



Woods Research, Inc.

Market Analysis
For the Development of
An Affordable Apartment Complex
In
Lake City, SC

Report Date
February 2013

Site Work Completed

February 2013
By Staff of Woods Research, Inc.

For

Connelly Development, LLC
Columbia, SC



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Executive Summary

Project Description:

The proposed project is for the development of a 48-unit apartment complex. There will be 20 2-BR units, 24 3-BR units and four 4-BR units. This is a new construction project. Twelve of the units will be at 50 percent of AMI and 36 of the units will be at 60% of AMI.

The proposed project is viable as proposed and should proceed as planned. The proposed rents should be achievable in this market and are very competitive with the existing comparable apartment complex rents.

Project Site Description:

The Site, located on the East side of North Matthews Road across from Lake City High School, just North of Mingle Court, is a 5.5-acre parcel. The Site was previously heavily wooded, but has since been cleared of large trees, though some new growth has occurred. The surrounding properties are as follows:

- North – Heavily wooded, undeveloped area
- Northeast – Heavily wooded, undeveloped area
- East – Heavily wooded, undeveloped area
- Southeast – Heavily wooded, undeveloped area
- South – Heavily wooded, undeveloped area
- Southwest – Lake City High School
- West – Lake City High School
- Northwest – Department of Mental Health
-

Market/Trade Area:

A conservative and reasonable primary market area for new affordable apartments in the Lake City Primary Market Area has been defined as: Census Tracts 20, 22.01, 22.02, 23, and 24 in Florence County and 9701 in Williamsburg County.

Boundaries for the Lake City Primary Market Area are:

- North: Lynch River to Florence/Sumter County Line
- West: Florence/Clarendon County Line to Barnebeau Road to Hurricane Road to Babe Road to Ditch Bank Road to McCutchen Road to Kingtree Swamp Canal to CSK Transportation Railroad

- South: IM Graham Road to Dewey Cox Road to Highway 52 to Singleton Swamp to Lynches Lake Swamp
- East: South Fire Station/North Half Moon Road

Market Area Economy Highlights:

The annualized 2011 unemployment rate in Florence County was 11.0 percent. The unemployment rate in the county has been historically moderate to high. Employment in Florence County increased by 0.22 percent over the last ten years.

Interview Highlights:

Interviews were conducted with personnel at Local Housing Authorities and apartment owners and managers.

Community Demographics Highlights:

The population of the Lake City Primary Market Area increased by only 0.35 percent between 2000 and 2010. It is estimated to have increased by only 0.07 percent between 2000 and 2012 and is projected to increase by 1.29 percent between 2012 and 2015.

The number of households in the Florence Primary Market Area increased by 4.03 percent between 2000 and 2010, and is estimated to have increased by 0.77 percent between 2010 and 2012. The households are projected to increase by 2.06 percent between 2012 and 2015.

Demand Analysis:

The net demand for rental units in the Lake City Primary Market Area at 50 percent of AMI is 217 units. The annual income range used for income-eligible households at 50 percent of AMI is \$16,560 and \$28,600 per year. The capture rate for the 50 percent non-subsidized units would be 5.53 percent.

The net demand for rental units in the Lake City Primary Market Area at 60 percent of AMI is 345 units. The annual income range used for income-eligible households at 60 percent of AMI is \$16,560 and \$34,320 per year. The capture rate for the 60 percent non-subsidized units would be 10.43 percent.

The overall LIHTC net demand for rental units in the Lake City Primary Market Area is 345 units. The overall annual income range used for all income-eligible households is \$16,560 and \$34,320 per year. The overall capture rate for non-subsidized units would be 13.91 percent.

The absorption rate would be 8 to 12 units per month and the absorption time period would be 4 to 6 months. Once the project reaches a stabilized occupancy, it should remain 97 percent occupied.

Impact of Existing Housing:

Based on our analysis, the proposed project will not adversely impact comparable rental housing in the Primary Market Area, including any LIHTC complexes (if any) located near the proposed site.

Recommendations:

The proposed project should be awarded Section 42 financing based on: a review of the proposed project, a review of the proposed site relative to services, current occupancy levels at existing comparable apartment complexes, the state of the local economy, and current and projected demographic and household income trends.

Proposed Project Unit Mix and Rents

Highland Pointe Apartments

	Type unit	# Units	Baths	Sq. Ft.	Net Rent	Utility Allow.	Gross Rent
1 BR's	50%	0	-	-	-	-	-
	60%	0	-	-	-	-	-
2 BR's	50%	5	2.0	1100	\$375	\$108	\$483
	60%	15	2.0	1100	\$375	\$108	\$483
3 BR's	50%	5	2.0	1250	\$450	\$141	\$591
	60%	19	2.0	1250	\$450	\$141	\$591
4 BR's	50%	2	2.5	1400	\$475	\$177	\$652
	60%	2	2.5	1400	\$475	\$177	\$652
Total		48					

The projected rents are substantially lower than the market rents. As the table below indicates the rent advantage ranges from 48.65 percent to 53.70 percent for the 60 percent rents and 48.65 to 53.70 percent for the 50 percent rents. **Due to the lack of market rate rental units in Lake City several of the market rate rents were derived from three apartment complexes in nearby South Florence.**

	1-BR	2-BR	3-BR	4-BR
HUD Fair Market Rents	\$552	\$687	\$856	\$918
Adjusted Market Rents	\$775	\$810	\$893	\$925
Projected 50% Rents	\$-	\$375	\$450	\$475
Projected 60% Rents	\$-	\$375	\$450	\$475
Projected 50% Rent Advantage	-%	53.70%	50.39%	48.65%
Projected 60% Rent Advantage	-%	53.70%	50.39%	48.65%

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

Development Name:	Highland Pointe	Total # Units: 48
Location:	Lake City, SC	# LIHTC Units: 48
PMA Boundary:	Census Tracts 20, 22.01, 22.02, 23, and 24 in Florence County and 9701 in Williamsburg County	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 13.92 miles

RENTAL HOUSING STOCK (found on page _50-65_)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	1229	20	98.4%
Market-Rate Housing	4	656	19	97.1%
Assisted/Subsidized Housing not to include LIHTC	3	397	1	99.7%
LIHTC (All that are stabilized)*	5	176	0	100%
Stabilized Comps**	7	224	1	99.6%
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
5	2	2	1100	\$ 375	\$ 810	\$.73	53.70%	\$ 692	\$.87
15	2	2	1100	\$ 375	\$ 810	\$.73	53.70%	\$ 692	\$.87
5	3	2	1250	\$ 450	\$ 893	\$.71	49.61%	\$ 649	\$.65
19	3	2	1250	\$ 450	\$ 893	\$.71	49.61%	\$ 649	\$.65
2	4	2.5	1400	\$ 475	\$ 925	\$.66	48.65%	\$ -	\$ -
2	4	2.5	1400	\$ 475	\$ 925	\$.66	48.65%	\$ -	\$ -
Gross Potential Rent Monthly*				\$ 20,200	\$ 41,332		51.13%		

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

DEMOGRAPHIC DATA (found on page _69_)

	2000		2012		2015	
Renter Households	1986	23.25%	2845	31.77%	2910	31.84%
Income-Qualified Renter HHs (LIHTC)	754	38%	1081	38%	1106	38%
Income-Qualified Renter HHs (MR)	(if applicable)	-%	-	-%	-	-%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 85)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	11	18	-	-	-	18
Existing Households (Overburd + Substand)	206	327	-	-	-	327
Homeowner conversion (Seniors)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-qualified Renter HHs	217	345	-	-	-	345

CAPTURE RATES (found on page _86_)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	5.53%	10.43%	-	-	-	13.91%

ABSORPTION RATE (found on page _87_)

Absorption Period	5-6	months
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2012 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Proposed Tenant Rent by Bedroom	Adjusted Market Rent	Adjusted Market Rent by Bedroom	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	5 2 BR	\$375	\$1,875	\$810	\$4,050	
	15 2 BR	\$375	\$5,625	\$810	\$12,150	
	2 BR		\$0		\$0	
	5 3 BR	\$450	\$2,250	\$893	\$4,465	
	19 3 BR	\$450	\$8,550	\$893	\$16,967	
	3 BR		\$0		\$0	
	2 4 BR	\$475	\$950	\$925	\$1,850	
	2 4 BR	\$475	\$950	\$925	\$1,850	
	4 BR		\$0		\$0	
Totals	48		\$20,200		\$41,332	51.13%

Introduction

This market study is for a Section 42 - Low-Income Housing Tax Credit (LIHTC) project in the Lake City Primary Market Area in Florence County, South Carolina.

This market study was prepared in accordance with the Market Study Requirements as outlined in the South Carolina State Housing Finance & Development Authority and the National Council of Housing Market Analysts market study guidelines.

Information contained within this study is based on data gathered at the time the market study is prepared. Market conditions will fluctuate over time.

Purpose of the Market Study

The purpose of this market analysis is to determine:

- If there is a need for new affordable rental housing based on the location of the rental housing project
- If there is a need for new affordable rental housing for in the Primary Market Area based on the proposed rents and unit mix of the rental housing project
- The demand for new affordable rental housing, as defined by the Section 42 - Low Income Housing Tax Credit Regulations
- The capture rate based on renter household and income projections
- The absorption rate based on current market conditions
- The stabilized occupancy rate based on similar properties in the market

Scope of the Market Study

This market analysis includes:

- A physical inspection of the proposed site or subject property
- A physical survey and a telephone survey of existing rental properties in the Primary Market Area including RD 515, Section 42 properties, HUD and other subsidized properties and market rate properties
- An analysis of historical, current and projected demographic data from the U.S. Census Bureau and other reliable data services
- An analysis of the labor force and economic trends of the Primary Market Area/County
- An analysis of the income requirements for the proposed project
- Analysis of the current rental market based on the type of project proposed, the existing rental conditions and proposed rental projects in the Primary Market Area

Data Sources for the Market Study

Data sources for this market analysis include:

Demographics:

- 2010 population, household and income data from the Department of Commerce, Bureau of the Census as released as the Demographic Profile and Summary Table File 1. Data from the American Community Survey, which is updated by the Census Bureau, is incorporated with 2010 Census data.
- 2000 population, household and income data from the Department of Commerce, Bureau of the Census as released on Summary Table File 1-A and Summary Table File 3-A.
- Nielsen, Inc. is a pre-eminent source of accurate, up-to-date market research analysis and target marketing research on the population, households and incomes in the United States. It was formerly known as Claritas, Inc.

Labor Statistics:

- The Bureau of Labor Statistics of the U.S. Department of Labor is the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its primary function is to collect, analyze, and disseminate essential economic information. As an independent statistical agency, BLS serves its users by providing data that are timely, accurate, and relevant.

Economic Data

- Economic data from Chambers of Commerce, Economic Development Offices, County offices, City Halls and Planning Offices obtained through publications, interviews and websites
- Current rental market conditions obtained from onsite visits, interviews with rental management companies, apartment complex managers, housing authority agencies and local officials
- Income guidelines from the Housing and Urban Development

Current status of the 2010 Census, ACS, and Claritas

The U.S. Census is, by law, done every ten years and every household is required to respond to the Census. In 2000 the Census asked approximately 17 percent of the respondents additional questions such as income, education, place of birth and more. In 2010 the Census was shortened and no additional information was asked of the respondents.

The 2010 Census also contains limited data that is useful for preparing a housing analysis. Primary data is now being drawn from the American Community Survey, which is also prepared by the Census Bureau. The ACS is a nationwide survey designed to provide communities with more recent data than the decennial Census. The ACS collects data such as age, race, income, commute time to work, home values, veteran status and additional information. As with the Census, information about individuals remains confidential.

The ACS collects and produces population and housing information every year instead of every ten years. Collecting data every year provides more up to date information throughout the decade about the U.S. population at the local community level. Approximately three million housing unit addresses are selected annually across every county in the nation.

Survey Coverage

Single-year estimates

The ACS produces 1-year estimates annually for geographic areas with a population of 65,000 or more. This includes approximately 800 counties.

Multiyear estimates

The ACS produces 3-year estimates annually for geographic areas with a population of 20,000 or more. This includes approximately 1,800 counties.

In 2010 the Census Bureau released the first 5-year estimates for small areas. These 5-year estimates are based on ACS data collected from 2005 through 2009.

This is a very limited number of persons and the information is allocated through a statistical model, which makes the data less accurate than the 2000 Census.

The ACS provides a snapshot of the data on a continuous basis. The 2010 ACS data does not agree with the 2010 Census data. Nielsen Claritas has not updated their demographic reports to the 2010 Census. Where possible we have used 2010 Census data.

PROJECT PROPOSAL

The *Subject Proposal* will have a Section 42 tax credit allocation. Under the Section 42 - LIHTC Program, maximum tenant incomes are based on a percentage of HUD very low incomes for the MSA/County. Gross maximum rents are calculated based on 30 percent of a specified percentage (i.e. 100 percent/120 percent) of the HUD very low incomes for the County/MSA, adjusted for bedroom size. These income guidelines and rent maximums are adjusted annually by the Department of Housing and Urban Development.

The *Target Market* for the subject proposal includes all renter households that are income-eligible to reside in rental housing that qualify under the Section 42 - LIHTC Program.

The *Primary Market Area* for affordable rental housing is defined as the geographic area in which families/households would be willing to move. It is also based on rental housing availability, quality of rental housing and rent, the availability of services and proximity to jobs.

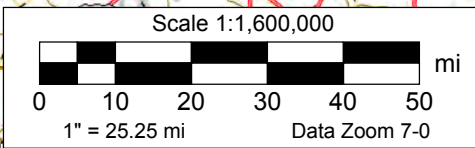
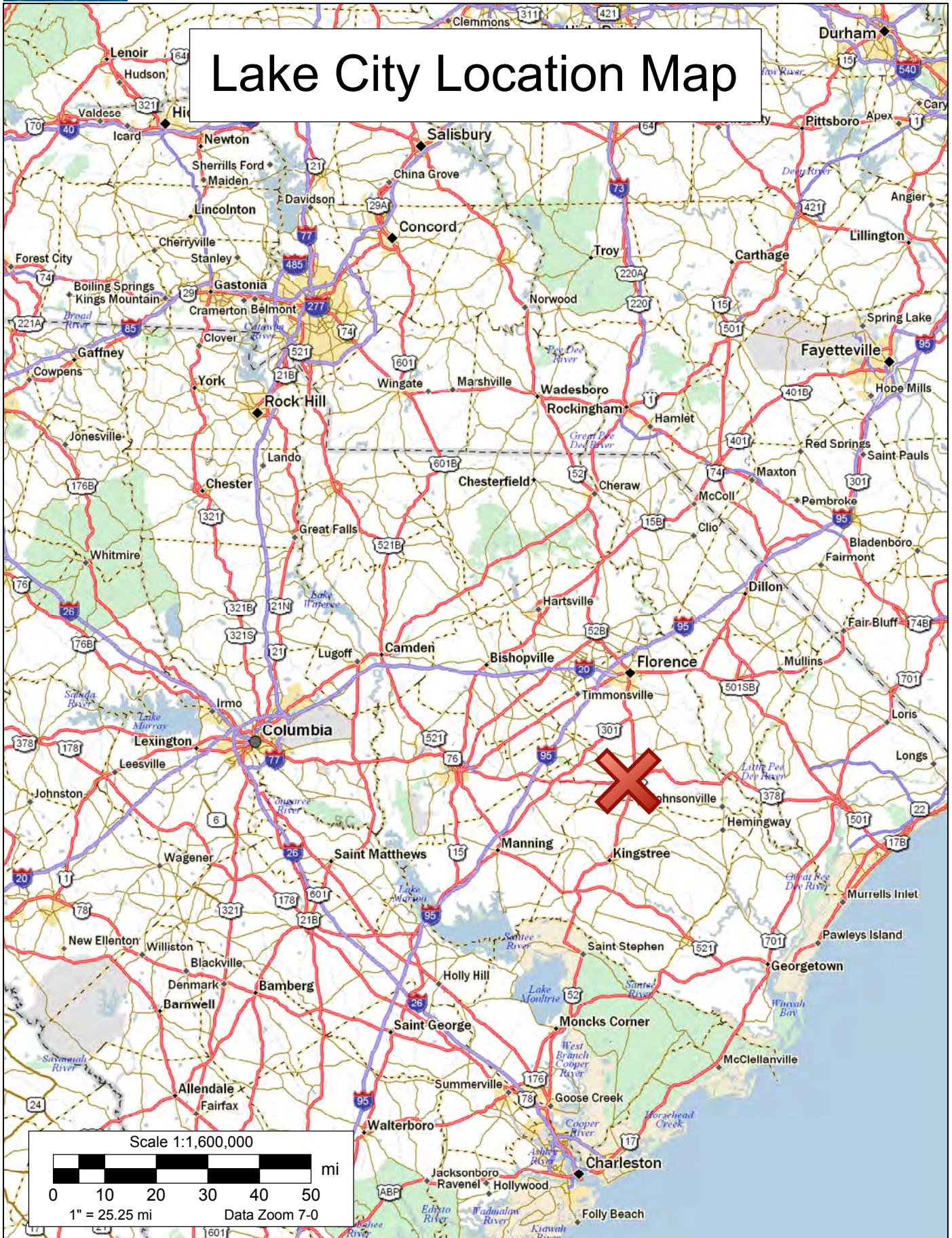
The *Rental Property* to be developed will be located in Lake City in Florence County. It is located in the Pee Dee area of the State and is in the Florence MSA. The Florence MSA consists of Florence and Darlington Counties.

Florence County is bordered by:

- Marlboro and Dillon Counties on the north
- Marion County on the northeast
- Williamsburg, Clarendon, Lee and Sumter Counties on the south
- Darlington County on the west

It should be noted that the Federal Office of Management and Budget periodically reviews and, if necessary, revises metropolitan areas in the years preceding their application to new decennial census data. Because demographic data is reported according to the most recent decennial census, it does not reflect this update.

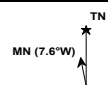
Lake City Location Map



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Project Description – Highland Pointe Apartments

The proposed project is for the development of a 48-unit apartment complex. There will be 20 2-BR units, 24 3-BR units and four 4-BR units. This is a new construction project. Twelve of the units will be at 50 percent of AMI and 36 of the units will be at 60% of AMI.

