

Market Feasibility Analysis

Bent Tree
Southwest corner of
Hartsville Crossing Boulevard and Driver Avenue
Hartsville, Darlington County, South Carolina 29550

Prepared For

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Effective Date

February 27, 2014

Job Reference Number

14-171 JW/PB



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2014 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Bent Tree	Total # Units:	36
Location:	Southwest corner of Hartsville Crossing Boulevard and Driver Avenue Hartsville, SC 29550	# LIHTC Units:	36
PMA Boundary:	Darlington County line to the north, the western zip code boundaries for 29532 and 29540 to the east, Interstate 20 to the south and Lee State Park Road (State Route 22), Ashland-Stokes Bridge Highway and Family Road to the west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	9.3 miles

RENTAL HOUSING STOCK (found on page H-13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	580	11	98.1%
Market-Rate Housing	2	120	11	90.8%
Assisted/Subsidized Housing not to include LIHTC	5	259	0	100.0%
LIHTC (All that are stabilized)*	3	201	0	100.0%
Stabilized Comps**	2	112	0	100.0%
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
3	Two	1.75	1,100	\$375	\$690	\$0.63	45.65%	\$995	\$0.88
9	Two	1.75	1,100	\$460	\$690	\$0.63	33.33%	\$995	\$0.88
6	Three	2.5	1,250	\$425	\$805	\$0.64	47.20%	\$1,210	\$0.94
18	Three	2.5	1,250	\$500	\$805	\$0.64	37.89%	\$1,210	\$0.94
Gross Potential Rent Monthly*				\$16,815	\$27,600		39.08%		

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

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

	2000		2013		2016	
Renter Households	3,449	29.1%	3,517	29.3%	3,533	29.4%
Income-Qualified Renter HHs (LIHTC)	748	21.7%	769	21.9%	761	21.5%
Income-Qualified Renter HHs (MR)	(if applicable)	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	-8	-5	-	-	-	-8
Existing Households (Overburd + Substand)	154	136	-	-	-	200
Homeowner conversion (Seniors)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-qualified Renter HHs	146	131	-	-	-	192

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	6.2%	20.6%	-	-	-	18.8%

ABSORPTION RATE (found on page G-6)

Absorption Period	5 months
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S-2 RENT CALCULATION WORKSHEET

Project Name: Bent Tree

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
3	2 BR	\$375	\$1,125	\$690	\$2,070	
9	2 BR	\$460	\$4,140	\$690	\$6,210	
	2 BR		\$0		\$0	
6	3 BR	\$425	\$2,550	\$805	\$4,830	
18	3 BR	\$500	\$9,000	\$805	\$14,490	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	36		\$16,815		\$27,600	39.08%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 36-unit Bent Tree affordable rental community in Hartsville, South Carolina. The proposed project, which will offer two- and three-bedroom townhome units, will be developed under the Low-Income Housing Tax Credit (LIHTC) program and will target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of 12 two-bedroom/1.75-bath and 24 three-bedroom/2.5-bath units with proposed collected Tax Credit rents ranging from \$400 to \$500. The project is anticipated to be complete in 2015. Additional details regarding the project are as follows:

- a. Property Location:** Southwest corner of
Hartsville Crossing Boulevard and
Driver Avenue
Hartsville, South Carolina 29550
(Darlington County)

QCT: Yes DDA: No
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% of AMHI
- e. Special Needs Population:** Not applicable
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
3	Two-Br.	1.75	Townhome	1,100	50%	\$375	\$186	\$561	\$591
9	Two-Br.	1.75	Townhome	1,100	60%	\$460	\$186	\$646	\$709
6	Three-Br.	2.5	Townhome	1,250	50%	\$425	\$224	\$649	\$682
18	Three-Br.	2.5	Townhome	1,250	60%	\$500	\$224	\$724	\$819
36	Total								

Source: Quad State Development, Inc.

AMHI – Area Median Household Income (Darlington County, South Carolina HUD Metro FMR Area; 2014)

- g. Number Of Stories/Buildings:** One (1) two-story, walk-up residential building
- k. Project-Based Rental Assistance (Existing or Proposed):** None



l. Community Amenities:

The subject property will include the following community features:

- On-site Management
- Laundry Facility
- Club House/Community Room
- Security Cameras
- Storage
- Fitness Center
- Playground
- Computer Center
- Picnic Area

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator with Icemaker
- Dishwasher
- Microwave Oven
- Carpet
- Central Air Conditioning
- Window Blinds
- Washer/Dryer Hookups
- Patio
- Ceiling Fan

n. Parking:

A surface parking lot will be provided at no charge to the tenants

o. Utility Responsibility:

