **Energy Star rated CFL ceiling light fixture** (see Specifications).
 - k. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).
4. Laundry/Mechanical:
- a. **Install new Washer water supply fixture and valve in the (converted) Laundry area of room. Install new electrical outlets as needed to serve Washer and Dryer hook-ups.**
 - b. Remove existing surface mounted ceiling light fixture and install new **CFL Surface Mounted Ceiling Fixture** (see Specifications).
 - c. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over Laundry area floor, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
 - d. Remove existing door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new levered latchset.
 - e. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.

- f. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new VCT flooring (see Specifications) over this area per manufacturer's recommendations.
 - g. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in closet and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.
 - h. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with piping draining to the outside.
 - i. Insulate exposed water lines.
 - j. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).
5. Living Room:
- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
 - b. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
 - c. Prepare and paint walls, ceiling, door, and trim (see Specifications).
6. Hall and Hall Closet:
- a. Remove existing carpet and dispose of material legally. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
 - b. Replace ceiling light fixture in Upper Hall with new **Energy Star rated ceiling mounted CFL light**.
 - c. Install new levered latchset on Hall Closet door.
 - d. Prepare and paint walls, ceiling, and trim (see Specifications).

7. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall mounted light, and bath accessories.
- c. **Remove the existing tub/tub surround and fixtures.**
- d. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- e. **Replace water supply valves to all Bathroom fixtures.**
- f. Install new **30" Wide Vanity Cabinet** with removable front and base, one piece synthetic marble top (see Specifications) and **Energy Star rated low flow faucet** (see Specifications).
- g. Install **Energy Star rated low flow water closet** (see Specifications).
- h. **Install Energy Star rated low flow Shower Head** (see Specifications).
- i. **Install new roll-in shower to include surround and ADA-compliant bath fixtures.**
- j. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light** (see Specifications).
- a. Remove existing door and frame. Rough in for and install new prehung 3068 door with new levered latchset.
- k. Install new Bathroom accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, and shower rod (see Specifications).
- l. Prepare and paint walls, ceiling, trim, and new door (see Specifications).

8. Bedroom 1, and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing door and frame. Rough in for and install new prehung 3068 door with new levered latchset.
- c. Install new levered latchsets on Bedroom Closet doors.
- d. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- e. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.

- f. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom, Closet, and Linen Closet.
9. Bedroom 2, and Closet:
- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
 - b. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
 - c. Install new levered latchsets on Bedroom and Bedroom Closet doors.
 - d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
 - e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom, Closet, and Linen Closet.

E. Three Bedroom Apartments:

The following description applies to (8) apartments see Drawings; Site Plan and Floor Plans for locations and layouts):

1. Window Blinds:

- l. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).

2. Entry:

- a. Remove existing 3' x 4' sheet vinyl flooring at Entry and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over 4' x 4' area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this 4' x 4' area per manufacturer's recommendations.
- b. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. Kitchen/Dining:

- a. Remove existing refrigerator, range, range hood, sink and sink faucet, wall and base cabinets, countertops, and ceiling mounted light fixture. Contractor shall donate all of the above to local charity or non-profit agency.

- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Install one new GFI receptacle to left of Range location.
- d. **Replace all water supply valves to the Kitchen fixtures within each apartment.**
- e. Install new ¼" luan subfloor over all Kitchen and Dining area floors, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
- f. Install new base cabinets, wall cabinets, and counter (see Specifications) as delineated on Drawings:
 - 1) 36" sink base with removable front/bottom.
 - 2) 18" drawer base
 - 3) 30" base cabinet with removable front/bottom.
 - 4) 14 lineal feet of wall cabinets
 - 5) 9'-0" of counter with integral backsplashes
- i. Install new Kitchen Appliances (see Specifications):
 - 1) 30" electric range
 - 2) **30" Range Hood** with recirculating fan. Install Range Queen extinguishing systems in each range hood unit.
 - 3) **Energy Star rated Dishwasher**
 - 4) **Energy Star rated 18.0 cu. Ft. refrigerator with ice maker**
- j. Install new **double bowl** stainless steel sink with levered faucet.
- k. Install new **Energy Star rated surface mounted fluorescent light fixture** in Kitchen.
- l. Remove existing ceiling light fixture in Dining area. Install new surface mounted **Energy Star rated CFL ceiling light fixture** (see Specifications).
- m. Prepare and paint all existing wall, ceiling, and trim surfaces (see Specifications).

4. Laundry/Mechanical:

- a. Expand existing room into Kitchen as noted on Plans. New construction will include rough in for and installation of new prehung 3068 door with new latchset.
- b. **Install new Washer water supply fixture and valve in the Laundry area of room. Install new electrical outlets as needed to serve Washer and Dryer hook-ups.**
- c. Remove existing surface mounted ceiling light fixture and install new switched **CFL Surface Mounted Ceiling Fixture** (see Specifications).
- d. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over

Laundry area floor, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.