Construction features will include:

- Brick veneer and Hardi-Plank siding
- Four two- and three-story residential buildings
- Garden-style units with sunrooms

Common amenities are as follows:

- Onsite office with manager and maintenance staff
- Clubhouse with a community room, kitchen, fitness center, business/computer center with high speed internet access
- Laundry room
- Playground
- Picnic area with gazebo, tables and grills
- Adequate parking spaces

Interior amenities are as follows:

- An appliance package
 - Refrigerator with icemaker
 - Stove
 - Dishwasher
 - Disposal
 - Washer/dryer hookups
 - Microwave mounted over range
- Walk-in closets
- Pantry
- Mini-blinds and ceiling fans
- Carpet and, ceramic tile vinyl flooring
- Heat pump central heat and air conditioning

Proposed Project Unit Mix and Rents

Highland Pointe Apartments

	Type unit	# Units	Baths	Sq. Ft.	Net Rent	Utility Allow.	Gross Rent
1 BR's	50%	0	-	-	-	-	-
	60%	0	-	-	-	-	-
2 BR's	50%	5	2.0	1100	\$375	\$108	\$483
	60%	15	2.0	1100	\$375	\$108	\$483
3 BR's	50%	5	2.0	1250	\$450	\$141	\$591
	60%	19	2.0	1250	\$450	\$141	\$591
4 BR's	50%	2	2.5	1400	\$475	\$177	\$652
	60%	2	2.5	1400	\$475	\$177	\$652
Total		48					

Neighborhood/Site Description

Location

The Site, located on the East side of North Matthews Road across from Lake City High School, just North of Mingle Court, is a 5.5-acre parcel. The Site was previously heavily wooded, but has since been cleared of large trees, though some new growth has occurred. The surrounding properties are as follows:

- North – Heavily wooded, undeveloped area
- Northeast – Heavily wooded, undeveloped area
- East – Heavily wooded, undeveloped area
- Southeast – Heavily wooded, undeveloped area
- South – Heavily wooded, undeveloped area
- Southwest – Lake City High School
- West – Lake City High School
- Northwest – Department of Mental Health

Convenience Shopping

The nearest convenience shopping is Citgo Convenience store/gas station is located on US 52 at Sumter Street. BP Convenience store/gas station is located on US 52 at US 378B.

Full-Service Shopping

The nearest full-service shopping is Piggly Wiggly grocery store with pharmacy, located on US 52 at Marion Street. CVS Pharmacy and Family Dollar are located in the same shopping center. IGA Plus Food Mart grocery is located on Kelley Street at North Morris Street. Sav-Mart grocery is located adjacent to the IGA Plus Food Mart.

A Dollar General, along with a U.S. Post Office, is located on US 378B on North McAllister Street. Wal-Mart Supercenter is located at the intersection of US 52 and US 378.

Captain D's, Sonic's, and McDonald's are all located near the intersection of Sumter Street/Kelly Street and US 52.

South Carolina Bank and Trust and First Citizens Bank are both located on US 378B at North Morris Street.

Medical Services

Lake City Community Hospital, a 48-bed hospital is located on US 52 at Mercy Street.

Palmetto Primary Care is located on Mercy Street. Pee Dee Family Care is located on Marion Street. McLeod Family Medical Center is on US 52 at Elizabeth Ann Court. Live Oak Medical Center is located on US 378B and Dansing Street. The Lake City Health Department is located on Dansing Street at North Acline Street.

The Lake City Fire Station is located on North Acline Street at Charles Street. The South Lynches Fire Station and EMS is located on US 52 at Ripple Road.

The Lake City Police Department is located on Kelley Street at Lance Avenue.

Schools

Students in this area attend:

- (1) Lake City Elementary School is located on North Matthews Road at US 378; and
- (2) J. Paul Trulluck Middle School is located on Carlyle Street at Westover Street; and
- (3) Lake City High School is located on North Matthews Road at Mingle Court, across from the Site.

The Lake City Public Library is located on SR 341 / East Main Street near South Church Street.

Lions Municipal Park, which includes several ball fields, two tennis courts, and other facilities, is located on Charles Street and North Blanding Street. Lake City Memorial Park is located on US 378B near Winners Circle.

Site Description- Notes and Conclusions

The site visit to the Subject Property and surrounding area was conducted on February 20, 2013.

No environmental concerns were apparent.

There are no road or infrastructure improvements planned or under construction at this time near the site.

The local perception of crime should not be a factor in the marketability of the proposed project.

Positive attributes of the site and location are its proximity to major shopping, medical services, employment, and schools.

There are no negative attributes of the site that were apparent.

There is excellent visibility of the Site from North Matthews Road.

Access to the Subject Property is from North Matthews Road.

Distance Chart

Service	Name	Distance to Site
Convenience/gas	Citgo convenience/gas station	0.83
	BP convenience/gas station	0.93
Grocery	Piggly Wiggly grocery w/ pharmacy	0.87
	IGA Plus Food Mart grocery	1.05
	Sav-Mart grocery	1.04
Pharmacy	CVS Pharmacy	0.87
Discount Store	Family Dollar	0.87
	Dollar General	1.10
General Merchandise	Wal-Mart Supercenter	1.17
Bank	South Carolina Bank and Trust	1.02
	First Citizens Bank of SC	1.07
Restaurant	McDonald's, Sonic's, Captain D's	0.88
Post Office	U.S. Post Office	1.10
Police	Lake City Police Department	1.20
Fire	Lake City Fire Department	1.33
	South Lynches Fire Dept. & EMS	1.67
Hospital	Lake City Community Hospital	0.70
Doctor/Medical Center	Palmetto Primary Care	0.62
	Pee Dee Family Practitce	0.66
	McLeod Family Medical Center	1.00
	Live Oak Medical Center	1.46
	Lake City Health Department	1.35
Elementary School	Lake City Elementary School	0.20
Middle School	J. Paul Trulluck Middle School	1.07
High School	Lake City High School	0.02
Recreation	Lake City Memorial Park	1.28
	Lions Municipal Park	1.74
Public Library	Lake City Public Library	1.53



Lake City Site Map

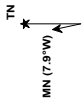


Lake City Elementary

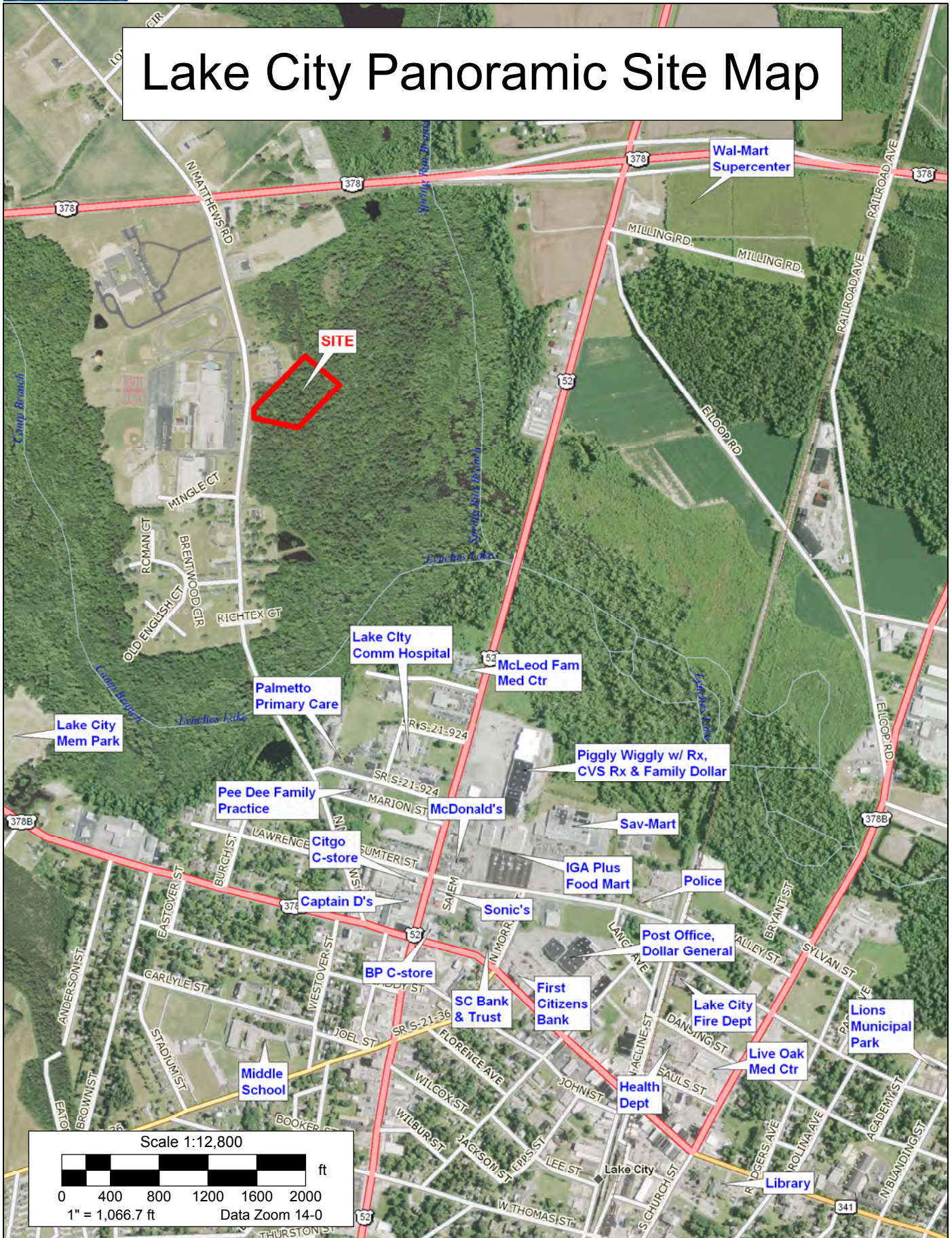
Dept. of Mental Health

Lake City H.S.

SITE



Lake City Panoramic Site Map





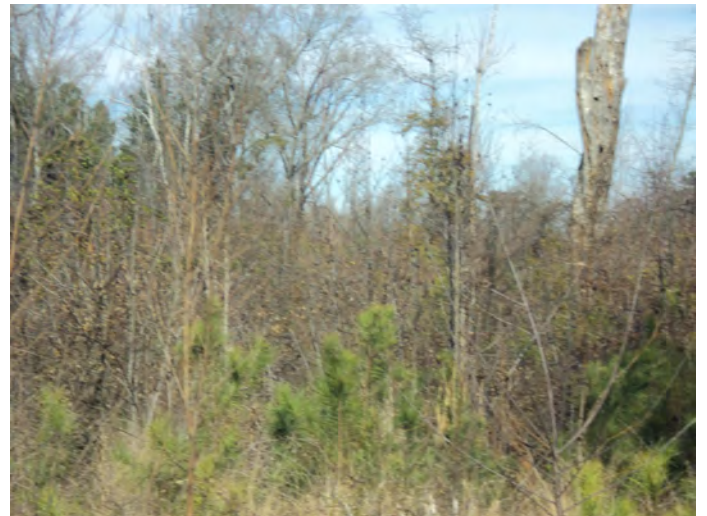
Site.



Site.



Site.



Site.



Site.



Site.



Lake City High School is located across North Matthews Road from the Site.



The Department of Mental Health is located adjacent to the Site to the North.

Primary Market Area Description

A conservative and reasonable primary market area for new affordable apartments in the Lake City Primary Market Area has been defined as:

- Census Tracts 20, 22.01, 22.02, 23, and 24 in Florence County and 9701 in Williamsburg County.

Boundaries for the Lake City Primary Market Area are:

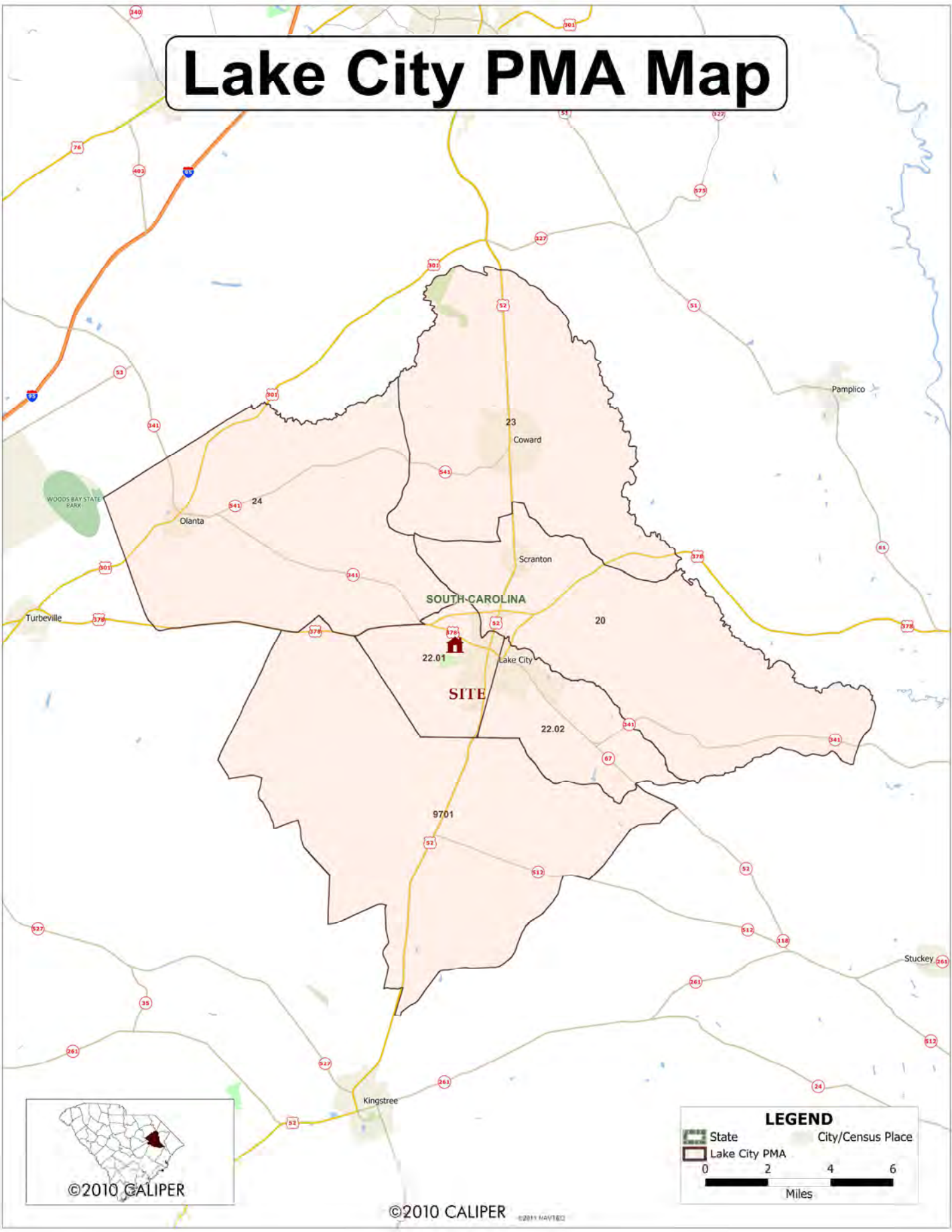
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- West: Florence/Clarendon County Line to Barnebeau Road to Hurricane Road to Babe Road to Ditch Bank Road to McCutchen Road to Kingstree Swamp Canal to CSK Transportation Railroad
- South: IM Graham Road to Dewey Cox Road to Highway 52 to Singleton Swamp to Lynchees Lake Swamp
- East: South Fire Station/North Half Moon Road

The term “primary market area” for low- and moderately-priced, multi-family rental housing can be defined as the geographic area one could expect families/households to be willing to move within, solely on the basis of housing availability, while controlling for price and quality.

The determination of a geographic primary market area for multi-family rental housing is based on the distance from which the subject property will draw prospective tenants. The gravitational model used in real estate analysis is based on the relative size of the communities in the general area. Using a spatial concept, a larger community will exert stronger drawing power than a smaller community. The larger community will draw prospective tenants from an area more than equidistant from the smaller community. Adjustments are made for natural and man made barriers, such as rivers, lakes and reservoirs, mountain ranges and interstate highways that would limit the movement of potential tenants.

The primary market area is defined by using recognized geographic levels. The U.S. Census Bureau collects data at various geographic levels -- county, minor civil division/census county division and census tract level data to create a primary market area. The use of these geographic areas allows us to compare data from various years. The geographic area encompassing the Lake City Primary Market Area is shown in a map on the next page.

Lake City PMA Map



Labor Force and Economic Characteristics

Table 1.1.a shows Labor Market Data for the Florence MSA from the Bureau of Labor Statistics. The Local Area Unemployment Statistics (LAUS) program is a Federal-State cooperative effort in which monthly and annual estimates of total employment and unemployment are prepared. These estimates are key indicators of local economic conditions.

Once each year, historical labor force estimates are revised to reflect new Census Bureau population controls, updated input data, and re-estimation. The model-based estimates also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Substate area data are revised to incorporate updated inputs, re-estimation, and new statewide controls.

Data for all years are annualized averages, except for 2012, which is preliminary December data.

The 2011 annualized unemployment rate for the Florence MSA was 11.4 percent while the 2010 annualized unemployment rate for the MSA was 11.9 percent. The Florence MSA experienced moderate unemployment since 2002, until the recent recession. The 2011 employment level was only one person higher than the 2010 annual average but 1,530 persons lower than the 2002 annual average. The lowest level of employment was 82,336 persons in 2010 and the highest level of employment was 87,745 persons in 2007.