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

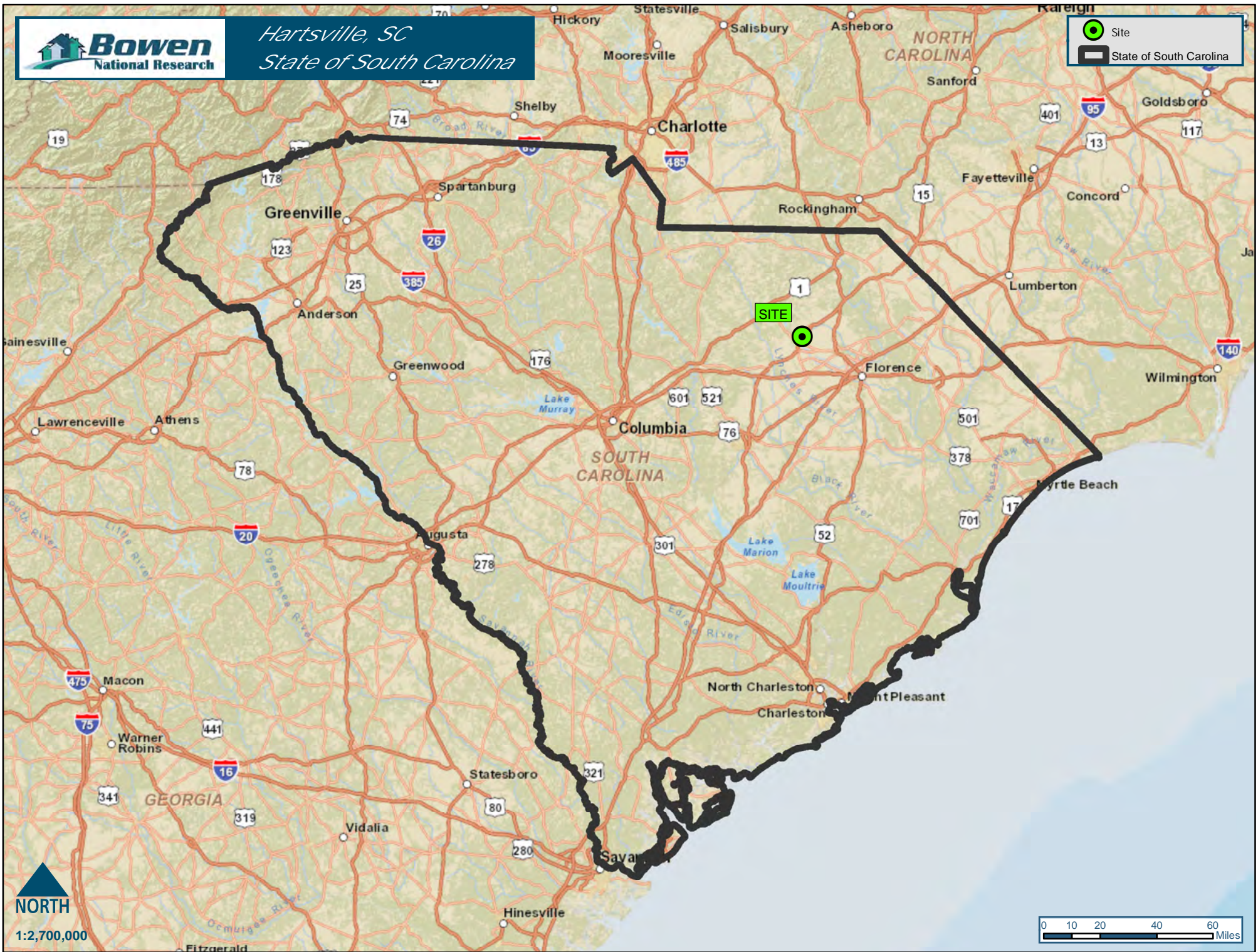
- Electric Heat Pump
- Electric Air Conditioning
- General Electric
- Electric Water Heating
- Electric Cooking
- Water/Sewer