- e. Remove existing HVAC air handler and hot water heater from Closet. Remove also exterior condensing unit located outside the apartment. Contractor shall donate equipment to local charity or non-profit agency.
- f. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in closet and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.
- g. Install **40 Gallon Electric Water Heater 'Low Boy'** (see Specifications). Water heater must be an energy efficient model with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with piping draining to the outside.
- h. Insulate exposed water lines.
- i. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

5. Living Room:

- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include a rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- c. Prepare and paint walls, ceiling, door, and trim (see Specifications). Included is the Coat Closet opening into Living Room.

6. Hall, Hall Closet, and Linen Closet:

- a. Remove existing carpet and dispose of material legally. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Replace (2) ceiling light fixture with new **Energy Star rated ceiling mounted CFL lights**.
- c. Prepare and paint walls, ceiling, and trim (see Specifications).

7. Bathroom:

- a. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- b. Remove existing water closet, vanity sink and faucet, shower head, exhaust fan/light, wall mounted light, and bath accessories.
- c. **Remove the existing tub/tub surround and fixtures.**
- d. Remove existing door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- e. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. **Replace water supply valves to all Bathroom fixtures.**
- g. Install new **30" Wide Vanity Cabinet** with removable front and base, one piece synthetic marble top (see Specifications) and **Energy Star rated low flow faucet** (see Specifications).
- h. Install **Energy Star rated low flow water closet** (see Specifications).
- i. **Install Energy Star rated low flow Shower Head** (see Specifications).
- j. **Install new 3-piece tubs to include new surrounds and fixtures.**
- k. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light** (see Specifications).
- l. Install new Bathroom accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, and shower rod (see Specifications).
- m. Prepare and paint walls, ceiling, trim, and new door (see Specifications).

8. Bedroom 1, and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom, Closet, and Linen Closet.

9. Bedroom 2, and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new **Carpet** (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

10. Bedroom 2, and Closet:

- a. Remove existing carpet and dispose of material legally. Remove all residual glue from existing subfloor. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
- b. Remove existing door, frame, and latchset and dispose of material legally. Rough in for and install new prehung 3068 door with new latchset.
- c. Install new **Energy Star rated surface mounted Ceiling Fan with CFL Ceiling Light Fixture** (see Specifications). Installation will include rough-in box suitable for installation of ceiling fan. Separate switching for the fan and the light shall be provided.
- d. Install new hard wired **Smoke Detector** (see Specifications), tied into existing detectors.
- e. Prepare and paint walls, ceiling, doors, and trim (see Specifications) of Bedroom and Closet.

F. Additional Attic Insulation:

- a. Add 12" blown-in cellulose insulation (see Specifications) to existing insulation in all (7) apartment building attics and in Office/Laundry/Community Building attics.

G. High Speed (Broadband) Internet:

- a. Provide (1) high speed broadband internet hook-up in the Living Room and in each Bedroom of all apartments.

H. **Office/Laundry/Community Building:**

1. **Window Blinds:**

- a. Remove all existing window blinds. Contractor shall donate blinds to local charity or non-profit agency. Install new window blinds (see Specifications).

2. **Office and Storage Closet:**

- a. Remove existing carpet and dispose of material legally. Install new Carpet (see Specifications) over this area per manufacturer's recommendations.
- b. Remove (4) existing ceiling light fixtures and install (4) new **CFL Ceiling Light Fixtures** (see Specifications).
- c. Prepare and paint wall, ceiling, interior surface of entry door, and trim surfaces (see Specifications).

3. **ADA Toilet:**

- a. Make plan revisions as indicated on the Drawings; **Floor Plans**, removing partitions and installing new partitions as delineated in the Plans.
- b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor.
- c. Remove existing water closet, wall hung sink and faucet, exhaust fan/light, wall mounted light, and bath accessories. Contractor shall donate all items to local charity or non-profit agency.
- d. **Replace water supply valves to all Toilet fixtures.**
- e. Install new ¼" luan subfloor over this area, gluing subfloor to concrete. Install new **VCT flooring** (see Specifications) over this area per manufacturer's recommendations.
- f. Install new wall hung lavatory (see Specifications) and **Energy Star rated low flow faucet** (see Specifications).
- g. Install **Energy Star rated low flow ADA water closet.**
- h. Install new **Energy Star rated wall mounted CFL light and Energy Star rated Bath Exhaust Fan/CFL Light.**
- i. Install new toilet accessories to include toilet paper holder, towel bar, surface mounted medicine cabinet with mirror, and (2) fold-up grab bars (see Drawings and Specifications).
- j. Prepare and paint walls, ceiling, trim, and door (see Specifications).