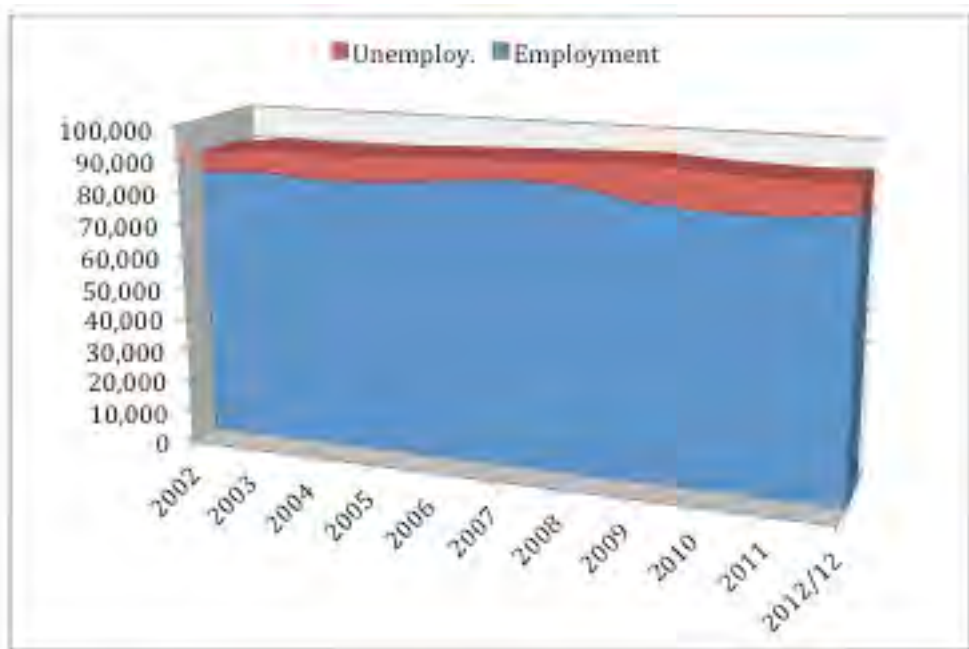
The December 2012 employment was 84,279 persons and the unemployment rate was 9.5 percent.

Table 1.1.a - Labor Market Data – Florence MSA

Civilian Employment and Unemployment Data

Florence MSA

<i>Year</i>	<i>Employment</i>	<i>Employment Change</i>	<i>Employment Percent Change</i>	<i>Unemploy.</i>	<i>Unemploy. Change</i>	<i>Unemploy. Percent Change</i>
2002	83,870	-	-	6,053	-	-
2003	84,828	958	1.1%	7,240	1,187	19.6%
2004	83,940	-888	-1.1%	7,638	398	5.5%
2005	83,937	-3	0.0%	8,187	549	7.2%
2006	86,184	2,247	2.7%	6,812	-1,375	-16.8%
2007	87,745	1,561	1.8%	5,752	-1,060	-15.6%
2008	87,137	-608	-0.7%	7,023	1,271	22.1%
2009	83,254	-3,883	-4.5%	11,379	4,356	62.0%
2010	82,336	-918	-1.1%	11,135	-244	-2.1%
2011	82,337	1	0.0%	10,566	-569	-5.1%
2012/12	84,279	1,942	2.4%	8,897	-1,669	-15.8%



Source: U.S. Bureau of Labor Statistics.

Table 1.1.b shows Labor Market Data for Florence County from the Bureau of Labor Statistics.

The 2011 annualized unemployment rate for Florence County was 11.0 percent while the 2010 annualized unemployment rate for the County was 11.5 percent. Florence County experienced moderate unemployment since 2002, until the recent recession. The 2011 employment level was only one person higher than the 2010 annual average and 122 persons higher than the 2002 annual average. The lowest level of employment was 55,334 persons in 2002 and the highest level of employment was 58,918 persons in 2007.

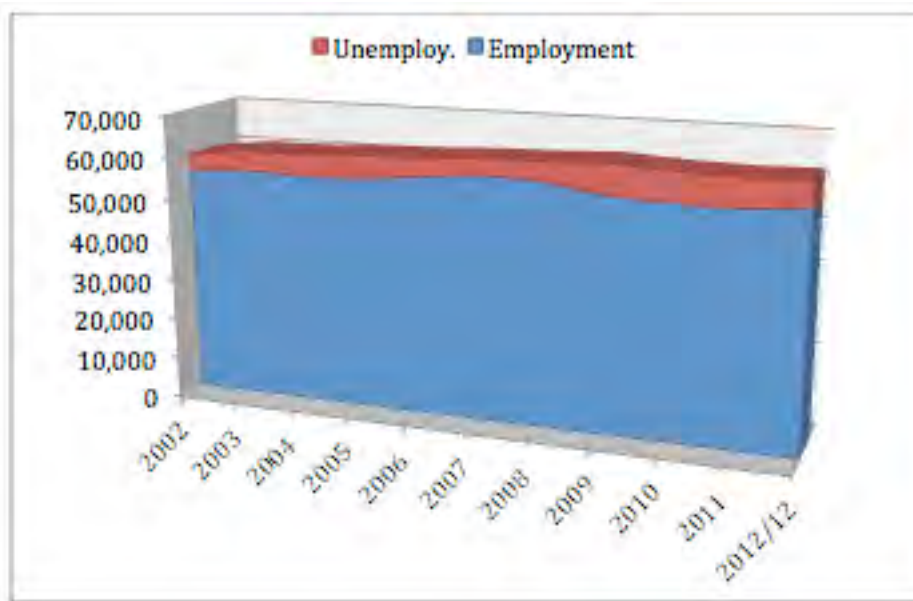
The December 2012 employment was 56,774 persons and the unemployment rate was 9.4 percent.

Table 1.1.b - Labor Market Data - Florence County

Civilian Employment and Unemployment Data

Florence County

<i>Year</i>	<i>Employment</i>	<i>Employment Change</i>	<i>Employment Percent Change</i>	<i>Unemploy.</i>	<i>Unemploy. Change</i>	<i>Unemploy. Percent Change</i>
2002	55,344	-	-	3,907	-	-
2003	56,191	847	1.5%	4,707	800	20.5%
2004	55,840	-351	-0.6%	5,115	408	8.7%
2005	56,107	267	0.5%	5,519	404	7.9%
2006	57,580	1,473	2.6%	4,460	-1,059	-19.2%
2007	58,918	1,338	2.3%	3,763	-697	-15.6%
2008	58,585	-333	-0.6%	4,383	620	16.5%
2009	56,327	-2,258	-3.9%	7,253	2,870	65.5%
2010	55,465	-862	-1.5%	7,215	-38	-0.5%
2011	55,466	1	0.0%	6,876	-339	-4.7%
2012/12	56,774	1,308	2.4%	5,870	-1,006	-14.6%

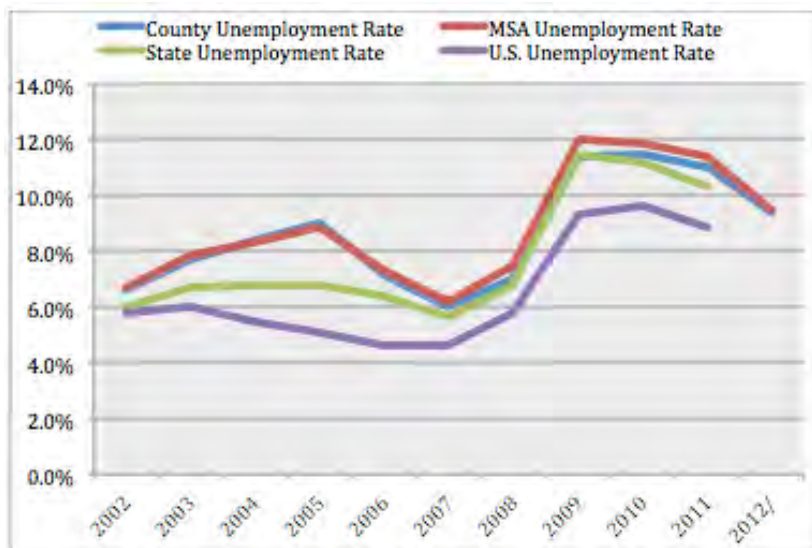


Source: U.S. Bureau of Labor Statistics.

1.2.a Annualized Unemployment Rate Comparison

Civilian Unemployment Rates

Year	County Unemployment Rate	MSA Unemployment Rate	State Unemployment Rate	U.S. Unemployment Rate
2002	6.6%	6.7%	6.0%	5.8%
2003	7.7%	7.9%	6.7%	6.0%
2004	8.4%	8.3%	6.8%	5.5%
2005	9.0%	8.9%	6.8%	5.1%
2006	7.2%	7.3%	6.4%	4.6%
2007	6.0%	6.2%	5.6%	4.6%
2008	7.0%	7.5%	6.8%	5.8%
2009	11.4%	12.0%	11.5%	9.3%
2010	11.5%	11.9%	11.2%	9.6%
2011	11.0%	11.4%	10.3%	8.9%
2012/12	9.4%	9.5%		



Source: U.S. Bureau of Labor Statistics.

Table 1.2.b shows the number of jobs in Florence County for the period 2002 through the second Quarter of 2012. It shows that the number of jobs located in Florence County has decreased by 3,412 jobs, which is an increase of only 5.35 percent.

Table 1.2.b – At Place Employment for Florence County

Quarterly Census of Employment

Florence County

<i>Year</i>	<i>Mar</i>	<i>Jun</i>	<i>Sep</i>	<i>Dec</i>	<i>Annual</i>
2002	63,808	63,826	63,520	64,247	63,445
2003	62,637	63,054	62,771	63,763	62,656
2004	63,512	63,211	62,417	63,104	62,594
2005	59,469	59,654	60,179	60,491	59,516
2006	60,232	61,117	61,596	62,257	60,998
2007	62,898	63,109	63,503	63,880	62,837
2008	62,807	62,762	62,017	62,757	62,260
2009	61,233	59,243	58,370	59,361	59,457
2010	59,144	59,676	58,794	60,204	59,132
2011	59,043	59,534	59,552	59,971	59,034
2012	60,006	60,396			

Source: U.S. Bureau of Labor Statistics

Table 1.3.a shows employment by industry for the Florence MSA from the 2010 Census. The largest category is educational, health and social services. Manufacturing is second and Retail trade is third.

Table 1.3.a – Industry Data (2010) – Florence MSA

<i>Industry</i>	<i>Number</i>	<i>Percentage</i>
Agriculture, forestry, fish., hunt., mining	1,235	1.4%
Construction	4,924	5.6%
Manufacturing	14,264	16.3%
Wholesale Trade	2,544	2.9%
Retail Trade	10,956	12.5%
Transportation, warehousing, utilities	4,325	4.9%
Information	1,314	1.5%
FIRE, rental and leasing	5,311	6.1%
Professional, scientific, management, admin.	6,451	7.4%
Educational, health and social services	21,706	24.8%
Arts, entertainment, recreation, accom. and food	6,324	7.2%
Other services	4,756	5.4%
Public Administration	3,384	3.9%
Total	87,494	100%

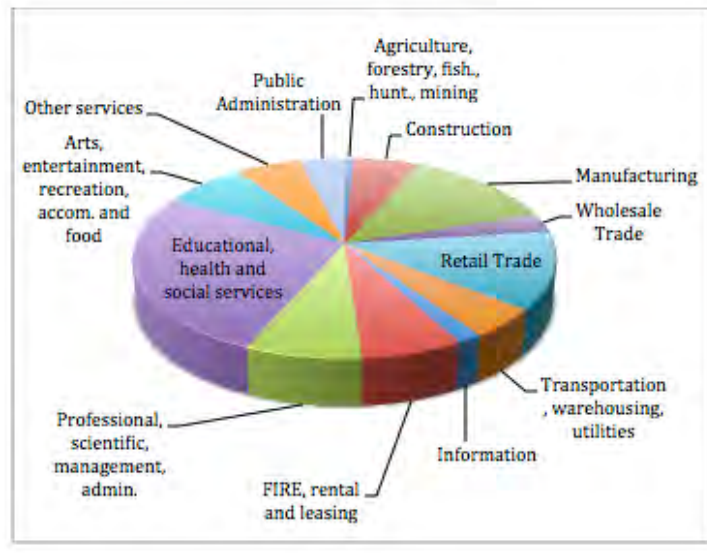


Source: Bureau of the Census; and calculations by Woods Research, Inc.

Table 1.3.b shows employment by industry for Florence County from the 2010 Census. The largest category is Educational, health and social services. Manufacturing is second and Retail trade is third.

Table 1.3.a – Industry Data (2010) – Florence County

<i>Industry</i>	<i>Number</i>	<i>Percentage</i>
Agriculture, forestry, fish., hunt., mining	480	0.8%
Construction	3,432	5.8%
Manufacturing	7,962	13.4%
Wholesale Trade	1,807	3.0%
Retail Trade	7,478	12.6%
Transportation, warehousing, utilities	2,845	4.8%
Information	990	1.7%
FIRE, rental and leasing	4,031	6.8%
Professional, scientific, management, admin.	4,603	7.7%
Educational, health and social services	15,596	26.3%
Arts, entertainment, recreation, accom. and food	4,456	7.5%
Other services	3,361	5.7%
Public Administration	2,359	4.0%
Total	59,400	100%



Source: Bureau of the Census; and calculations by Woods Research, Inc.

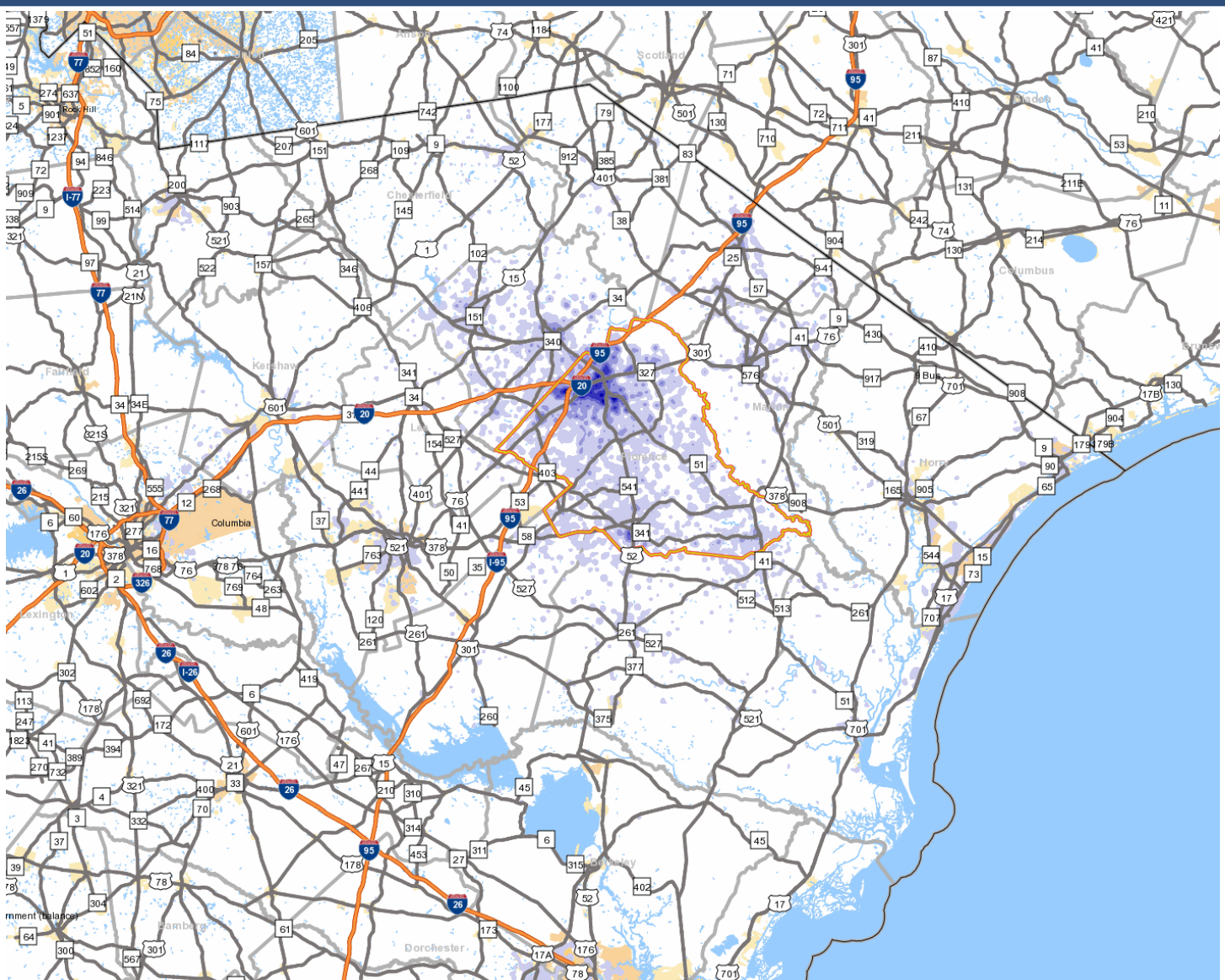
Florence County

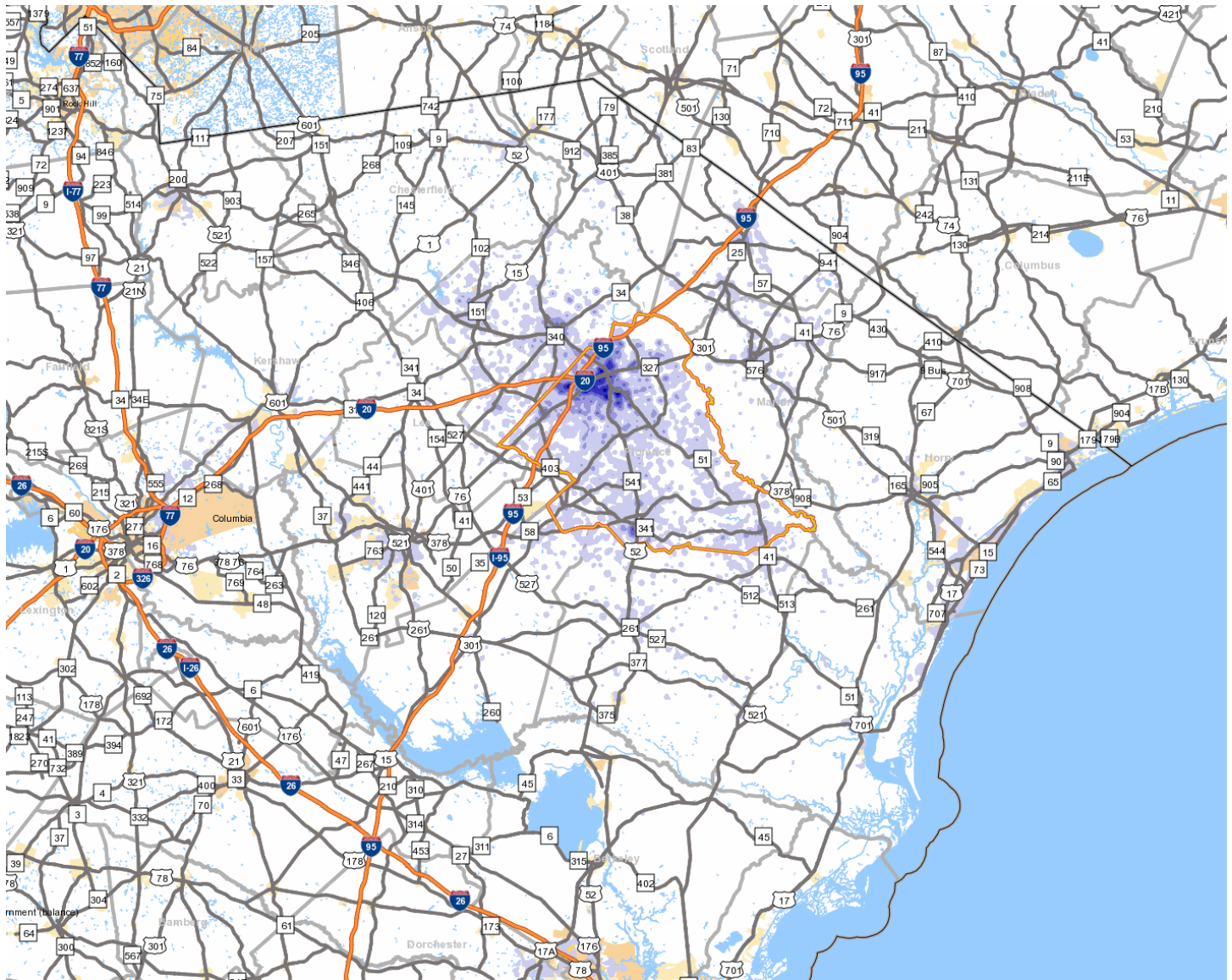
County Seat: Florence

Website: www.florenceco.org

Where Workers Who Live in Florence County Work

% of Workers	Work in County	State
61.90%	Florence County	South Carolina
5.80%	Darlington County	South Carolina
4.80%	Richland County	South Carolina
4.10%	Horry County	South Carolina
2.40%	Williamsburg County	South Carolina
2.00%	Charleston County	South Carolina
1.70%	Marion County	South Carolina
1.60%	Greenville County	South Carolina
1.60%	Lexington County	South Carolina
1.30%	Sumter County	South Carolina
12.80%	All Other Counties	South Carolina