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



Hartsville, SC
State of South Carolina

Site
State of South Carolina

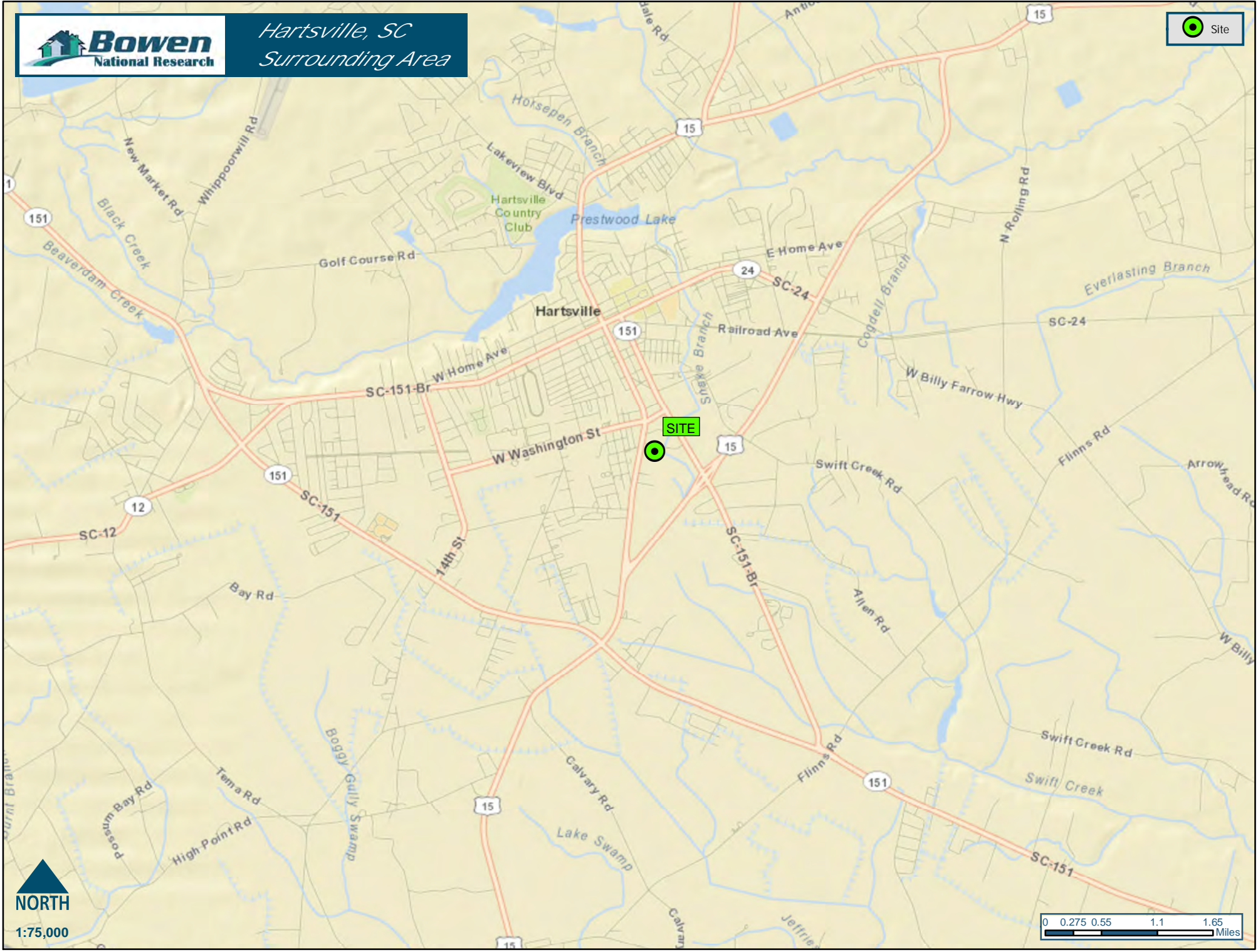


NORTH
1:2,700,000

0 10 20 40 60 Miles



Hartsville, SC
Surrounding Area



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 17, 2014. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site, Bent Tree, consists of approximately 7.63 acres of undeveloped land located at the southwest corner of Hartsville Crossing Boulevard and Driver Avenue, in Hartsville, South Carolina. Located within Darlington County, Hartsville is approximately 24.0 miles northwest of Florence, South Carolina and approximately 70.0 miles northeast of Columbia, South Carolina. Following is a description of surrounding land uses:

North -	Two-lane, divided Hartsville Crossing Boulevard borders the site to the north. Across from Hartsville Crossing Boulevard are Badcock Furniture and Aaron's Electronics. A small vacant lot also exists adjacent to the site to the north. Further north are additional retailers, restaurants and a hotel.
East -	Driver Avenue borders the site to the east, which primarily serves deliveries to neighboring Walmart Supercenter. Pizza Hut is also adjacent to the site to the east. Further east is South 4 th Street, a primary commercial corridor with several restaurants, retailers and other businesses.
South -	The site is bordered on the south by a vacant structure, formerly occupied by Walmart until moving to its current location east of site. Continuing south are the Hartsville Housing Authority and multifamily units in fair condition. Undeveloped land extends further south of the site.
West -	Central Plaza borders the site to the west, a shopping center featuring payday advance/loan facilities, a beauty salon, Curve's, as well as vacant structures. Further west are additional local businesses and single-family homes in satisfactory condition.

The proposed site is located in a commercial area of Hartsville. Because of this, a plentiful amount of community services exist within close proximity of the subject site. Even though there are various vacant structures within visibility of the site, the development will contribute to the improvement of the neighborhood.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 151	0.2 East
	U.S. Highway 15	0.5 South
Public Bus Stop	N/A	N/A
Major Employers/Employment Centers	Walmart Supercenter	Adjacent East
	Hartsville Mall Shopping Center	0.5 North
	Sonoco Products Company	1.5 North
Convenience Store	Foxes Corner & Convenience	0.2 Northwest
	Murphy USA	0.3 East
Grocery	Walmart Supercenter	Adjacent East
	Piggly Wiggly	0.2 North
Discount Department Store	Walmart Supercenter	Adjacent East
	Goody's	0.1 North
	Roses Stores	0.2 North
Shopping Center/Mall	Hartsville Mall Shopping Center	0.5 North
Schools:		
Elementary	Washington Street Elementary	0.6 West
Middle/Junior High	Hartsville Middle School	2.6 Southwest
Senior High	Hartsville High School	1.7 West
Hospital	CareSouth Carolina	0.4 Southeast
	Carolina Pines Regional Medical Center	3.1 West
Police	Hartsville Police Department	1.2 Northwest
Fire	Hartsville Fire Department	1.3 Northwest
Post Office	U.S. Post Office	0.4 North
Bank	Bank Of America	0.2 Northwest
	Carolina Bank & Trust Company	0.4 East
Gas Station	Foxes Corner Gas & Convenience	0.2 West
	Murphy USA	0.3 East
	Sunoco	0.4 Northeast
Pharmacy	Walmart Pharmacy	0.1 East
	Super Rx Pharmacy	0.2 West
	Rite Aid	0.2 Southwest
Restaurant	Pizza Hut	0.1 East
	Subway	0.1 East
	Hardee's	0.1 West
Day Care	Kidz Place II	0.3 Northeast
	Magnolia Child Care Center	0.5 West
	St. Joseph Head Start Center	0.6 West
Library	Hartsville Memorial Library	1.3 Northwest
Fitness Center	Fitness World	0.1 Northwest
	Curves	0.6 Southwest
Park	Byerly Park	1.6 Southwest
	Lawton Park	2.3 Northwest
	Kalmia Gardens	3.3 West
Church	St. John United Methodist Church	0.4 West
	Fourth Street Baptist Church	0.4 Northeast
	Centenary United Methodist Church	0.5 Northwest

Several shopping opportunities exist along South 4th and 5th streets, both within 0.3 miles of the site. Community services within 1.0 mile include a shopping center, grocery stores, pharmacies, banks, restaurants, discount department stores, gas stations/convenience stores and a post office.

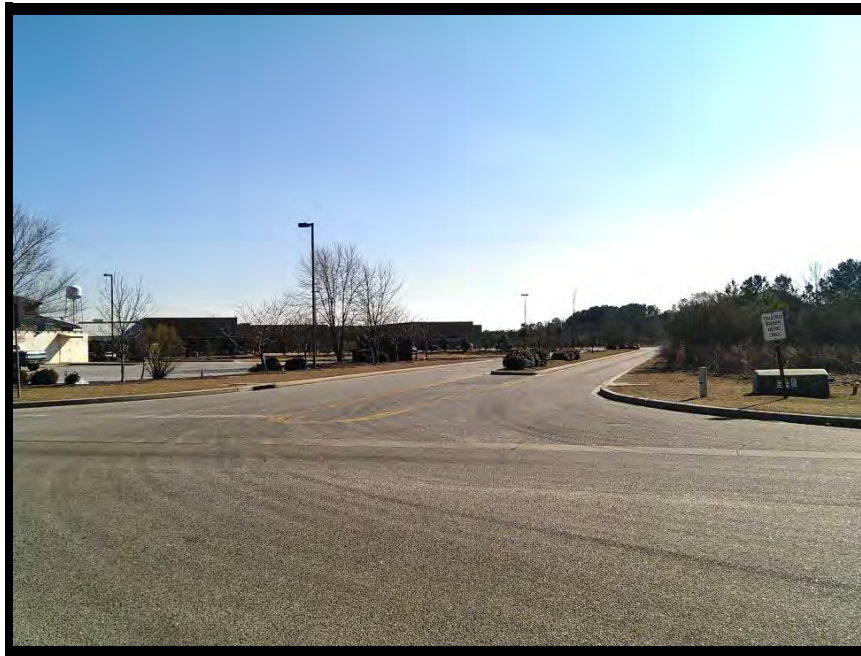
Byerly Park is the nearest park to the site located on West Washington Street, 1.5 miles southwest. This park includes playgrounds, soccer and baseball/softball fields, tennis courts, a 400 meter track, running trails, picnic areas and an indoor gymnasium. Various other recreational opportunities within 3.5 miles of the site include Fitness World, Lawton Park and Kalmia Gardens.