2. **Storage/Mechanical Room:**

- a. Remove existing HVAC air handler and hot water heater from room. Remove exterior condensing unit located outside the building. Contractor shall donate equipment to local charity or non-profit agency.

- b. Install new **Energy Star rated 15.0 SEER Energy Star rated HVAC Heat Pump System** with adaptive recovery technology and programmable thermostat (see Specifications). Install air handling unit in room and condensing unit outside in location of original condensing unit, per manufacturer's recommendations and per International Mechanical Code. Connect new air handler into existing ductwork. Include drain pan and overflow switch.
 - c. Install new 50 gallon energy efficient water heater with an energy factor greater than 0.93. Installation shall include hook-ups to existing electrical circuit and water supply lines, drain pan with drain and a water shut-off valve operated with a moisture sensor or similar mechanism with drain piping leading to the outside.
 - d. Prepare and paint walls, ceiling, trim, and new door (see Specifications).
3. Laundry:
- a. **Replace all Washer water supply fixture and valve in the Laundry Room.**
 - b. Remove existing sheet vinyl flooring and dispose of material legally. Remove all residual glue from existing subfloor. Install new ¼" luan subfloor over Laundry area floor, gluing subfloor to concrete. Install new **VCT Flooring** (see Specifications) over these areas per manufacturer's recommendations.
 - c. Remove two existing surface mounted ceiling light fixtures and install new **CFL Surface Mounted Ceiling Fixture** (see Specifications).
 - d. Prepare and paint all existing wall, ceiling, door, and trim surfaces (see Specifications).

This Work Write Up was prepared by,



Donald C. Harwood
Project Architect
South Carolina Architect Registration No. 7368

NCHMA CERTIFICATION

Certificate of Professional Designation

This certificate verifies that

Jerry Koontz
Koontz & Salinger

*Has completed NCAHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*

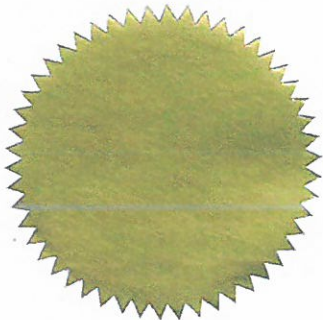


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Designation Term
7/1/2012 to 6/30/2013

Thomas Amdur
Executive Director, NCAHMA

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Hillcrest Total # Units: 32
 Location: Walterboro, SC (518 Sniders Hwy) # LIHTC Units: 32
 PMA Boundary: N: Bamberg & Dorchester Counties; E: Dorchester Co.; S: Edisto Beach PMA; W: Dorchester County
 Development Type: x Family Older Persons Farthest Boundary Distance to Subject: 18 miles

RENTAL HOUSING STOCK (found on pages 53&54)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	713	33	95.4%
Market-Rate Housing	2	192	13	93.2%
Assisted/Subsidized Housing not to include LIHTC	8	436	17	96.1%
LIHTC (All that are stabilized)*	2	88	3	96.7%
Stabilized Comps**	2	192	13	93.2%
Non-stabilized Comps				%

* 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
8	1BR	1	621	\$380	\$520	\$.83	27%	\$634	\$.93
16	2BR	1	793	\$508	\$610	\$.72	17%	\$699	\$.76
8	3BR	1	981	\$561	\$675	\$.67	17%	\$799	\$.71
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
Gross Potential Rent Monthly*				\$15,656	\$19,320		19%		

*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. **Hillcrest will have 24-units of PBRA.**

DEMOGRAPHIC DATA (found on pages 32 to 34)

	2000		2012		2015	
Renter Households	2,684	19.93%	3,633	25.58%	3,620	25.59%
Income-Qualified Renter HHs (LIHTC)	271	10.10%	367	10.10%	367	10.14%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 43)

Type of Demand	50%	60%	Market-rate	Other:___	Other: PBRA	Overall No PBRA
Renter Household Growth	-1	-2			-8	-3
Existing Households (Overburd + Substand)	181	375			2,226	556
Homeowner conversion (Seniors)	Na	Na			Na	Na
Other:	Na	Na			Na	Na
Less Comparable/Competitive Supply	0	0			0	0
Net Income-qualified Renter HHs	180	373			2,218	553

CAPTURE RATES (found on page 51)

Targeted Population	50%	60%	Market-rate	Other: 50%	Other: 60%w/RA	Overall
Capture Rate	5.5%	8%			1.4%	5.8%/1.3%

ABSORPTION RATE (found on page 52)

Absorption Period: 1 month or 4 months if 100% vacant (**Hillcrest has 24-units of PBRA**)

2012 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
8	1 BR	\$380	\$3,040	\$520	\$4,160	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
16	2 BR	\$508	\$8,128	\$610	\$9,760	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
8	3 BR	\$561	\$4,488	\$675	\$5,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	32		\$15,656		\$19,320	18.96%