Where Workers Who Work in Florence County Live

% of Workers	Work In County	State
55.30%	Florence County	South Carolina
10.50%	Darlington County	South Carolina
3.30%	Williamsburg County	South Carolina
3.10%	Marion County	South Carolina
2.80%	Horry County	South Carolina
2.30%	Dillon County	South Carolina
1.90%	Richland County	South Carolina
1.80%	Sumter County	South Carolina
1.60%	Charleston County	South Carolina
1.40%	Clarendon County	South Carolina
16.00%	All Other Counties	South Carolina

Source: U.S. Census Bureau (Local Employment Dynamics)

Offenses Known to Law Enforcement by State by Metropolitan and Nonmetropolitan Counties, 2011

[The data shown in this table do not reflect county totals but are the number of offenses reported by the sheriff's office or county police department.]

State	County	Murder and				Robbery	Aggravated assault	Property crime	Burglary	Larceny-theft	Motor vehicle theft	Arson ¹
		Violent crime	nonnegligent manslaughter	Forcible rape	nonnegligent manslaughter							
SOUTH CAROLINA	Aiken	424	11	48	82	283	3,771	1,329	2,075	367	4	
Metropolitan Counties	Anderson	776	11	46	84	635	6,900	2,061	4,123	716	37	
	Berkeley	503	5	38	73	387	3,357	951	2,076	330	24	
	Calhoun	57	1	2	6	48	471	164	251	56	7	
	Charleston	573	7	24	96	446	2,304	730	1,294	280	14	
	Darlington	425	3	16	41	365	2,325	876	1,305	144	12	
	Dorchester	372	2	18	63	289	2,413	771	1,413	229	9	
	Edgefield	18	2	4	3	9	455	188	240	27	2	
	Fairfield	120	2	7	9	102	720	233	439	48	5	
	Florence	276	6	14	48	208	2,653	737	1,731	185	4	
	Greenville	1,819	21	118	289	1,391	10,942	3,014	7,042	886	32	
	Horry	0	0	0	0	0	31	0	31	0	0	
	Horry County I	1,060	16	111	161	772	7,643	1,997	5,015	631	47	
	Kershaw	214	6	21	18	169	1,371	396	890	85	21	
	Laurens	295	1	17	22	255	1,437	499	801	137	12	
	Lexington	578	10	60	108	400	4,508	1,147	2,953	408	9	
	Pickens	222	7	11	18	186	2,155	633	1,326	196	4	
	Richland	2,366	13	93	406	1,854	9,954	2,860	5,947	1,147	26	
	Saluda	36	0	1	2	33	349	148	178	23	3	
	Spartanburg	626	7	58	112	449	6,338	1,854	3,953	531	21	
	York	413	2	28	39	344	2,559	657	1,743	159	25	

¹ If a blank is presented in the arson column, it indicates that the FBI did not receive 12 complete months of arson data for that agency.

² Because of changes in the state/local agency's reporting practices, figures are not comparable to previous years' data.

³ The FBI determined that the agency's data were overreported. Consequently, affected data are not included in this table.

⁴ The Tulare County Highway Patrol collects the motor vehicle thefts for this county. These data can be found in Table 11.

⁵ The FBI determined that the agency's data were underreported. Consequently, those data are not included in this table.

⁶ The FBI determined that the agency did not follow national Uniform Crime Reporting (UCR) Program guidelines for reporting an offense. Consequently, this figure is not included in this table.

⁷ The data collection methodology for the offense of forcible rape used by the Minnesota state UCR Program does not comply with national UCR Program guidelines. Consequently, its figures for forcible rape and violent crime (of which forcible rape is a part) are not published in this table.

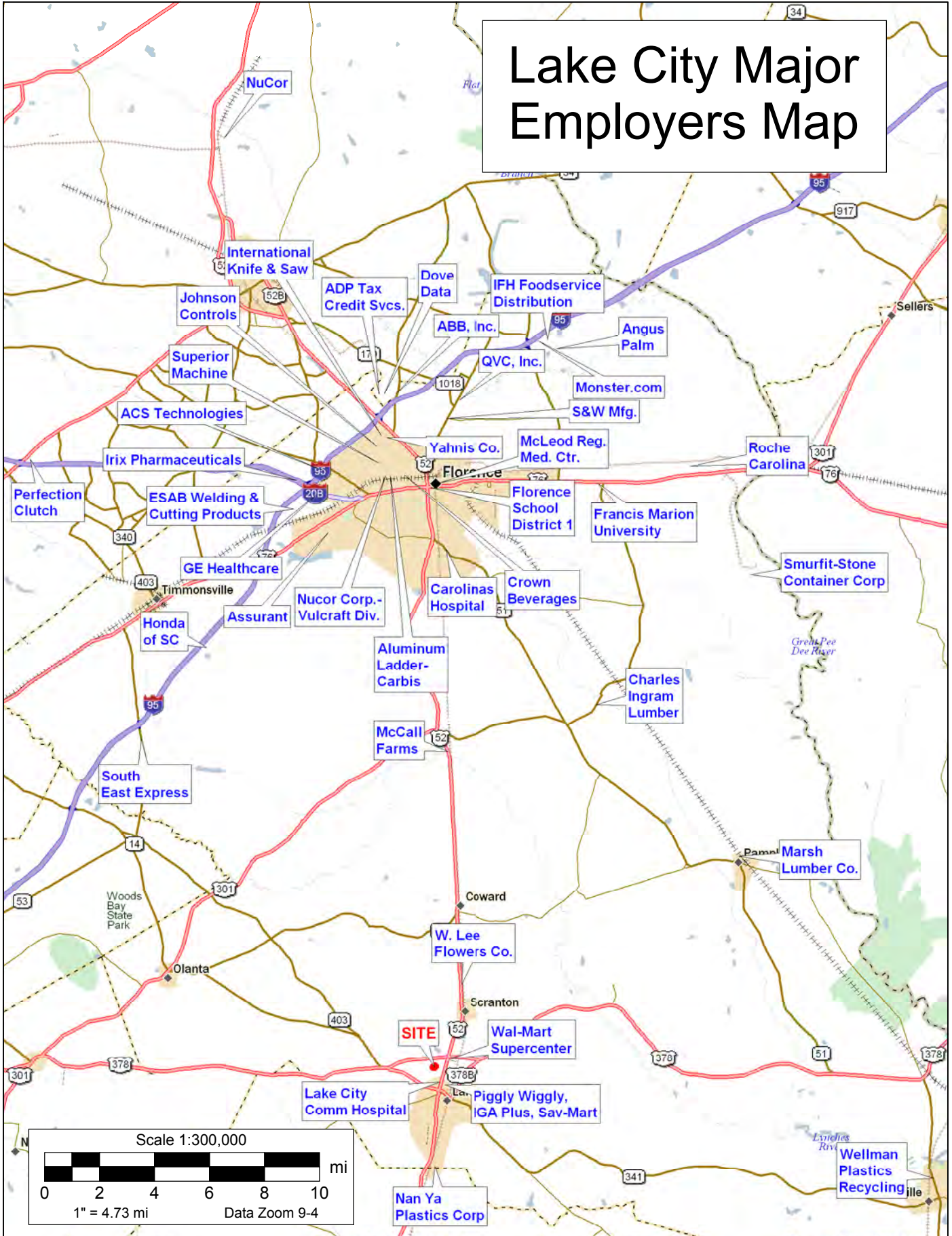
Source: *National Criminal Justice Reference Service*
 Administered by the *Office of Justice Programs*,
 U.S. Department of Justice
www.icjits.gov

Major Employers

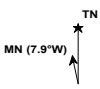
Major Employers	
Employer	Industry
BFS Retail & Commercial Operations LLC	Automotive Tire Dealer
Carter Manufacturing Co., Inc	Manufactures Wooden Vegetable Crates
Crop Production Services, Inc.	Farm Supplies
Dunline Rubber Products Co.	Endless rubber preshrinking belts
Ice Recycling LLC	Recycles plastics & polymers
Materials Innovation Technologies	Development of composite preforms
Nan Ya Plastics Corp America	Polyester fiber & chip
Plantation Creations, Inc.	Broadwoven Fabric Mills
S&W Ready Mix	Ready-Mix Concrete
South Carolina Prestress Corp.	Concrete Block & Brick Manufacturing

Source: South Carolina Department of Commerce

Lake City Major Employers Map



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 www.delorme.com



WARN List

During the past six months, there have been 4 major companies in areas surrounding Lake City with layoffs or closures to report. Those closures and layoffs are reflected in the table below.

Company	Location	Projected Closure/Layoff Date	Projected Positions Affected	Closure or Layoff
Morgan Chase	Florence	1/7/2013	295	Layoff
Piggly Wiggly	Florence	1/12/2013	40	Closure
Hostess Brands	Florence	11/21/2012	3	Closure
Dawson & Moore Orthopedics	Florence	11/1/2012	8	Closure

Source: SC Department of Commerce/Workforce Services

Interviews

Ronnie Poston, Executive Director, Lake City Housing Authority. Mr. Poston provided information on the Section 8 Vouchers available in the area. There are 311 vouchers allocated for use within Williamsburg and Florence counties, however, only 240 of these vouchers are in use due to a lack of suitable housing in the area. The length of the waiting is difficult to determine with such low turnover. The oldest application on file was submitted in 2004 and the newest were submitted in 2009 when the waiting list last opened. There are approximately 85 names on file and the list is currently closed.

Mr. Poston also provided information on the public housing units available in the area. There are a total of 349 units in the area. Tenants are responsible for the electric bill; all other utilities are furnished or covered by the utility allowance. Three of the five sites have a community room; the other two are located within walking distance and share the facilities. There are no other project amenities. Units stay fully occupied with approximately 350 names on the waiting list.

Woods Research, Inc. also performed verbal interviews with all property managers in the area. These property managers provided information on current rental and occupancy rates as well as waiting list information, amenities, and any current concessions.

Population Characteristics

This report contains 2010 Census data for population and households released by the Bureau of the Census on Summary Tape File 1-A and Summary Tape File 3-A as well as 2000 Census data for population and households from the Census Bureau. Data estimates and projections for population and households are from Nielsen Claritas, Inc.

The population of Florence County increased by 8.87 percent between 2000 and 2010. Based on data from Claritas, the population is estimated to have increased by 1.63 percent between 2010 and 2012 and projected to increase by 2.70 percent between 2012 and 2015. The population is projected to increase by 1.75 percent between 2015 and 2017.

The population of Lake City PMA increased by only 0.35 percent between 2000 and 2010. Based on data from Claritas, the population is estimated to have increased by only 0.07 percent between 2010 and 2012 and projected to increase by 2.70 percent between 2012 and 2015. The population is projected to increase by 1.75 percent between 2015 and 2017.

Table 2.0 - Population Trends

<i>Year</i>	<i>Population</i>	<i>Change</i>	<i>Percent</i>	<i>Annual Change</i>	<i>Annual Percent</i>
<u>Florence MSA</u>					
2000	193,155	-	-	-	-
2010	205,695	12,540	6.49%	1,254	0.61%
2012	208,203	2,508	1.22%	1,254	0.60%
2015	212,635	4,432	2.13%	2,216	1.04%
2017	215,590	2,955	1.39%	985	0.46%
<u>Florence County</u>					
2000	125,761	-	-	-	-
2010	136,919	11,158	8.87%	1,116	0.82%
2012	139,150	2,232	1.63%	1,116	0.80%
2015	142,908	3,758	2.70%	1,879	1.31%
2017	145,413	2,505	1.75%	835	0.57%
<u>Lake City PMA</u>					
2000	23,285	-	-	-	-
2010	23,368	83	0.35%	8	0.03%
2012	23,384	17	0.07%	8	0.03%
2015	23,686	302	1.29%	151	0.64%
2017	23,888	202	0.85%	67	0.28%
<u>City of Lake City</u>					
2000	6,478	-	-	-	-
2010	6,566	88	1.35%	9	0.14%
2012	6,583	18	0.27%	9	0.14%
2015	6,575	-8	-0.13%	-4	-0.06%
2017	6,569	-6	-0.09%	-2	-0.03%

Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 3.0 provides population groupings by age for Florence County and the Lake City Primary Market Area for 2000 and 2010.

The age groups most likely to move into the proposed apartment complex are the 25 to 44 and all of the 45 to 64 age groupings. Persons over the age of 65 generally prefer to live in a senior's complex. Persons over the age of 65 would more likely want to move into a senior's complex.

In Florence County, the 25-44 age group decreased by 1,550 persons, which is 4.26 percent loss, between 2000 and 2010. The 45 to 64 age group increased by 7,360 persons, which is a 24.77 percent increase, between 2000 and 2010.

In the Lake City Primary Market Area, the 25-44 age group decreased by 392 persons, which is a 6.12 percent loss, between 2000 and 2010. The 45-64 age group increased by 534 persons, which is a 9.73 percent gain between 2000 and 2010.

Table 3.0 - Persons by Age - 2000 & 2010

<i>Age Category</i>	<i>2000 Census Population</i>	<i>2000 Census % Pop.</i>	<i>2010 Census Population</i>	<i>2010 Census % Pop.</i>	<i>2000 - 2010 Pop. Chg.</i>	<i>2000 - 2010 % Chg.</i>
Florence County						
0-4	8,216	6.53%	9,226	6.74%	1,010	12.29%
5-9	9,077	7.22%	9,372	6.85%	295	3.25%
10-14	9,620	7.65%	9,323	6.81%	-297	-3.09%
15-24	17,903	14.24%	19,019	13.89%	1,116	6.23%
25-34	17,162	13.65%	17,062	12.46%	-100	-0.58%
35-44	19,235	15.30%	17,795	13.00%	-1,440	-7.49%
45-54	18,141	14.43%	19,454	14.21%	1,313	7.24%
55-64	11,570	9.20%	17,617	12.87%	6,047	52.26%
65-74	7,940	6.31%	10,527	7.69%	2,587	32.58%
75-84	5,100	4.06%	5,458	3.99%	358	7.02%
85+	1,797	1.43%	2,032	1.48%	235	13.08%
Total	125,761	100.00%	136,885	100.00%	11,124	8.85%
Median Age	35.5		37.6			
Lake City PMA						
0-4	1,550	6.66%	1,792	7.66%	242	15.61%
5-9	1,741	7.48%	1,730	7.40%	-11	-0.63%
10-14	1,907	8.19%	1,562	6.68%	-345	-18.09%
15-24	3,365	14.45%	3,172	13.57%	-193	-5.74%
25-34	2,993	12.85%	3,049	13.04%	56	1.87%
35-44	3,413	14.66%	2,965	12.68%	-448	-13.13%
45-54	3,317	14.25%	3,140	13.43%	-177	-5.34%
55-64	2,170	9.32%	2,881	12.32%	711	32.77%
65-74	1,596	6.85%	1,715	7.33%	119	7.46%
75-84	941	4.04%	1,008	4.31%	67	7.12%
85+	292	1.25%	370	1.58%	78	26.71%
Total	23,285	100.00%	23,384	100.00%	99	0.43%
Median Age	35.3		38.4			

Source: 2000 and 2010 Census of Population & Housing

Housing Characteristics

Table 4.1 contains 2010 Census data for population and households released by the Bureau of Census.

Based on the 2010 Census data, Florence County contained 52,653 households and 17,127 renter-households (32.53 percent). Of the 8,806 occupied housing units in the Lake City Primary Market Area, 2,653 (30.13 percent) were rental units.

Table 4.1 – Population and Housing Stock Characteristics – 2010

<i>Category</i>	<i>County</i>	<i>Primary Market Area</i>
Total Persons	136,885	23,215
Persons in Group Quarters	3,228	197
# Families	36,328	6,218
Total Housing Units	58,666	10,070
Occupied Housing Units	52,653	8,806
Owner Occupied	35,526	6,153
Renter Occupied	17,127	2,653
Vacant Units	6,013	1,264
For occasional use	416	119
Average Household size	2.54	2.61
Average Family size	3.06	3.12
Persons per owner unit	2.56	2.59
Persons per renter unit	2.50	2.62

Source: 2010 Census of Population & Housing; calculations by Woods Research, Inc.