Some of the city's highlight destinations include Coker College, the Governor's School for Science & Mathematics, Sonoco International Headquarters and Carolina Pines Regional Medical Center. Many of these facilities, which add to the quality of life, attract highly educated and resourceful professionals to the Hartsville area.

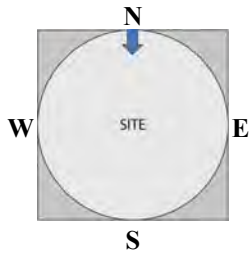
4. SITE PHOTOGRAPHS

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

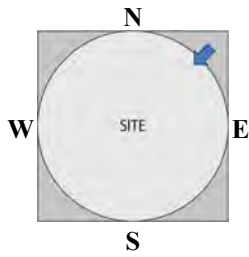
SITE PHOTOGRAPHS



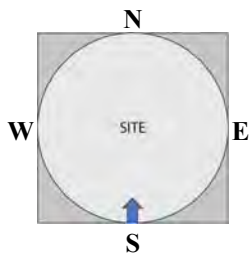
Site Entryway at Hartsville-Crossing Boulevard



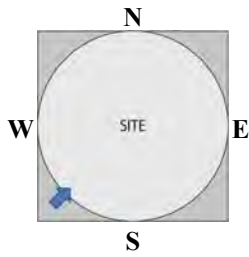
View of site from the north



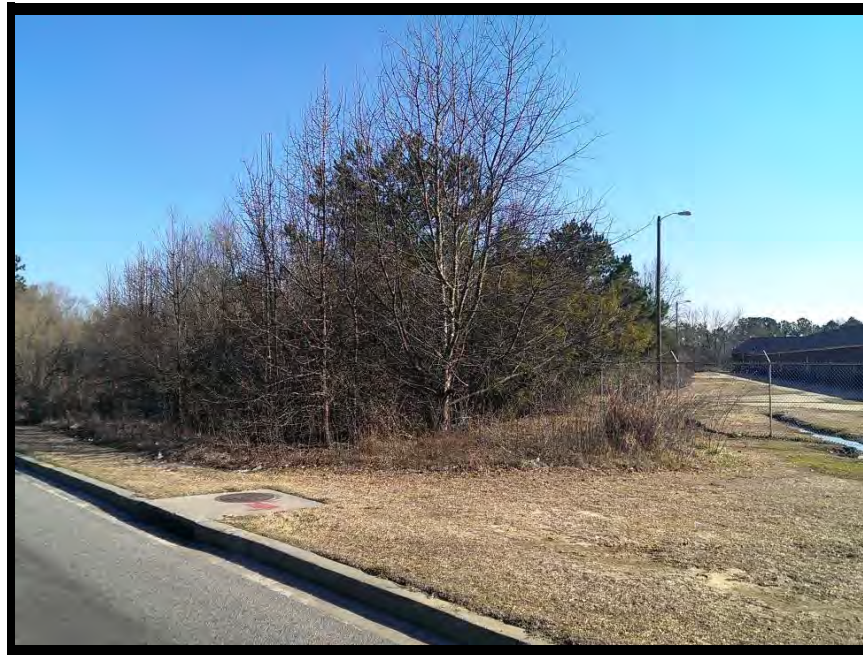
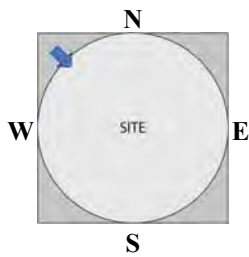
View of site from the northeast



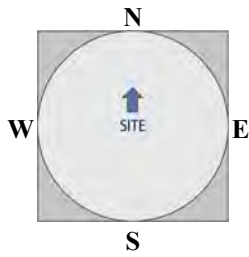
View of site from the south



View of site from the southwest



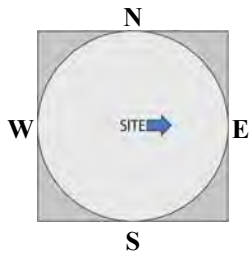
View of site from the northwest



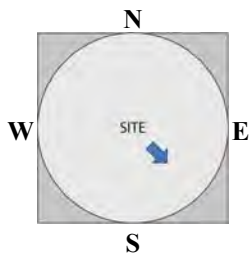
North view from site



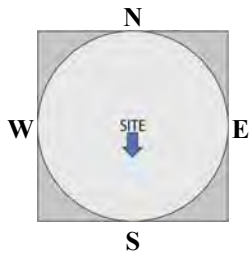
Northeast view from site



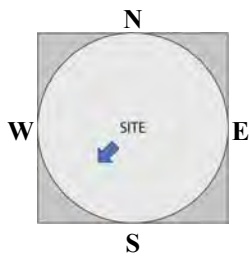
East view from site



Southeast view from site



South view from site



Southwest view from site



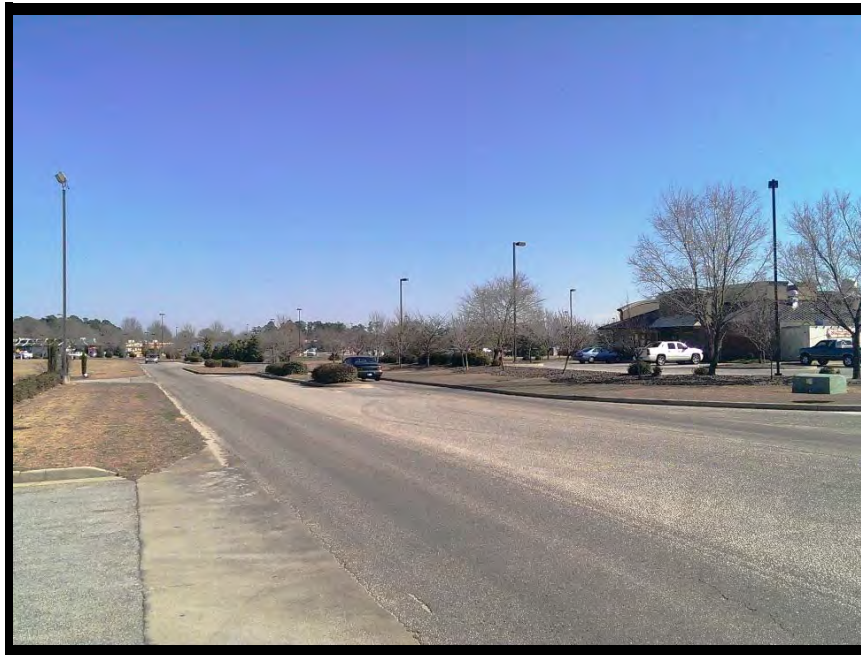
West view from site



Northwest view from site



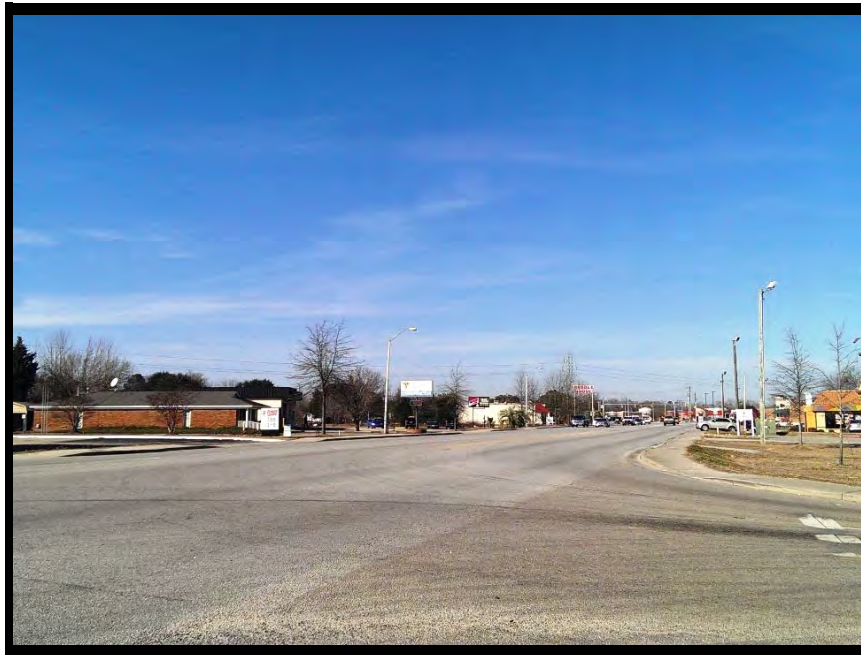
Streetscape west view of Hartsville-Crossing Boulevard



Streetscape east view of Hartsville-Crossing Boulevard



Streetscape south view of U.S. Highway 15



Streetscape north view of U.S. Highway 15

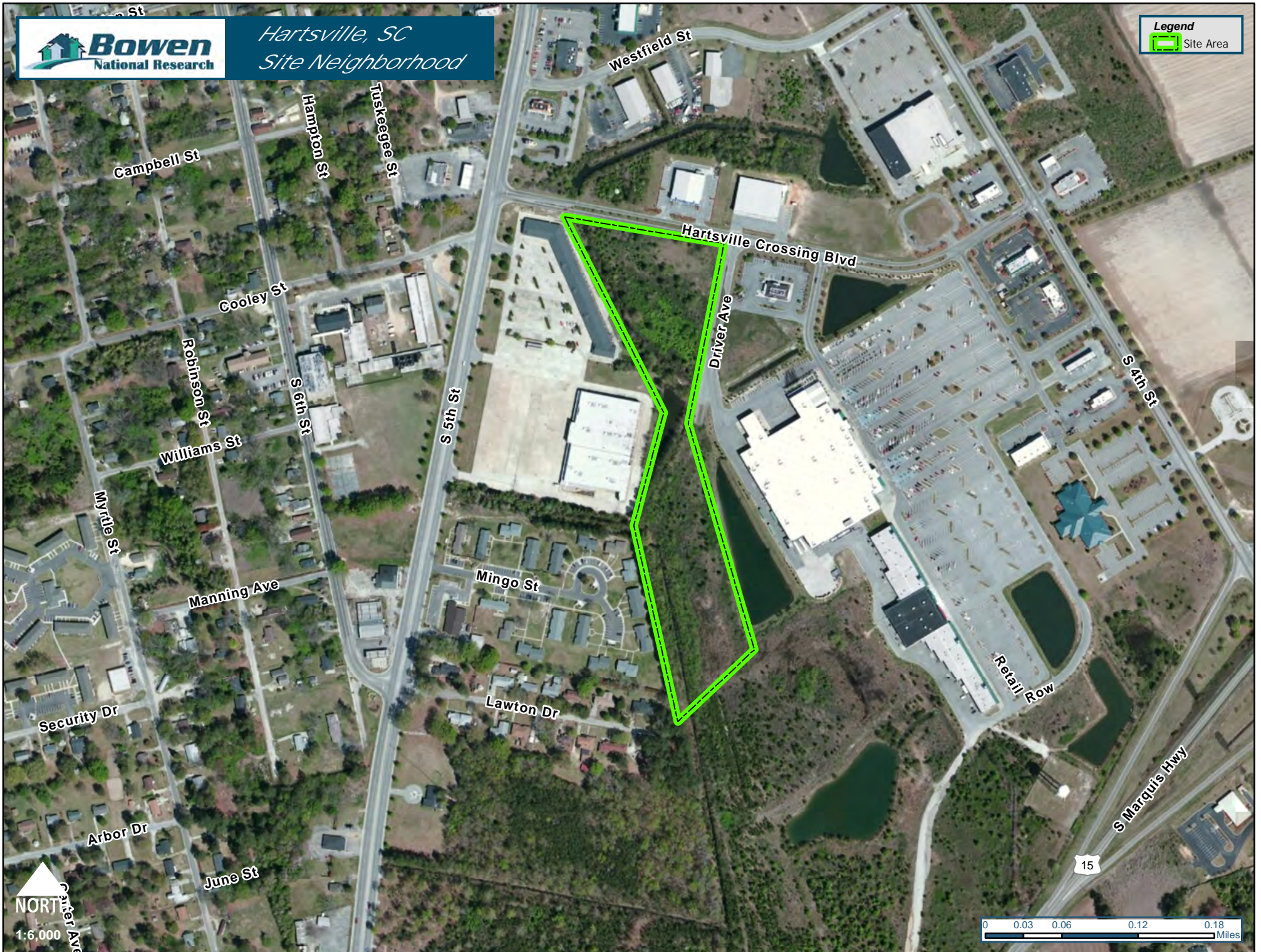
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