Table 4.2 also contains data from the 2010 Census. The most pertinent data in this table is the detailed housing data. This data includes: number of occupied housing units built before 1940 (old housing units), occupied housing units with one or more persons per room (overcrowded housing units), and other occupied substandard housing (i.e. lacking complete plumbing), and rent overburdened households.

Table 4.2 - Housing Stock Characteristics – 2010

<i>Category</i>	<i>County</i>	<i>Primary Market Area</i>
Owner occupied S-F Housing Units	26,214	3,614
Renter occupied S-F Housing Units	6,472	1,302
Owner occupied M-F Housing Units	813	27
Renter occupied M-F Housing Units	7,187	666
Owner occupied Mobile Homes	7,074	2,014
Renter occupied Mobile Homes	3,826	689
Owner occupied built before 1940	1,428	330
Renter occupied built before 1940	654	170
Owner-occupied H.U. w>1.01 persons	349	111
Renter-occupied H.U. w>1.01 persons	647	119
Owner lacking complete plumbing	137	41
Renter lacking complete plumbing	81	27
Owner lacking complete kitchen	46	0
Renter lacking complete kitchen	184	0
Rent Overburdened	5,383	729

Source: 2010 Census of Population & Housing; calculations by Woods Research, Inc.

Rental Housing Analysis

Woods Research, Inc. completed a survey/interview of all of the apartment complexes in the Primary Market Area in February 2013. This on-site survey was complemented by a follow-up telephone survey/interview. Most of the managers of the apartment complexes answered all of the questions relating to occupancy. Data was cross-referenced with information provided in various publications.

Included in the survey and analysis are the comparable rental housing units in the Primary Market Area. Data for the complexes with similar rent and amenity packages to the subject property provides the most valuable information for this analysis.

The projected rents are substantially lower than the market rents. As the table below indicates the rent advantage ranges from 48.65 percent to 53.70 percent for the 60 percent rents and 48.65 to 53.70 percent for the 50 percent rents. **Due to the lack of market rate rental units in Lake City several of the market rate rents were derived from three apartment complexes in nearby South Florence.**

	1-BR	2-BR	3-BR	4-BR
HUD Fair Market Rents	\$552	\$687	\$856	\$918
Adjusted Market Rents	\$775	\$810	\$893	\$925
Projected 50% Rents	\$-	\$375	\$450	\$475
Projected 60% Rents	\$-	\$375	\$450	\$475
Projected 50% Rent Advantage	-%	53.70%	50.39%	48.65%
Projected 60% Rent Advantage	-%	53.70%	50.39%	48.65%

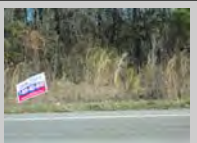
The following tables show the amenities for the subject property and the comparable properties and the utilities paid by the tenants in each comparable property. The subject property competes closely with the comparable properties.

Table 5.0 Comparable Apartment Amenity Comparison

<u>Property Name</u>	<u>Condition</u>	<u>Comm Room</u>	<u>Computer/ Library</u>	<u>Exercise</u>	<u>Picnic</u>	<u>Playground</u>	<u>W&D</u>	<u>Sprinkler System</u>	<u>Pool</u>
Highland Pointe	-	N	Y	Y	N	N	N	N	N
Bailey Gardens	E	N	N	N	N	N	N	N	N
Cole Road	G	N	N	N	N	N	N	N	N
Lake City	F	N	N	N	N	Y	N	N	N
Palmetto Frond	G	N	N	N	N	N	N	N	N
Palmetto Ridge	E	Y	Y	Y	N	Y	N	N	N
Pine Acres	P	N	N	N	N	N	N	N	N
Swann Lakes	G	N	N	N	N	N	N	N	N

<u>Property Name</u>	<u>Square Feet</u>				<u>Utilities Provided</u>			<u>Age</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	
Highland Pointe	-	1,100	1,250	-				Proposed
Bailey Gardens	650	-	-	-	✓	✓	✓	1984/2006
Cole Road	600	800	950	-	-	-	✓	1998
Lake City	600	800	1,000	-	-	-	✓	1985
Palmetto Frond	635	805	-	-	✓	✓	✓	1984/2000
Palmetto Ridge	-	1,034	1,187	-	✓	✓	✓	2010
Pine Acres	600	800	-	-	✓	✓	✓	1973
Swann Lakes	625	-	-	-	✓	✓	✓	1984/2002

**Apartment List Summary
Comparables in Lake City, SC**

Map ID#	Complex	Year Built	Units	Studio		1BR		2BR		3BR		4BR	
				Low	High	Low	High	Low	High	Low	High	Low	High
Site	 Highland Pointe Apts. Lake City <i>Total Units: 48</i>	2015 Proposed Sec 42 Gen Occ		0		0		20		24		4	
			<i>SqFt</i>					1,100	1,100	1,250	1,250	1,400	1,400
			<i>Rent</i>					\$375	\$375	\$450	\$450	\$475	\$475
			<i>R/SF</i>					\$0.34	\$0.34	\$0.36	\$0.36	\$0.34	\$0.34








Map ID#	Complex	Year Built	Units	Studio		1BR		2BR		3BR		4BR	
				Low	High	Low	High	Low	High	Low	High	Low	High
01	 Bailey Gardens Apts 258 Retha Drive Lake City, SC 29560 843-374-9989 <i>Total Units: 24</i>	1984 Excellent 100.0% Sec 42/RHS Elderly 62+		0		24		650	650	0		0	
			<i>SqFt</i>					\$619	\$672				
			<i>Rent</i>					\$0.95	\$1.03				
			<i>R/SF</i>										
02	 Cole Road Apts 324 Koger Circle Lake City, SC 29560 843-394-0951 <i>Total Units: 40</i>	1998 Good 100.0% Sec 42/RHS Gen Occ		0		12		600	600	24		4	
			<i>SqFt</i>					\$442	\$581	800	800	950	950
			<i>Rent</i>					\$0.74	\$0.97	\$0.58	\$0.75	\$0.51	\$0.65
			<i>R/SF</i>										
03	 Lake City Apartments 220 Kelley St. Lake City, SC 29560 843-394-2688 <i>Total Units: 42</i>	1985 Fair 97.6% RHS 515 Gen Occ		0		8		600	600	30		4	
			<i>SqFt</i>					\$397	\$568	800	800	1,000	1,000
			<i>Rent</i>					\$0.66	\$0.95	\$0.53	\$0.76	\$0.46	\$0.65
			<i>R/SF</i>										
04	 Palmetto Frond Apts. 304 Frond Circle Lake City, SC 29560 843-394-9100 <i>Total Units: 32</i>	1984 Good 100.0% Sec 42/RHS Gen Occ		0		8		635	635	24		0	
			<i>SqFt</i>					\$432	\$522	805	805		
			<i>Rent</i>					\$0.68	\$0.82	\$0.57	\$0.68		
			<i>R/SF</i>										
05	 Palmetto Ridge Estates 889 N. Matthews Road Lake City, SC 29560 843-374-8998 <i>Total Units: 56</i>	2010 Excellent 100.0% Sec 42 Gen Occ		0		0				38		18	
			<i>SqFt</i>					\$484	\$566	1,034	1,034	1,187	1,187
			<i>Rent</i>					\$0.47	\$0.55	\$0.45	\$0.51		
			<i>R/SF</i>										
06	 Pine Acres Apts 113 Hicks Road Coward, SC 29530 843-394-2688 <i>Total Units: 6</i>	1973 Poor 100.0% RHS 515 Elderly 62+		0		4		600	600	2		0	
			<i>SqFt</i>					\$528	\$650	800	800		
			<i>Rent</i>					\$0.88	\$1.08	\$0.69	\$0.87		
			<i>R/SF</i>										
07	 Swann Lakes Apts. 212 Peggy Ct. Lake City, SC 29560 843-374-0345 <i>Total Units: 24</i>	1984 Good 100.0% Sec 42/RHS Elderly 62+		0		24		625	625	0		0	
			<i>SqFt</i>					\$578	\$604				
			<i>Rent</i>					\$0.92	\$0.97				
			<i>R/SF</i>										

Table 5.1 - Unit Report
Comparables in Lake City, SC

Map ID#	Complex Name	Studio	1BR	2BR	3BR	4BR	TOTAL	Occ %	# Occ	Condition	Age	Fin	Asst
Site	Highland Pointe Apts.	0	0	20	24	4	48		0	Proposed	2015	Sec 42	None
Map ID#	Complex Name	Studio	1BR	2BR	3BR	4BR	TOTAL	Occ %	# Occ	Condition	Age	Fin	Asst
01	Bailey Gardens Apts	0	24	0	0	0	24	100.0%	24	Excellent	1984/2006	Sec 42/RHS	100% RA
02	Cole Road Apts	0	12	24	4	0	40	100.0%	40	Good	1998	Sec 42/RHS	RA
03	Lake City Apartments	0	8	30	4	0	42	97.6%	41	Fair	1985	RHS 515	RA
04	Palmetto Frond Apts.	0	8	24	0	0	32	100.0%	32	Good	1984/2000	Sec 42/RHS	100% RA
05	Palmetto Ridge Estates	0	0	38	18	0	56	100.0%	56	Excellent	2010	Sec 42	None
06	Pine Acres Apts	0	4	2	0	0	6	100.0%	6	Poor	1973	RHS 515	RA 100%
07	Swann Lakes Apts.	0	24	0	0	0	24	100.0%	24	Good	1984/2002	Sec 42/RHS	100% RA
		0	80	118	26	0	224		223				

Table 5.2 - Rent Report
Comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Tenant	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High				
	Site Highland Pointe Apts.					\$375	\$375	\$450	\$450	\$475	\$475		Gen Occ	2015	Sec 42
Map ID#	Complex Name	Studio Low	Studio High	1BR Low	1BR High	2BR Low	2BR High	3BR Low	3BR High	4BR Low	4BR High	% Occ	Tenant	Age	Fin
01	Bailey Gardens Apts			\$619	\$672							100.0%	Elderly 62+	1984/2006	Sec 42/RHS
02	Cole Road Apts			\$442	\$581	\$463	\$602	\$480	\$619			100.0%	Gen Occ	1998	Sec 42/RHS
03	Lake City Apartments			\$397	\$568	\$427	\$604	\$457	\$649			97.6%	Gen Occ	1985	RHS 515
04	Palmetto Frond Apts.			\$432	\$522	\$457	\$547					100.0%	Gen Occ	1984/2000	Sec 42/RHS
05	Palmetto Ridge Estates					\$484	\$566	\$533	\$610			100.0%	Gen Occ	2010	Sec 42
06	Pine Acres Apts			\$528	\$650	\$550	\$692					100.0%	Elderly 62+	1973	RHS 515
07	Swann Lakes Apts.			\$578	\$604							100.0%	Elderly 62+	1984/2002	Sec 42/RHS
				\$499	\$600	\$476	\$602	\$490	\$626						

Table 5.3 - Sq. Ft. Report
Comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Condition	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High				
	Site Highland Pointe Apts.					1,100	1,100	1,250	1,250	1,400	1,400		Proposed	2015	Sec 42
Map ID#	Complex Name	Low	High	Low	High	Low	High	Low	High	Low	High	% Occ	Condition	Age	Fin
01	Bailey Gardens Apts			650	650							100.0%	Excellent	1984/2006	Sec 42/RHS
02	Cole Road Apts			600	600	800	800	950	950			100.0%	Good	1998	Sec 42/RHS
03	Lake City Apartments			600	600	800	800	1,000	1,000			97.6%	Fair	1985	RHS 515
04	Palmetto Frond Apts.			635	635	805	805					100.0%	Good	1984/2000	Sec 42/RHS
05	Palmetto Ridge Estates					1,034	1,034	1,187	1,187			100.0%	Excellent	2010	Sec 42
06	Pine Acres Apts			600	600	800	800					100.0%	Poor	1973	RHS 515
07	Swann Lakes Apts.			625	625							100.0%	Good	1984/2002	Sec 42/RHS

Table 5.4 - Rent Per Sq. Ft. Report
Comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High			
Site	Highland Pointe Apts.					\$0.34	\$0.34	\$0.36	\$0.36	\$0.34	\$0.34		2015	Sec 42
Map ID#	Complex Name	Studio	1BR	2BR	3BR	4BR	% Occ	Age	Fin					
		Low	High	Low	High	Low	High	Low	High	Low	High			
01	Bailey Gardens Apts	\$0.95	\$1.03									100.0%	1984/2006	Sec 42/RHS
02	Cole Road Apts	\$0.74	\$0.97	\$0.58	\$0.75	\$0.51	\$0.65					100.0%	1998	Sec 42/RHS
03	Lake City Apartments	\$0.66	\$0.95	\$0.53	\$0.76	\$0.46	\$0.65					97.6%	1985	RHS 515
04	Palmetto Frond Apts.	\$0.68	\$0.82	\$0.57	\$0.68							100.0%	1984/2000	Sec 42/RHS
05	Palmetto Ridge Estates			\$0.47	\$0.55	\$0.45	\$0.51					100.0%	2010	Sec 42
06	Pine Acres Apts	\$0.88	\$1.08	\$0.69	\$0.87							100.0%	1973	RHS 515
07	Swann Lakes Apts.	\$0.92	\$0.97									100.0%	1984/2002	Sec 42/RHS
		\$0.81	\$0.97	\$0.57	\$0.72	\$0.47	\$0.60							

Bailey Gardens Apts

258 Retha Drive
 Lake City, SC 29560
 843-374-9989
 Map ID# 01



Manager See Comments
Year Built 1984/2006
Condition Excellent
Total Units 24
Occupancy 100.0%
Occupied Units 24
Waiting List Yes.
Financing Sec 42/RHS 515
Assistance 100% RA
Tenant Type Elderly 62+
Security Deposit
 Pets/Fee
Tenant-Paid Utilities

Amenities
 W/D hookups

Concessions
 None.

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	24	B	1	650	\$619	\$0.95	0
		M	1	650	\$672	\$1.03	
2BR	0						
3BR	0						
4BR	0						

Comments **Total Units**

2006 Allocation
 2012 Vacancies - 2nd Q: ~ - 4th Q: ~

Gem Management uncooperative. Info from Sam McMillin at RD Florence ofc 843-669-9686 x 128

Cole Road Apts

324 Koger Circle
 Lake City, SC 29560
 843-394-0951
 Map ID# 02



Manager Tammy
Year Built 1998
Condition Good
Total Units 40
Occupancy 100.0%
Occupied Units 40
Waiting List Yes, about 55 names.
Financing Sec 42/RHS 515
Assistance RA
Tenant Type Gen Occ
Security Deposit \$250
Pets/Fee No
Tenant-Paid Utilities Water, Sewer, Electric

Amenities

Concessions
 None

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	12	B	1	600	\$442	\$0.74	
		M	1	600	\$581	\$0.97	
2BR	24	B	1	800	\$463	\$0.58	
		M	1	800	\$602	\$0.75	
3BR	4	B	1.5	950	\$480	\$0.51	
		M	1.5	950	\$619	\$0.65	
4BR	0						

Comments 40 **Total Units**

2012 Occupancy: 2nd Qtr ~ 100% 4th Qtr ~ 100%
 Sec. 8 vouchers ~ 1 in use. Complex is only allotted one Sec. 8 voucher.

Lake City Apartments

220 Kelley St.
 Lake City, SC 29560
 843-394-2688
 Map ID# 03



Manager Tammy
Year Built 1985
Condition Fair
Total Units 42
Occupancy 97.6%
Occupied Units 41
Waiting List Yes, 10 names.
Financing RHS 515
Assistance RA
Tenant Type Gen Occ
Security Deposit \$250
Pets/Fee No
Tenant-Paid Utilities Water, Sewer, Electric

Amenities
 Playground, Basketball court

Concessions
 None.

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	8	B	1	600	\$397	\$0.66	
		M	1	600	\$568	\$0.95	
2BR	30	B	1	800	\$427	\$0.53	
		M	1	800	\$604	\$0.76	
3BR	4	B	1.5	1,000	\$457	\$0.46	1
		M	1.5	1,000	\$649	\$0.65	
4BR	0						

Comments 42 **Total Units**

Complex is managed with Pine Acres Apartments.

2012 Occupancy: 2nd Qtr ~ 100% 4th Qtr ~ 98%
 Complex does not use Sec. 8 vouchers.

Palmetto Frond Apts.

304 Frond Circle
 Lake City, SC 29560
 843-394-9100
 Map ID# 04

Manager See Comments
Year Built 1984/2000
Condition Good
Total Units 32
Occupancy 100.0%
Occupied Units 32
Waiting List Yes
Financing Sec 42/RHS 515
Assistance 100% RA
Tenant Type Gen Occ



Amenities
 W/D hookups

Security Deposit

Pets/Fee

Concessions

None

Tenant-Paid Utilities

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	8	B	1	635	\$432	\$0.68	0
		M	1	635	\$522	\$0.82	
2BR	24	B	1	805	\$457	\$0.57	0
		M	1	805	\$547	\$0.68	
3BR	0						
4BR	0						

Comments 32 **Total Units**

2000 Allocation
 2012 Vacancies - 2nd Q: ~ - 4th Q: ~

Gem Management uncooperative. Info from Sam McMillin at RD Florence ofc 843-669-9686 x 128

Palmetto Ridge Estates

889 N. Matthews Road

Lake City, SC 29560

843-374-8998

Map ID# 05

Manager Erica

Year Built 2010

Condition Excellent

Total Units 56

Occupancy 100.0%

Occupied Units 56

Waiting List Yes.

Financing Sec 42

Assistance None

Tenant Type Gen Occ

Security Deposit \$250

Pets/Fee Yes

Tenant-Paid Utilities Electric



Amenities

Playground, Dishwasher, Microwave, Patio/balcony, Storage room, W/D hookups, Ceiling fan, Community room, Fitness center, Business center, Laundry room

Concessions

None.

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	0						
2BR	38	50%	2	1,034	\$484	\$0.47	
		60%	2	1,034	\$566	\$0.55	
3BR	18	50%	2	1,187	\$533	\$0.45	
		60%	2	1,187	\$610	\$0.51	
4BR	0						

56 Total Units

Comments

Manager uncooperative. Complex typically stays full. Only vacancies are normal turnover. Complex accepts Sec. 8, # of vouchers in use is unavailable. Listed information from previous surveys, current site visit and previous Market Study.

Pine Acres Apts

113 Hicks Road
 Coward, SC 29530
 843-394-2688
 Map ID# 06



Manager Tammy

Year Built 1973

Condition Poor

Total Units 6

Occupancy 100.0%

Occupied Units 6

Waiting List Yes, 3 names.

Financing RHS 515

Assistance RA 100%

Tenant Type Elderly 62+

Security Deposit \$250

Pets/Fee Yes

Tenant-Paid Utilities Electric

Amenities

W/D hookups

Concessions

None

	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	4	B	1	600	\$528	\$0.88	
		M	1	600	\$650	\$1.08	
2BR	2	B	1	800	\$550	\$0.69	
		M	1	800	\$692	\$0.87	
3BR	0						
4BR	0						

Comments **Total Units**

2012 Occupancy: 2nd Qtr ~ 100% 4th Qtr ~ 100%
 Complex does not accept Sec. 8, has 100% Rental Assistance.

Swann Lakes Apts.

212 Peggy Ct.
 Lake City, SC 29560
 843-374-0345
 Map ID# 07



Manager See Comments
Year Built 1984/2002
Condition Good
Total Units 24
Occupancy 100.0%
Occupied Units 24
Waiting List Yes
Financing Sec 42/RHS 515
Assistance 100% RA
Tenant Type Elderly 62+
Security Deposit
 Pets/Fee
Tenant-Paid Utilities

Amenities
 W/D hookups

Concessions
 None

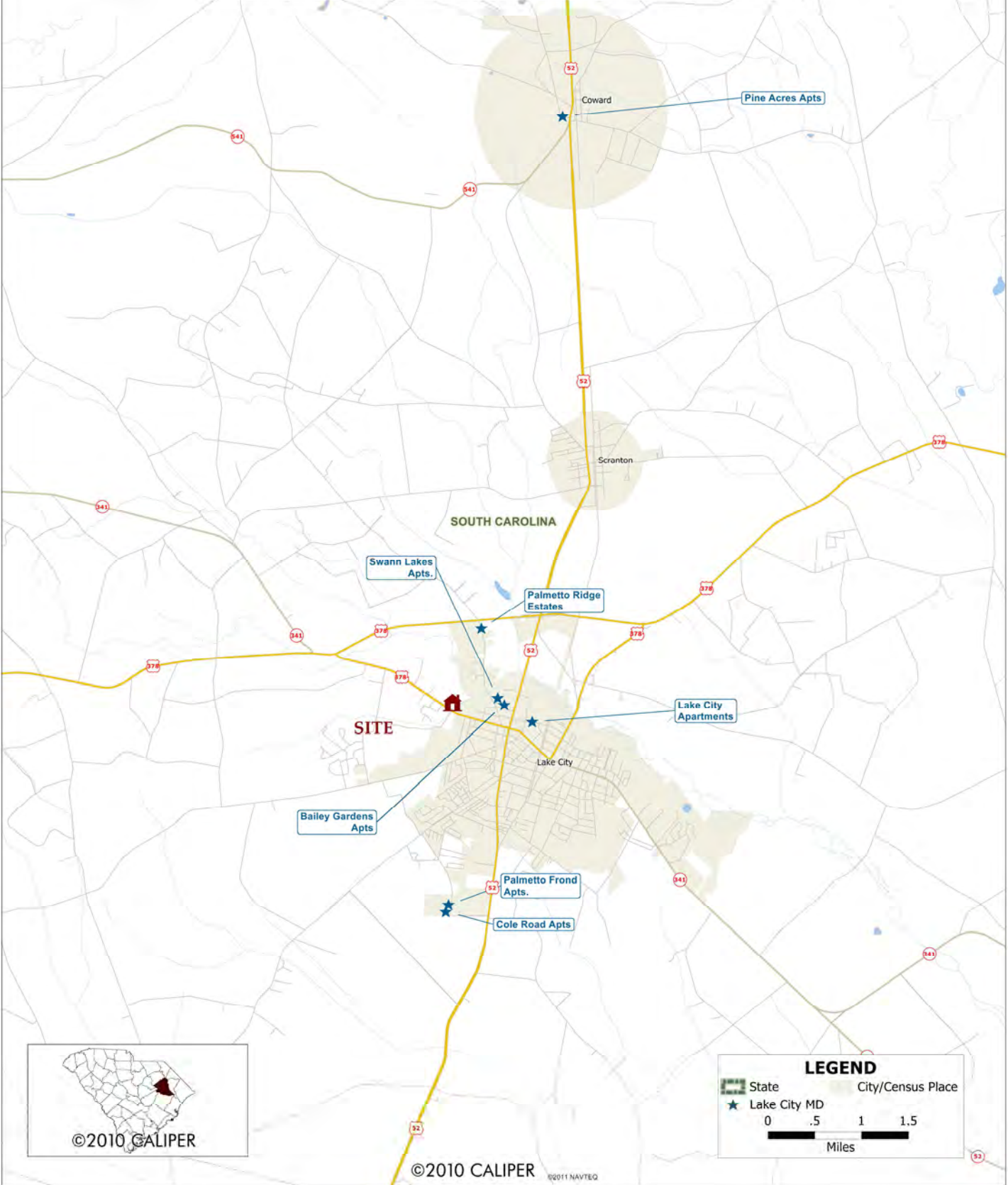
	Units	Set-Asides	Baths	SqFt	Rent	Rent/SqFt	Vacant
Studio	0						
1BR	24	B	1	625	\$578	\$0.92	0
		M	1	625	\$604	\$0.97	
2BR	0						
3BR	0						
4BR	0						

Comments **Total Units**

2002 Allocation
 2012 Vacancies - 2nd Q: ~ - 4th Q: ~

Gem Management uncooperative. Info from Sam McMillin at RD Florence ofc 843-669-9686 x 128

Lake City MD Map



LEGEND

- State
- City/Census Place
- ★ Lake City MD

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Miles

Table 5.1 - Unit Report
Non-comparables in Lake City, SC

Map ID#	Complex Name	Studio	1BR	2BR	3BR	4BR	TOTAL	Occ %	# Occ	Condition	Age	Fin	Asst
Site	Highland Pointe Apts.	0	0	20	24	4	48		0	Proposed	2015	Sec 42	None
Map ID#	Complex Name	Studio	1BR	2BR	3BR	4BR	TOTAL	Occ %	# Occ	Condition	Age	Fin	Asst
08	Country Club Village	0	0	32	32	0	64	100.0%	64	Good	1994	Conv	None
09	Lake City Housing	0	106	100	112	31	349	100.0%	349	Fair	1967	LRPH	None
10*	*Charles Pointe	0	52	84	32	0	168	95.2%	160	Good	2001	Conv	None
11*	*Reserve @ Mill Creek	0	119	125	24	0	268	98.9%	265	Excellent	2008	Conv	None
12*	*Woodlake Apartments	0	0	132	24	0	156	94.9%	148	Excellent	2013	Conv	None
		0	277	473	224	31	1005		986				

Table 5.2 - Rent Report
Non-comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		Tenant	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High			
Site	Highland Pointe Apts.					\$375	\$375	\$450	\$450	\$475	\$475	Gen Occ	2015	Sec 42
Map ID#	Complex Name	Studio Low	Studio High	1BR Low	1BR High	2BR Low	2BR High	3BR Low	3BR High	4BR Low	4BR High	% Occ	Age	Fin
08	Country Club Village					\$410	\$410	\$510	\$510			100.0%	1994	Conv
09	Lake City Housing											100.0%	1967	LRPH
10*	*Charles Pointe			\$700	\$700	\$800	\$800	\$955	\$955			95.2%	2001	Conv
11*	*Reserve @ Mill Creek			\$820	\$905	\$980	\$995	\$1180	\$1180			98.9%	2008	Conv
12*	*Woodlake Apartments					\$825	\$850	\$925	\$925			94.9%	2013	Conv
				\$760	\$905	\$754	\$923	\$893	\$893					

Table 5.3 - Sq. Ft. Report
Non-comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Condition	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High				
	Site Highland Pointe Apts.					1,100	1,100	1,250	1,250	1,400	1,400		Proposed	2015	Sec 42
Map ID#	Complex Name	Low	High	Low	High	Low	High	Low	High	Low	High	% Occ	Condition	Age	Fin
08	Country Club Village					850		1,050				100.0%	Good	1994	Conv
09	Lake City Housing											100.0%	Fair	1967	LRPH
10*	*Charles Pointe			700		1,000		1,230				95.2%	Good	2001	Conv
11*	*Reserve @ Mill Creek			783	965	1,130	1,130	1,285				98.9%	Excellent	2008	Conv
12*	*Woodlake Apartments					1,040	1,040	1,222				94.9%	Excellent	2013	Conv

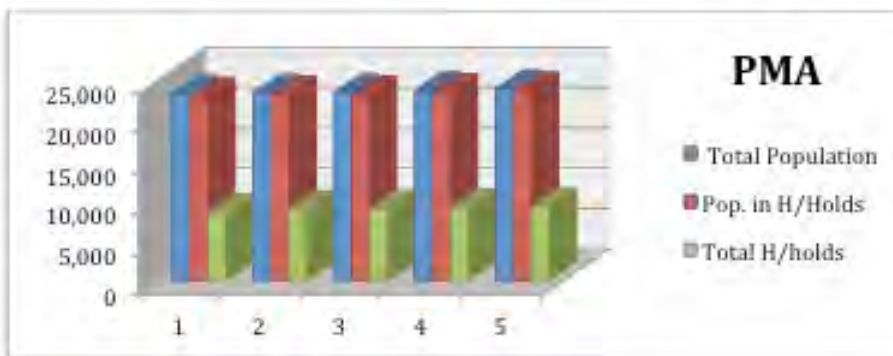
Table 5.4 - Rent Per Sq. Ft. Report
Non-comparables in Lake City, SC

Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High			
Site	Highland Pointe Apts.			\$0.34	\$0.34	\$0.36	\$0.36	\$0.36	\$0.36	\$0.34	\$0.34		2015	Sec 42
Map ID#	Complex Name	Studio		1BR		2BR		3BR		4BR		% Occ	Age	Fin
		Low	High	Low	High	Low	High	Low	High	Low	High			
08	Country Club Village			\$0.48		\$0.49						100.0%	1994	Conv
09	Lake City Housing Authority											100.0%	1967	LRPH
10*	*Charles Pointe			\$1.00		\$0.80		\$0.78				95.2%	2001	Conv
11*	*Reserve @ Mill Creek			\$1.05	\$0.94	\$0.87	\$0.88	\$0.92				98.9%	2008	Conv
12*	*Woodlake Apartments			\$1.03	\$0.94	\$0.74	\$0.85	\$0.74	\$0.74			94.9%	2013	Conv

Table 6.1 shows the relationship of population to households for Florence County and the Lake City Primary Market Area for 2000 (Census), 2012 (estimates) and 2015 and 2017 (projections). Group quarters and persons per household are also shown.

Table 6.1 – Population and Household Trends

<i>Year</i>	<i>Total Population</i>	<i>Persons in Group Quarters</i>	<i>Pop. in H/Holds</i>	<i>Total H/holds</i>	<i>PPH</i>
Florence County					
2000	125,761	3,866	121,895	47,147	2.59
2010	136,919	3,296	133,623	52,718	2.53
2012	139,150	3,182	135,968	53,832	2.53
2015	142,908	3,105	139,803	55,574	2.52
2017	145,413	3,053	142,360	56,735	2.51
Lake City PMA					
2000	23,285	374	22,911	8,542	2.68
2010	23,368	227	23,141	8,886	2.60
2012	23,384	197	23,187	8,955	2.59
2015	23,686	204	23,482	9,140	2.57
2017	23,888	209	23,679	9,263	2.56



Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 6.2 shows the household trends for Florence County and the Lake City Primary Market Area.

The number of households in the Lake City Primary Market Area increased by 4.03 percent between 2000 and 2010. The number of households is estimated to have increased by 0.77 percent between 2010 and 2012 and is projected to increase by 2.06 percent between 2012 and 2015.

Table 6.2 - Household Trends

<i>Year</i>	<i>Total H/holds</i>	<i>H/Holds Change</i>	<i>H/Holds % Change</i>	<i>Annual H/holds Change</i>	<i>Annual H/holds % Change</i>
<u>Florence County</u>					
2000	47,147	-	-	-	-
2010	52,718	5,571	11.82%	557	1.06%
2012	53,832	1,114	2.11%	557	1.03%
2015	55,574	1,742	3.24%	871	1.57%
2017	56,735	1,161	2.09%	387	0.68%
<u>Lake City PMA</u>					
2000	8,542	-	-	-	-
2010	8,886	344	4.03%	34	0.38%
2012	8,955	69	0.77%	34	0.38%
2015	9,140	185	2.06%	92	1.01%
2017	9,263	123	1.35%	41	0.44%

Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 7.0 shows the owner versus renter distribution of households for Florence County and the Lake City Primary Market Area.

Table 7.0 - Household Trends by Tenure

<i>Year</i>	<i>Total H/holds</i>	<i>Owner-Occupied H/Holds</i>	<i>% Owner-occupied H/holds</i>	<i>Renter-occupied H/Holds</i>	<i>% Renter-occupied H/Holds</i>
Florence County					
2000	47,147	34,415	73.00%	12,732	27.00%
2010	52,718	36,318	68.89%	16,400	31.11%
2012	53,832	36,698	68.17%	17,134	31.83%
2015	55,574	37,870	68.14%	17,704	31.86%
2017	56,735	38,651	68.13%	18,084	31.87%
Lake City PMA					
2000	8,542	6,556	76.75%	1,986	23.25%
2010	8,886	6,184	69.60%	2,702	30.40%
2012	8,955	6,110	68.23%	2,845	31.77%
2015	9,140	6,230	68.16%	2,910	31.84%
2017	9,263	6,310	68.12%	2,953	31.88%



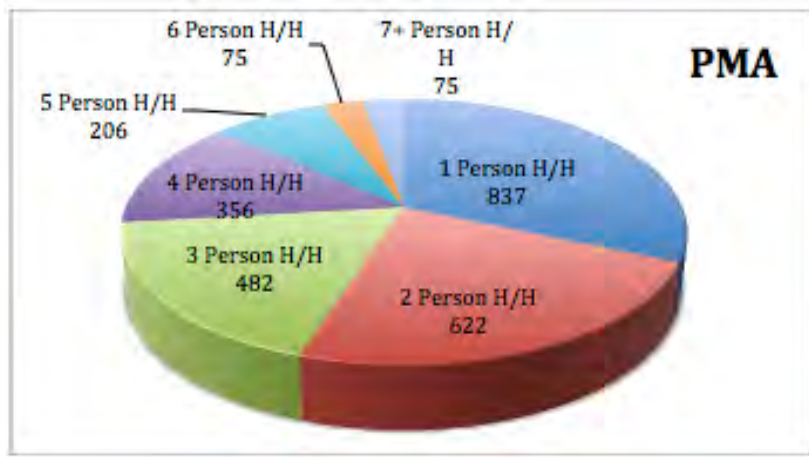
Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 8.0 shows the number of renter households by household size for Florence County and the Lake City Primary Market Area for 2010. This data is used to help determine the demand by bedroom mix.

Typically, one-person or two-person households rent one-bedroom apartments. Two-person and three-person households generally rent two-bedroom apartments; and three-person and four-person households tend to rent three-bedroom apartments. In the case of larger households, such as five-person and six-person households, the age and or sex of the extra persons (child) can affect the choice between a two-bedroom and a three-bedroom unit. When four-bedroom apartments are available, price and quality will affect a decision. Modern four-bedroom apartments are usually difficult to find. Therefore, there is overlap of bedroom need, which depends on the make-up of various households.

Table 8.0 - Number of Renter Households by Household Size (2010)

	1 <i>Person H/holds</i>	2 <i>Person H/holds</i>	3 <i>Person H/holds</i>	4 <i>Person H/holds</i>	5 <i>Person H/holds</i>	6 <i>Person H/holds</i>	7+ <i>Person H/holds</i>
Florence County							
Number	5,724	4,350	3,066	2,099	1,122	438	328
Percent	33.42%	25.40%	17.90%	12.26%	6.55%	2.56%	1.92%
Lake City PMA							
Number	837	622	482	356	206	75	75
Percent	31.55%	23.45%	18.17%	13.42%	7.76%	2.83%	2.83%



Source: 2010 census data from the Bureau of the Census; and calculations by Woods Research, Inc.

Table 9.0 is a summary of new housing units from the C-40 Construction Reports, prepared by Census Bureau from 2000 through November 2012. The Building Permits Survey is a leading economic indicator used to track the housing industry. Condominiums and cooperatives are considered a type of home ownership, and this survey is only concerned with the structure of the residence. If the structure meets the criteria for a single-family residence, then it is classified as single-family. If they meet the criteria for multifamily units, then it is classified as multi-family. Therefore, multi-family housing units can include condominiums and cooperatives as well as apartments/rental housing. Manufactured or mobiles homes are not counted in this survey.

Table 9.0 - Housing Additions - Building Permits

<i>County</i>	<i>Total</i>	<i>Single-family units</i>	<i>% S-F units</i>	<i>Multi-family units</i>	<i>% M-F units</i>
2002	507	473	93.29%	34	6.71%
2003	47	47	100.00%	0	0.00%
2004	182	180	98.90%	2	1.10%
2005	725	725	100.00%	0	0.00%
2006	730	730	100.00%	0	0.00%
2007	944	672	71.19%	272	28.81%
2008	505	362	71.68%	143	28.32%
2009	297	249	83.84%	48	16.16%
2010	308	259	84.09%	49	15.91%
2011	314	257	81.85%	57	18.15%
2012/x	372	315	84.68%	57	15.32%
Total	4,931	4,269	86.57%	662	13.43%

Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 9.0 - Housing Additions - Building Permits – Continued

<i>Unincorp. Portion of the County</i>	<i>Total</i>	<i>Single- family units</i>	<i>% S-F units</i>	<i>Multi- family units</i>	<i>% M-F units</i>
2002	501	467	93.21%	34	6.79%
2003	47	47	100.00%	0	0.00%
2004	181	179	98.90%	2	1.10%
2005	723	723	100.00%	0	0.00%
2006	730	730	100.00%	0	0.00%
2007	944	672	71.19%	272	28.81%
2008	505	362	71.68%	143	28.32%
2009	297	249	83.84%	48	16.16%
2010	308	259	84.09%	49	15.91%
2011	307	250	81.43%	57	18.57%
2012/x	384	307	79.95%	77	20.05%
Total	4,927	4,245	86.16%	682	13.84%

Source: Bureau of the Census; and calculations by Woods Research, Inc.