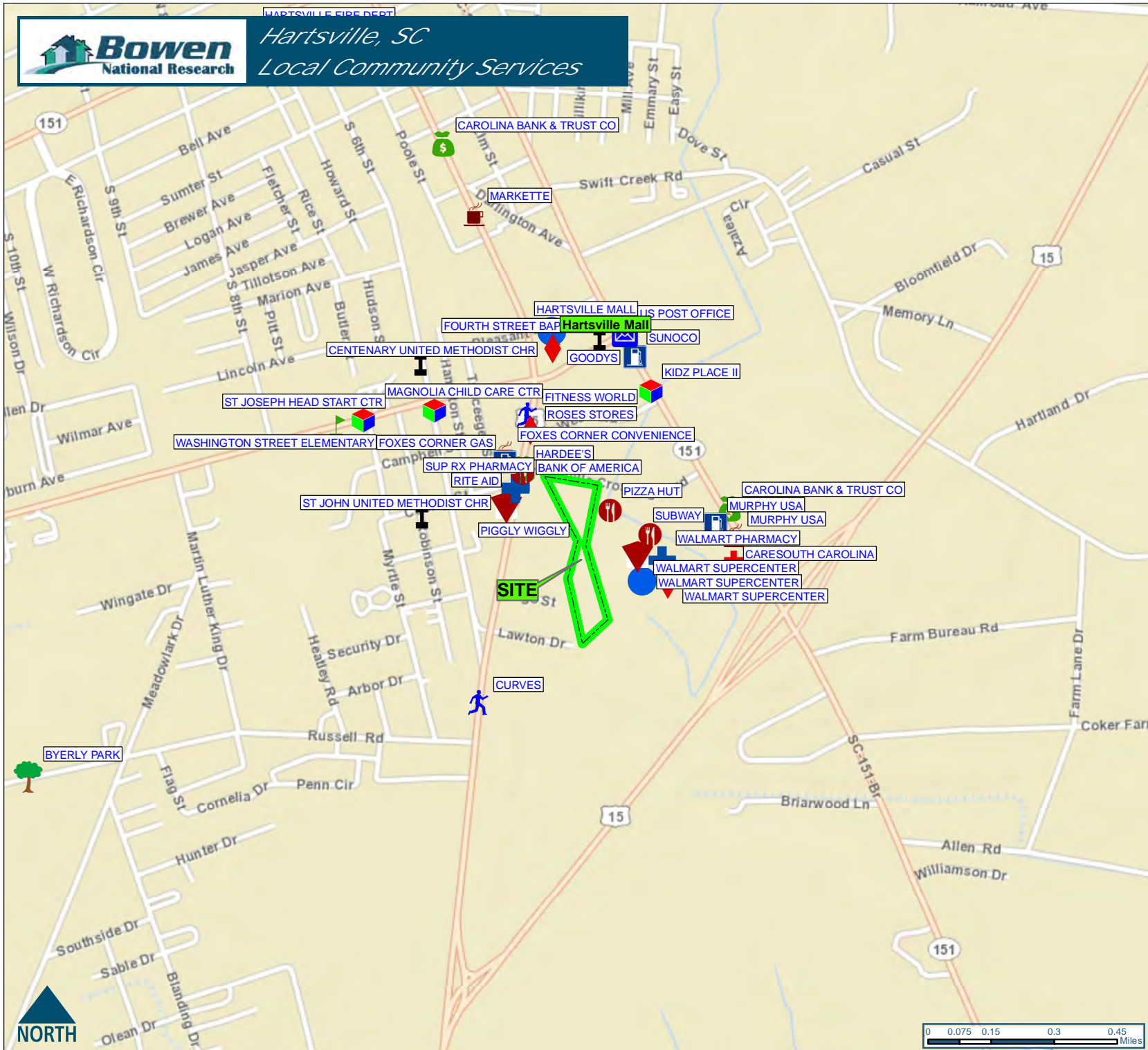
Hartsville, SC
Site Neighborhood

Legend
Site Area



NORTH
1:6,000
Carter Ave

0 0.03 0.06 0.12 0.18 Miles



Legend

- Site Area
- bank
- child care
- church
- convenience store
- elementary school
- fitness center
- gas
- grocery
- medical center
- park
- pharmacy
- post office
- restaurant
- shopping
- employers_1000_5000