Household Income Characteristics

The proposed complex will serve low-income households, as defined by the Section 42 - Low Income Housing Tax Credit Regulations, utilizing a LIHTC allocation. The Tax Credit allocation is either nine percent or four percent of the *qualified basis* of the property depending on the funding sources. The *qualified basis* is the portion of the *eligible basis* attributable to the low-income rental units. Expenses included in the *eligible basis* are construction, engineering, architectural, market studies and appraisals, relocation, certain legal and accounting, construction period interest, taxes, general contractor, and developer fees. Land costs, title recording fees, financing costs (points), tax credit fees, and syndication fees are not included in the *eligible basis*.

Tax Credits are issued annually for a ten-year period. Assuming the apartment complex remains Tax Credit eligible, either 90 percent or 40 percent of the development cost will be returned in the form of Tax Credits. When a Tax Credit allocation is issued for an apartment complex, rental rates are restricted and household incomes are restricted based on HUD Very Low Income for the MSA/County, adjusted for household size.

Under the Section 42 - LIHTC Program, maximum household incomes are restricted to 120 percent and/or 100 percent of the HUD Very Low Income for the MSA/County, adjusted for household size. While maximum household incomes are based on the number of persons in the household, the maximum rents are based on the number of bedrooms. Rent ceilings are based on 30 percent of 120 percent/100 percent of the HUD Very Low Income for the County/MSA, adjusted for bedroom size. This is the gross rent. To obtain net rents, gross rents then must be adjusted based on the HUD estimated utility allowance or local utility company estimates.

Table 10.1 shows the maximum incomes by household size and maximum gross rents by number of bedrooms. Gross rents include rent + utility allowance. Also included are HUD Fair Market Rents.

Table 10.1 –Income/Rent Limits-

Florence MSA

HUD 2013 Median Family Income	\$47,000					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Very Low Income	\$17,300	\$19,750	\$22,200	\$24,650	\$26,650	\$28,600
120% of Very Low	\$20,760	\$23,700	\$26,640	\$29,580	\$31,980	\$34,320
	Eff.	1 BR	2 BR	3 BR	4 BR	
50% Rent Ceiling	\$432	\$463	\$555	\$641	\$715	
60% Rent Ceiling	\$519	\$555	\$666	\$769	\$858	
Fair Market Rent 2012	\$547	\$552	\$687	\$856	\$918	

Source: 2013 Income Limits for Low-Income and Very Low Income Families and 2013 HUD Fair Market Rents, South Carolina Housing Finance Agency and calculations by Woods Research, Inc.

Affordability

Table 10.2 shows the minimum income requirements by unit type and bedroom size. These minimum incomes are based on recognized affordability standards. A family household should not pay more than 35 percent of their household income on rent plus utilities. A senior household should not pay more than 40 percent of their household income on rent plus utilities. Utilities generally include electricity, gas, water and sewer, but not cable-TV and broadband internet connection. For the proposed project the tenant will pay electricity, water and sewer. Gas is not required for heat or cooking. The minimum incomes for the proposed project are:

Apartments

- \$16,560 for the 50% 2-BR units
- \$20,263 for the 50% 3-BR units
- \$22,354 for the 50% 4-BR units

- \$16,560 for the 60% 2-BR units
- \$20,263 for the 60% 3-BR units
- \$23,354 for the 50% 4-BR units

Table 10.2 –Minimum Income Requirements/Affordability

<i>Projected 50% Rent for the project:</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
Estimated Rent	\$0	\$375	\$450	\$475
Estimated Utility Allowance	\$0	\$108	\$141	\$177
Total Housing Cost	\$0	\$483	\$591	\$652
Minimum Income Required at 30%	\$0	\$19,320	\$23,640	\$26,080
Minimum Income Required at 35%	\$0	\$16,560	\$20,263	\$22,354
Minimum Income Required at 40%	\$0	\$14,490	\$17,730	\$19,560

<i>Projected 60% Rent for the project:</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
Estimated Rent	\$0	\$375	\$450	\$475
Estimated Utility Allowance	\$0	\$108	\$141	\$177
Total Housing Cost	\$0	\$483	\$591	\$652
Minimum Income Required at 30%	\$0	\$19,320	\$23,640	\$26,080
Minimum Income Required at 35%	\$0	\$16,560	\$20,263	\$22,354
Minimum Income Required at 40%	\$0	\$14,490	\$17,730	\$19,560

Source: Calculations by Woods Research, Inc. based on data provided by the Developer.

The income bands for each targeted group is:

50% of AMI \$16,560 - \$28,600
60% of AMI \$16,560- \$34,320

Minimum and Maximum Incomes Required

	<i>Minimum Allowable Income for the Development</i>	<i>Maximum Allowable Income for the Development</i>
Total Range	\$16,560	\$34,320
Less than 30%		
Less than 40%		
Less than 50%	\$16,560	\$28,600
Less than 60%	\$16,560	\$34,320
Market Rate		

Source: Calculations by Woods Research, Inc. based on data provided by the Developer.

11.0 - Income Trends

<i>MSA</i>	<i>2000</i>	<i>2012</i>	<i>2017</i>
Average Household Income	\$45,108	\$52,025	\$53,207
Median Household Income	\$33,913	\$38,828	\$39,582
Per Capita Income	\$17,320	\$20,357	\$20,971
<i>County</i>	<i>2000</i>	<i>2012</i>	<i>2017</i>
Average Household Income	\$46,748	\$53,620	\$54,765
Median Household Income	\$35,180	\$40,076	\$40,799
Per Capita Income	\$17,876	\$20,964	\$21,569
<i>Primary Market Area</i>	<i>2000</i>	<i>2012</i>	<i>2017</i>
Average Household Income	\$35,848	\$40,824	\$41,568
Median Household Income	\$28,210	\$31,513	\$31,936
Per Capita Income	\$13,435	\$15,747	\$16,227

Source: Nielsen Claritas, Inc.

Tables' 11.1.a and 11.1.b shows household income data for Florence County and the Lake City Primary Market Area. Household income estimates for 2012 and household income projections for 2017 are from the latest release of data by Claritas.

The number of households with lower incomes is decreasing in total numbers and as a percentage between the 2000 and the 2012 and 2017 time periods.

Tables' 11.1.a and 11.1.b show income for all households, while Table 11.2 shows only renter household income.

Table 11.2 shows 2010 Census data for households. This data comes from the 2010 Census. Both owner household and renter household income is shown.

Table 11.1.a – Households by Income Groupings-All Households**Florence County**

<i>Household Income Range</i>	<i>2000 Census</i>	<i>%</i>	<i>2012 Estimate</i>	<i>%</i>	<i>2017 Projected</i>	<i>%</i>
<15,000	9,797	20.8%	9,797	18.2%	10,144	17.9%
\$15,000-\$24,999	7,361	15.6%	7,356	13.7%	7,595	13.4%
\$25,000-\$34,999	6,296	13.4%	6,729	12.5%	7,014	12.4%
\$35,000-\$49,999	8,287	17.6%	8,966	16.7%	9,350	16.5%
\$50,000-\$74,999	8,335	17.7%	9,970	18.5%	10,539	18.6%
\$75,000-\$99,999	3,576	7.6%	5,064	9.4%	5,453	9.6%
\$100,000-\$124,999	1,521	3.2%	2,675	5.0%	2,944	5.2%
\$125,000-\$149,999	598	1.3%	1,246	2.3%	1,420	2.5%
\$150,000-\$199,999	569	1.2%	834	1.5%	955	1.7%
\$200,000-\$499,999	637	1.4%	976	1.8%	1,076	1.9%
\$500,000+	130	0.3%	219	0.4%	245	0.4%
Total	47,107	100%	53,832	100%	56,735	100%
County Summary						
<\$10,000	6,562	13.9%	6,562	12.2%	6,797	12.0%
\$10,000-\$19,999	8,164	17.3%	8,166	15.2%	8,436	14.9%
\$20,000-\$34,999	8,727	18.5%	9,157	17.0%	9,522	16.8%
\$35,000-\$49,999	8,287	17.6%	8,966	16.7%	9,350	16.5%
>\$50,000	15,366	32.6%	20,984	39.0%	22,632	39.9%
Total	47,107	100%	53,832	100%	56,735	100%

Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

Table 11.1.b– Households by Income Groupings-All Households

Lake City PMA

<i>Household Income Range</i>	<i>2000 Census</i>	<i>%</i>	<i>2012 Estimate</i>	<i>%</i>	<i>2017 Projected</i>	<i>%</i>
<15,000	2,539	29.8%	2,418	27.0%	2,475	26.7%
\$15,000-\$24,999	1,335	15.7%	1,261	14.1%	1,286	13.9%
\$25,000-\$34,999	1,198	14.1%	1,226	13.7%	1,255	13.5%
\$35,000-\$49,999	1,370	16.1%	1,377	15.4%	1,426	15.4%
\$50,000-\$74,999	1,392	16.3%	1,588	17.7%	1,638	17.7%
\$75,000-\$99,999	411	4.8%	653	7.3%	695	7.5%
\$100,000-\$124,999	108	1.3%	214	2.4%	244	2.6%
\$125,000-\$149,999	56	0.7%	64	0.7%	79	0.9%
\$150,000-\$199,999	44	0.5%	69	0.8%	71	0.8%
\$200,000-\$499,999	63	0.7%	71	0.8%	79	0.9%
\$500,000+	1	0.0%	14	0.2%	15	0.2%
Total	8,517	100%	8,955	100%	9,263	100%
PMA Summary						
<\$10,000	1,701	20.0%	1,620	18.1%	1,658	17.9%
\$10,000-\$19,999	1,732	20.3%	1,642	18.3%	1,678	18.1%
\$20,000-\$34,999	1,638	19.2%	1,642	18.3%	1,679	18.1%
\$35,000-\$49,999	1,370	16.1%	1,377	15.4%	1,426	15.4%
>\$50,000	2,075	24.4%	2,673	29.8%	2,821	30.5%
Total	8,517	100%	8,955	100%	9,263	100%

Source: Bureau of the Census; Nielsen Claritas, Inc.; and calculations by Woods Research, Inc.

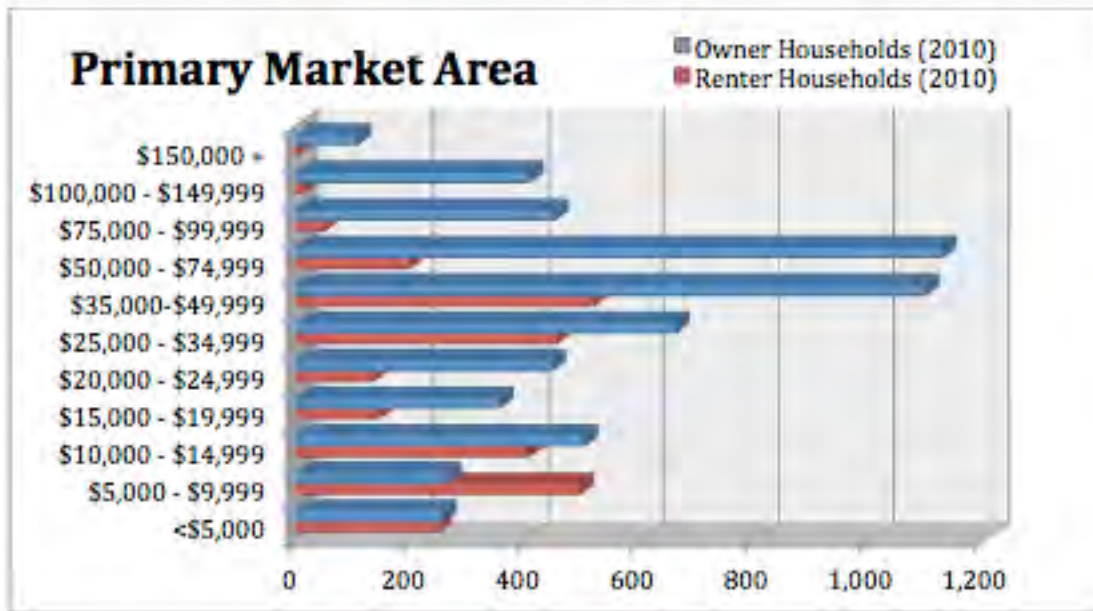
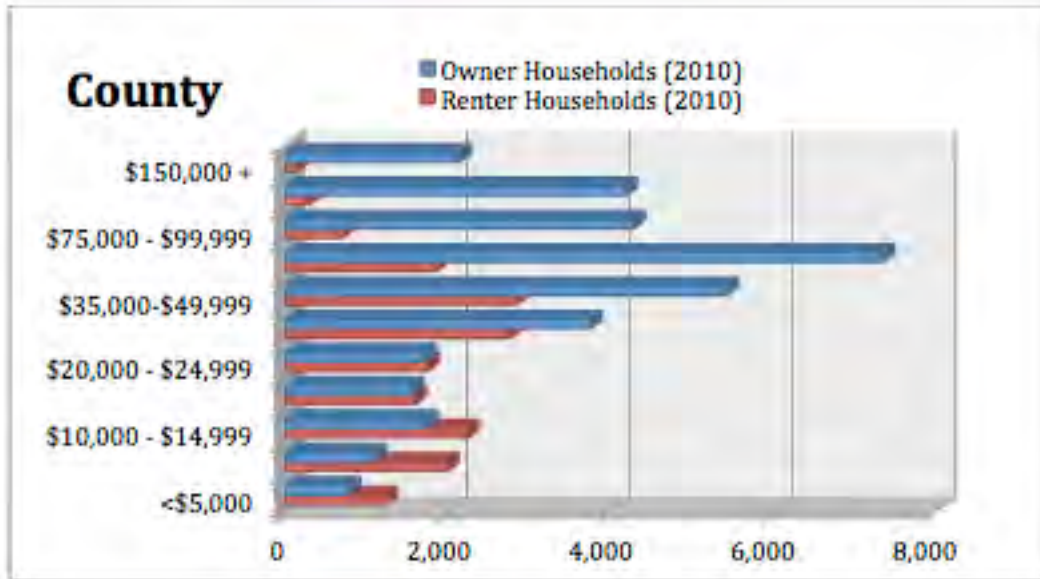
Table 11.2 – Owner and Rental Households by Income Groupings (2010)

<i>Owner Household Income (2010)</i>	<i>County</i>	<i>%</i>	<i>Primary Market Area</i>	<i>%</i>
<\$5,000	793	2.3%	255	4.5%
\$5,000 - \$9,999	1,100	3.2%	263	4.7%
\$10,000 - \$14,999	1,736	5.1%	501	8.9%
\$15,000 - \$19,999	1,575	4.6%	353	6.2%
\$20,000 - \$24,999	1,724	5.1%	445	7.9%
\$25,000 - \$34,999	3,762	11.0%	659	11.7%
\$35,000-\$49,999	5,433	15.9%	1,094	19.4%
\$50,000 - \$74,999	7,356	21.6%	1,124	19.9%
\$75,000 - \$99,999	4,288	12.6%	449	7.9%
\$100,000 - \$149,999	4,196	12.3%	406	7.2%
\$150,000 +	2,149	6.3%	106	1.9%
<i>Total</i>	<i>34,112</i>	<i>100.0%</i>	<i>5,655</i>	<i>100.0%</i>

<i>Renter Household Income (2010)</i>	<i>County</i>	<i>%</i>	<i>Primary Market Area</i>	<i>%</i>
<\$5,000	1,244	7.1%	248	9.3%
\$5,000 - \$9,999	2,000	11.4%	494	18.6%
\$10,000 - \$14,999	2,251	12.9%	406	15.3%
\$15,000 - \$19,999	1,604	9.2%	144	5.4%
\$20,000 - \$24,999	1,761	10.1%	135	5.1%
\$25,000 - \$34,999	2,783	15.9%	453	17.1%
\$35,000-\$49,999	2,853	16.3%	518	19.5%
\$50,000 - \$74,999	1,867	10.7%	197	7.4%
\$75,000 - \$99,999	703	4.0%	49	1.8%
\$100,000 - \$149,999	309	1.8%	13	0.5%
\$150,000 +	149	0.9%	0	0.0%
<i>Total</i>	<i>17,524</i>	<i>100.0%</i>	<i>2,657</i>	<i>100.0%</i>

Source: 2010 Census provided by the Bureau of the Census; and calculations by Woods Research, Inc.

Number of Owner vs. Renter Households by Income level



Source: 2010 Census provided by the Bureau of the Census; and calculations by Woods Research, Inc.

Market Demand Analysis

This market study is for the development of a new general occupancy Section 42 project. A Section 42 complex has several income restrictions. The *income eligible group(s)* is defined by an *income band(s)*. The *income band* is based on the household income required to afford the proposed rents and the maximum income allowed for the County/MSA.

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

- Net household formation (normal growth)
- Existing renters who are living in overcrowded and/or substandard housing
- Existing renters who choose to move to another complex, generally based on affordability (rent overburdened) and project location and features
- Minus new comparable or proposed complexes

Sources of demand:

- *Net households* is determined from the number of households for the year the project is to open (2015) minus the number of households in the base year (2012).
- *Rent overburdened households* are renter households paying more than 35 percent of their income for rent and utilities.
- *Overcrowded households* is based on households with more than 1.01 persons per room.
- *Substandard housing* has been defined as housing units lacking complete plumbing facilities and housing units lacking complete kitchen facilities.
- *Replacement* housing is renter-occupied housing units built before 1940. Only a percentage is used to compute this number.
- A percentage of the numbers defined above is determined based on the percentage of income eligible households.

Comparable rental housing units that have been constructed since the base year (2012) and proposed rental housing units that are comparable to the proposed project are subtracted from the Total Demand to obtain Net Demand.