Shopping Center

Gross Leasable Area

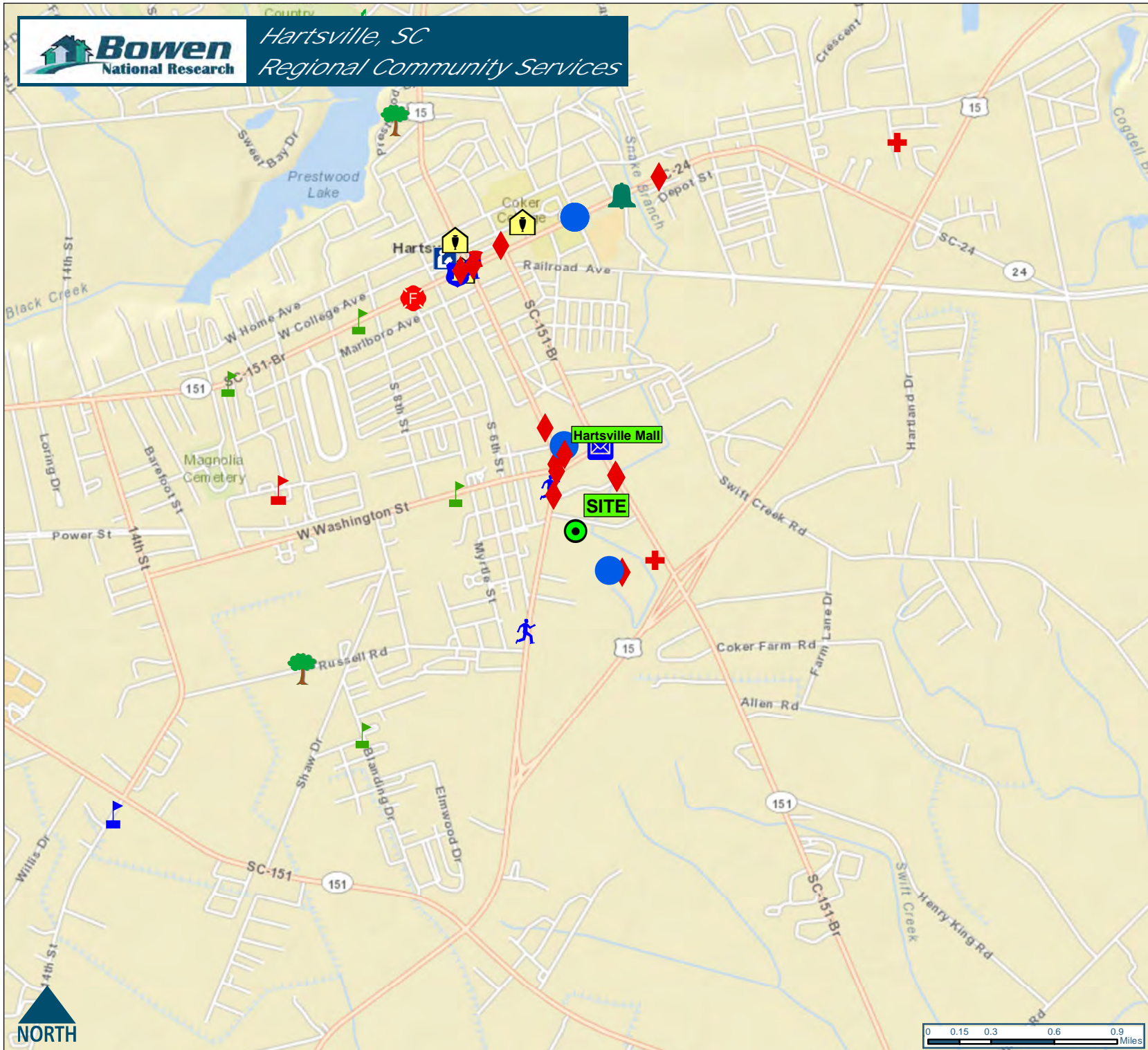
- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



1:20,000



Hartsville, SC
Regional Community Services



Legend

- Site
- elementary school
- fire
- fitness center
- high school
- library
- medical center
- middle school
- museum
- park
- police
- post office
- shopping
- university
- employers_1000_5000

**Shopping Center
Gross Leasable Area**

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is within 0.3 miles of South 4th and 5th streets, both major thoroughfares in Hartsville. According to local planning and zoning officials, no significant road construction or infrastructure improvements are planned for the immediate neighborhood.

7. CRIME ISSUES

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

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

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

Total crime risk (129) for the Site PMA is above the national average with an overall personal crime index of 165 and a property crime index of 121. Total crime risk (129) for Darlington County is above the national average with indexes for personal and property crime of 163 and 123, respectively.

	Crime Risk Index	
	Site PMA	Darlington County
Total Crime	129	129
Personal Crime	165	163
Murder	126	147
Rape	113	125
Robbery	104	86
Assault	228	208
Property Crime	121	123
Burglary	143	151
Larceny	106	110
Motor Vehicle Theft	96	88

Source: Applied Geographic Solutions

As the table on the previous page illustrates, the crime index for the Site PMA is similar to that of Darlington County. As such, it is unlikely that perception of crime will have an impact on marketability at the subject property. In addition, all LIHTC projects within Hartsville are 100.0% occupied, further providing evidence that crime has not had an adverse impact on occupancy levels.

A map illustrating crime risk is on the following page.