Table 12.1 – Rental Housing Demand

	<i>HH at 50% AMI (\$16,560 to \$28,600)</i>	<i>HH at 60% AMI (\$16,560 to \$34,320)</i>	<i>Overall LIHTC (\$16,560 to \$34,320)</i>
a) Demand from New Households (age and income appropriate)	11	18	18
Plus	+	+	+
Demand from Existing Renter Households - Rent overburdened	124	197	197
Plus	+	+	+
Demand from Existing Renter Households - Substandard	82	130	130
Plus	+	+	+
Demand from Existing Households - Elderly Homeowner Turnover	0	0	0
Equals Total Demand	217	345	345
Less	-	-	-
Supply of directly comparable affordable housing units built and/or awarded in the project market between 2012 and 2015	0	0	0
Equals Net Demand	217	345	345

See explanation of income distributions and capture rates on the following pages

Source: Calculations by Woods Research, Inc.

Subsidy: Any renter household earning less than \$16,560 per year would be classified as Section 42 income eligible but not earning enough to afford the proposed rents without some form of subsidy or assistance.

50% AMI: Any renter household earning between \$16,560 and \$28,600 per year would be classified as Section 42 income eligible and earning less than 50 percent of the HUD Median Family Income.

60% AMI: Any renter household earning between \$16,560 and \$34,320 per year would be classified as Section 42 income eligible and earning less than 60 percent of the HUD Median Family Income.

Overall LIHTC: Households earning between \$16,560 and \$34,320 per year.

Ineligible: Any renter household earning more than \$34,320 would be ineligible for Section 42 Housing.

Table 12.2 – Capture Rate Analysis Chart

<i>Unit Size</i>	<i>Income Limits</i>	<i>Total Demand</i>	<i>Supply</i>	<i>Net Demand</i>	<i>Units Proposed</i>	<i>Capture Rate</i>
2-BR	50% AMI	87	0	87	5	5.75%
2-BR	60% AMI	138	0	138	15	10.87%
2-BR	M.R.	0	0	0	0	#DIV/0!
All 2-BR	-	225	0	225	20	8.89%

<i>Unit Size</i>	<i>Income Limits</i>	<i>Total Demand</i>	<i>Supply</i>	<i>Net Demand</i>	<i>Units Proposed</i>	<i>Capture Rate</i>
3-BR	50% AMI	87	0	87	5	5.75%
3-BR	60% AMI	138	0	138	19	13.77%
3-BR	M.R.	0	0	0	0	#DIV/0!
All 3-BR	-	225	0	225	24	10.67%

<i>Unit Size</i>	<i>Income Limits</i>	<i>Total Demand</i>	<i>Supply</i>	<i>Net Demand</i>	<i>Units Proposed</i>	<i>Capture Rate</i>
4-BR	50% AMI	22	0	22	2	9.09%
4-BR	60% AMI	35	0	35	2	5.71%
4-BR	M.R.	0	0	0	0	#DIV/0!
All 4-BR	-	57	0	57	4	7.02%

Total Project

All BRs	All AMI	345	0	345	48	13.91%
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Source: Calculations by Woods Research, Inc.

- The demand for rental units for renter households that qualify for the units designated at 50 percent of AMI is 217 units.
- The demand for rental units for renter households that qualify for the units designated at 60 percent of AMI is 345 units
- The overall LIHTC demand is 345 units
- The capture rate for 50 percent units is approximately 5.53 percent of the income-eligible renter market.
- The capture rate for 60 percent units is approximately 10.43 percent of the income eligible renter market.

- The overall LIHTC capture rate is 13.91 percent.
- These are reasonable capture rates and would not adversely impact any existing rental housing in the area.

The complex should experience an **absorption rate of approximately 8 to 10 units per month**, depending on the time of year the complex opens. **The absorption time period would be 5 to 6 months.**

Based on the current apartment occupancy trends in the Lake City Primary Market Area, the proposed apartment complex should achieve an **average stabilized occupancy of 97 percent.**

The absorption rate is dependent upon many criteria only some of which the developer/management has control over. These are:

1. The location of the development relative to services, i.e. shopping, restaurants, schools, medical care.
2. The location of the development relative to undesirable features of the neighborhood, i.e. road noise, traffic speed, visual aspects of surrounding properties, unoccupied or abandoned homes/commercial properties, etc. (Before a LIHTC complex is completed, changes can occur in the neighborhood that may have a negative impact)
3. The location of the development relative to desirable features of the neighborhood, i.e. new shopping centers and other services, removal and renovation of neighborhood properties, new employers, etc. (Before an LIHTC complex is completed, changes can occur in the neighborhood that may have a positive impact)
4. The design of the development.
5. The overall appeal of the development including landscaping, buffers, entrance and exit capabilities, etc.
6. Amenities offered in the individual units and for the common areas.
7. The opening data of the development, i.e. spring, summer, fall or winter.
8. The overall economy of the surrounding area. (Before a LIHTC complex is completed, changes can occur in the employment that may impact lease-up)
9. Advertising, management availability for information and pre-leasing.
10. Marketing and management of the development. The first tenants can affect the image for a development.
11. Competing properties including other LIHTC properties in the area relative to the rents.
12. Similar properties being developed in the area.
13. Availability of HUD Section 8 certificates/vouchers.

Conclusions and Recommendations

The proposed project, Highland Pointe Apartments, should be awarded an Allocation of Section 42 Low Income Housing Tax Credits based on the following:

- A review of the proposed project
- A review of the proposed site relative to services
- The current occupancy levels at existing comparable apartment complexes
- The state of the local economy
- Current and projected demographic trends
- Current and projected household income trends

The Executive Summary highlights and supports all of the above items.

The development should proceed as planned. The proposed rents should be achievable in this market and are very competitive with the existing apartment complex rents. The project will not adversely impact comparable rental housing in the Lake City PMA.

Signed Statement

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

Market Analyst Author

Date

CERTIFICATION

I/we affirm that I/we have made a physical inspection of the market area and that the information obtained has been used in the full assessment of the need and demand for new rental units. (Someone that is employed in a regular and going capacity by Woods Research, Inc. has made a physical inspection of the community.)

I/we certify that the conclusions drawn in this market study are an accurate analysis of the information that was available at the time this report was prepared. I/we do not assume responsibility for the accurateness of the information sources used. This report may not be used for any purpose other than as supporting documentation for the proposed activities that are addressed.

I/we further certify that there is no identity of interest between myself/ourselves, or the firm of Woods Research, Inc., and the client for which the market demand analysis has been prepared. No payments are contingent on the development/construction of the proposed project, and I/we will have no direct financial interest in the project if it is constructed.

Due to our consulting work with state housing agencies, lenders, and syndicators we may, from time to time, be involved in later phases of a project on which we prepared a market study. Examples of such work are follow-up market analyses, compliance monitoring for the Low-Income Housing Tax Credit Program, and ongoing property inspections of existing properties.

James M. Woods
President

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110 Wildewood Park Dr. Ste D
Columbia, SC 29223

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Assumptions and Limited Conditions

The demand estimate expressed in this report is predicted upon certain general and specific conditions and assumptions, which may or may not have any effect upon the demand for the proposed subject property.

1. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be good and marketable. Normal utility easements are assumed to exist.
2. Certain information in this market analysis has been furnished by others. The sources and information are considered to be reliable, but cannot be guaranteed,
3. The market analyst is not obligated to give testimony of any kind nor appear in any court as a result of having completed this market analysis, unless arrangements to that effect were made prior to the initiation of the market analysis assignment.
4. The market analyst is not qualified to determine the existence of any potentially hazardous materials on or in the site.
5. The demand estimate expressed herein assumes competent and aggressive management and marketing of the subject property. The contents of this market analysis are for limited private use only. It is assumed that the client has provided to WRI accurate information concerning the proposed project.
6. The market analysis is predicated upon the completion of the subject in accordance with the original plans and specifications, with quality materials and in a timely and workmanlike manner.
7. The demand is subject to change with market changes over time. Such changes are highly related to supply and demand. The demand estimate considers the productivity and relative attractiveness of the property in the marketplace. The market is dynamic and may naturally change over time.
8. Liability of the WRI and its employees is limited to the fee collected for preparation of this market analysis. There is no accountability or liability to any third party. The fee for this market analysis is for the service rendered and not for the time spent on the physical report. Acceptance of, and/or use of, this market analysis constitute acceptance of the above conditions.

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WOODS RESEARCH, INC.

Woods Research, Inc. was founded in 1981 by James M. Woods to serve clients in the area of real estate development. The company specializes in preparing market studies for multi-family housing proposals, which include but is not limited to, Section 42 LIHTC, tax exempt bond issue, HUD 221 d4, HOPE VI, RHS 515, seniors housing, market rate projects, condominiums and "for sale" housing. WRI prepares market studies for new construction, acquisition/rehab, and historic rehab. The market studies provide supporting documentation for federal grants and loans, private lender financing, public and private placement syndications, and in-house decision making.

Clients include real estate development corporations and partnerships, financial institutions, syndication firms, government agencies, real estate agencies and appraisers, colleges, hospitals, and churches. Client references are available upon request.

Woods Property Inspection Division has been providing property inspections of residential properties since 1991. Our major emphasis is due diligence asset management inspections for Section 42 properties.

MEMBERSHIPS

National Council for State Housing Agencies
National Housing & Rehabilitation Association
National Council of Affordable Housing Market Analysis
Council for Affordable and Rural Housing
Southeast Mortgagee Advisory Council

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WoodsResearch@AOL.com

JAMES M. WOODS

EXPERIENCE

1981-present Woods Research, Inc. Columbia, SC

President

- Founded Woods Research, Inc. in 1981
- Supervises all the operations of the company including site and field surveys, primary and secondary data analyses, market/trade area definitions and demand methodologies
- Assists clients with project proposals
- Prepares company bid proposals
- Performs site and field surveys to supplement field staff
- Markets the company at state, regional and national meetings
- Supervises the operation of Woods Property Inspection Division

1978-1981 Catawba Regional Planning Council Rock Hill, SC

Director of Rural Development

- Supervised planning personnel
- Assisted local governments with planning and grant proposals
- Met with business community leaders, citizens groups and government officials concerning grant proposals and project planning
- Developed a regional social services transportation program under a federal grant
- Administered the rural planning development grant program

1975-1978 Richland County Columbia, SC

Community Development Director

- Supervised the county Community Development Block Grant program
- Prepared grants for Richland County (population 250,000)
- Assisted with economic, health and art programs for the county

1969-1972 United States Navy Norfolk, VA

- Tours aboard the USS America in Vietnam and Europe

EDUCATION

University of South Carolina Columbia, SC

- Master of Public Administration, 1977
- B.A. in Public Administration, 1975

APPRAISAL COURSES

Appraisal Institute

- 110 Appraisal Principals, December 1994
- 120 Appraisal Procedures, December 1994
- 410 Standards of Professional Practice Part A, December 1994
- 310 Basic Income Capitalization, October 1995
- 520 Highest and Best Use and Market Analysis, October 1995

SEMINARS

- Spectrum STAR Management Certification
- Spectrum LIHTC Seminar
- Spectrum ADA and Section 504 Seminar
- HUD Multi-Family Accelerated Processing Seminar
- HomeTech Inspection Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders

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CATHERINE G. WOODS

EXPERIENCE

1988-present Woods Research, Inc. Columbia, SC

Vice President

- Plans and coordinates the preparation of market studies
- Analyzes demographic and field data
- Prepares market study reports
- Performs site and field surveys to supplement field staff
- Performs budget and accounting functions
- Develops automated systems for data collection and reporting

1981-1987 SCANA/SCE&G Columbia, SC

Supervisor Internal Projects

- Supervised programmer analysts in planning, designing and implementing computer application systems
- Developed departmental plans and budgets

Senior Program Analyst

- Designed and implemented computer application systems
- Installed and implemented vendor software applications
- Wrote instructional manuals for end users

1979-1980 J.P. Stevens and Company Charlotte, NC

Computer Programmer Analyst

- Developed program specifications
- Supervised program and systems testing

1975-1978 SCE&G Columbia, SC

Computer Programmer

- Developed and tested computer applications systems

EDUCATION

University of South Carolina Columbia, SC

- B.S. in Computer Science, 1975
- Graduate courses in Business Administration, 1978-1980

SEMINARS

- Spectrum STAR Management Certification
- Spectrum LIHTC Seminar
- Fair Housing / ADA / Section 504 Seminar
- HUD Multi-Family Accelerated Processing Seminar
- HomeTech Inspection Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders
- National Council of Affordable Housing Market Analyst Seminars

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C. JENNINGS WOODS

EXPERIENCE

1997-present Woods Research, Inc. Columbia, SC

Site Analyst

- Performs site analyses and apartment surveys
- Meets/interviews local government, chamber of commerce, economic development personnel and apartment managers
- Obtains research materials from libraries, websites and data services
- Archives market study reports for offsite backup

2000-2002 College of Charleston Charleston, SC

Internship

- Set up an archive retrieval database for photographs of the Hunley submarine archeological project
- Assisted lead archeologist on the Hunley project
- Assisted photographers and journalists documenting the Hunley project
- Assisted students with research at the college library

EDUCATION

College of Charleston Charleston, SC

- B.S. in Anthropology, 2002, with minors in African Studies and African-American Studies

University of South Carolina Columbia, SC

- M.S. in Journalism and Mass Communications, 2004

SEMINARS

- LIHTC Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders

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JOHN B. WOODS

EXPERIENCE

1998-present Woods Research, Inc. Columbia, SC
Site Analyst

- Performs site analyses and apartment surveys
- Meets/interviews local government, chamber of commerce, economic development personnel and apartment managers
- Performs property inspections and compliance reviews for Woods Property Inspection Division

1986-1998 Langer and Associates, Inc. Charlotte, NC
Vice President/part Owner

- Supervised the daily operations of the company
- Performed property inspection and premium audits for insurance carriers to insure compliance with regulations

1984-1986 Gay & Taylor, Inc. Winston-Salem, NC
Vice-President of Operations

- Supervised the merger of two company field staffs into one with over 700 employees in 30 states
- Supervised the daily operations of the company

1973-1984 Seibels Bruce Group, Inc. Columbia, SC
Assistant Vice-President, Claims Manager

- Investigated, evaluated and settled property claims
- Established and managed claims offices in 13 states with over 200 employees

EDUCATION

University of South Carolina, 1964 Columbia, SC
Insurance Institute of America

SEMINARS

- Spectrum LIHTC Seminar
- LIHTC – Elizabeth Moreland seminar
- LIHTC certification–GA Department of Community Affairs
- Fair Housing/ ADA/Section 504 Seminar
- National Council of Affordable Housing Market Analyst Seminars

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INFORMATION SOURCES

2010 Census of Population and Housing, Summary, U.S. Department of Commerce, Bureau of the Census.

2000 Census of Population and Housing, Summary Tape File 1A/3A, U.S. Department of Commerce, Bureau of the Census.

Housing Units Authorized by Building Permits and Public Contracts: Annual 2000-2011, (C-40 Construction Reports), U.S. Department of Commerce, Bureau of the Census.

The 2011 Sourcebook of County Demographics, CACI Marketing Systems.

2011 Income Limits for Low-Income and Very Low-Income Families, Housing Act of 1937, U.S. Department of Housing and Urban Development.

2011 Fair Market Rents for Housing Choice Voucher Program and Moderate Rehab SRO Fiscal Year 2007, U.S. Department of Housing and Urban Development.

Labor and wage data, Bureau of Labor Statistics Data, U.S. Department of Labor.

Selected Reports from Catalyst Connect, Nielson Claritas.

DeLorme Mapping System.

Various publications from Chambers of Commerce, Economic Development Offices, County Offices, City Halls and Planning Offices.

Interviews with personnel from Chambers of Commerce, Economic Development Offices, the County Offices, City Halls and Planning Offices.

U.S. Census Bureau, U.S. Department of Labor, HUD, Chamber of Commerce, Economic Development and Community-related web sites.

Interviews with Apartment Managers, Management Companies, and Housing Authority offices.

State Employment Office.

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NCAHMA MEMBER CERTIFICATION

This market study has been prepared by **Woods Research, Inc.**, a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects*, and *Model Content Standards for the Content of 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 analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

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

*While the document specifies "**Woods Research, Inc.**" the certification is always signed by the individual completing the study and attesting to the certification.*

(NOTE: Information on the National Council of Affordable Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting www.housingonline.com)

Certificate of Membership

Woods Research, Inc.

Is a Member Firm in Good Standing of



Formerly known as
National Council of Affordable
Housing Market Analysts

National Council of Housing Market Analysts
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Membership Term
10/1/2012 to 9/30/2013



Thomas Amdur
Executive Director, NH&RA

Certificate of Continuing Education

James Woods

In recognition of the completion of the course entitled:

2011 Affordable Housing Policy & Underwriting Forum

Date(s): April 27-28, 2011
Location: Washington, DC
CPE: 10.2 Classroom Hours
In accordance with the standards of the National Registry of the CPE Sponsors, CPE credits have been granted based on a 50-minute hour.
Area of Study: Taxation
Delivery Method: Group-Live

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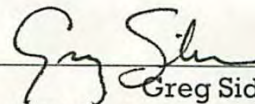
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Greg Sidorov
National Housing & Rehabilitation Association
Signature of Person Responsible for
Administration of Continuing Education

Certificate of Continuing Education

Charles Woods

In recognition of the completion of the course entitled:

2011 Affordable Housing Policy & Underwriting Forum

Date(s): April 27-28, 2011
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Delivery Method: Group-Live

Sponsored By:



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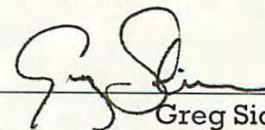
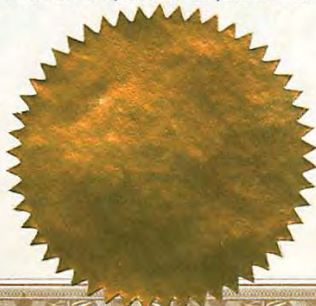
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Greg Sidorov
National Housing & Rehabilitation Association
Signature of Person Responsible for
Administration of Continuing Education

**MULTIFAMILY ACCELERATED PROCESSING
(MAP)**

This Certificate is Awarded to

James Woods

For Successful Completion of the MAP Underwriting Training

Presented by

Atlanta Multifamily Hub

June 3, 2011

Date



Paul J. Deignan, Jr.

Paul J. Deignan, Jr.
Acting Director
Atlanta Multifamily Hub