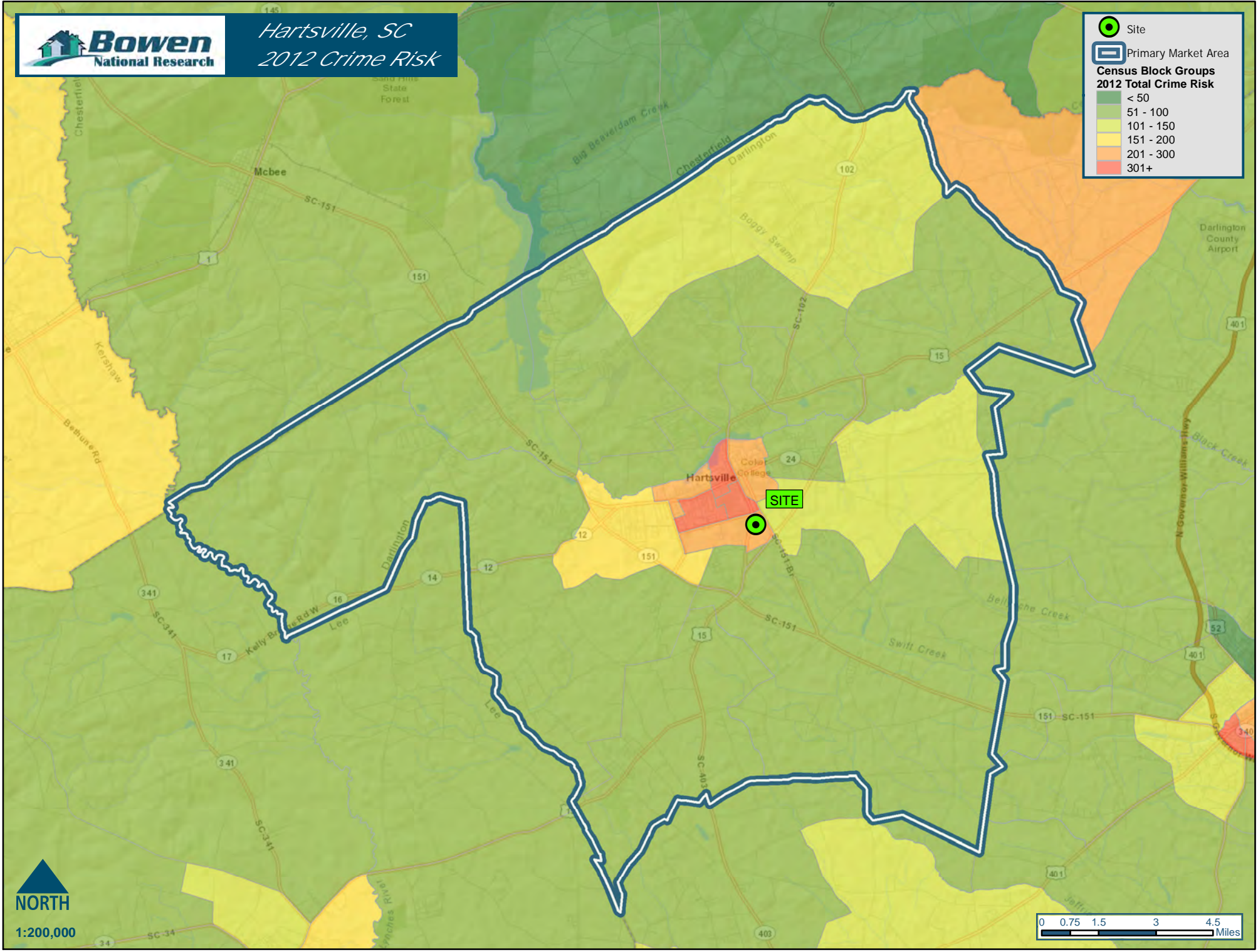
Hartsville, SC
2012 Crime Risk

● Site

▭ Primary Market Area

**Census Block Groups
2012 Total Crime Risk**

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



1:200,000



8. ACCESS AND VISIBILITY

Primary access to the proposed site is from Hartsville Crossing Boulevard. Hartsville Crossing Boulevard links South 4th and 5th streets in the southern portion of Hartsville. Both streets are easily accessible within 0.3 miles of the proposed site. Overall access is considered good. Visibility of the site is considered good within the immediate area; however it will be minimal from traffic along both South 4th and 5th streets, as it is obstructed by the surrounding land uses. As such, promotional signage is recommended near the intersections of South 4th Street and Hartsville Crossing Boulevard, as well as South 5th Street and Hartsville Crossing Boulevard.

9. VISIBLE OR ENVIRONMENTAL ISSUES

As noted previously in this section, there are various vacant structures that are within visibility of the site. A noticeable amount of noise generated from local traffic was also observed while conducting the site visit. However, these factors are not anticipated to adversely impact the marketability of the proposed development. Development of the subject site will contribute to the improvement of the neighborhood.

10. OVERALL SITE CONCLUSIONS

The subject site is located in a commercial area within the southern portion of Hartsville. Even though there are various vacant structures within the immediate area, development of the subject site will contribute to the improvement of the neighborhood. Additionally, due to the site's location, it is within close proximity of various shopping opportunities, as most are within 1.0 mile. Visibility is obstructed by the surrounding land uses for those prospective residents traveling on South 4th and 5th streets. As such, promotional signage is recommended. Access is considered good as it is within 0.5 miles of State Route 151 and U.S. Highway 15. Social and public safety services are all within 2.9 miles. Overall, we consider the site's location and proximity to community services to generally have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

Lucy Brown, Broker at Brown & Coker Realty, noted that nearly 10,000 people live within the city limits of Hartsville, and close to another 10,000 live in areas surrounding Hartsville including North Hartsville as well as areas south. Because of this, Hartsville is a decent sized community with people of all income levels. She also noted that quite frequently, a number of residents seek rental housing in Hartsville because of several of the city's professional facilities including the hospital, Coker College and Sonoco Headquarters. However, the majority of people she speaks with live in and around the Hartsville area, thus confirming the Site PMA.

Kisha Johnson, Property Manager at Hartsville Garden Apartments (Map I.D. 1), a 72-unit general occupancy Tax Credit community built in 2011, noted that because of the facility's quality, she does hear from interested tenants in the greater Hartsville area including towns surrounding Hartsville. Despite this, Ms. Johnson noted that the majority of the tenants at Hartsville Garden were previously living in Hartsville prior to residing at her property.

Tamika Berry, Public Housing Occupancy Specialist for Hartsville Housing Authority, stated that approximately 98.0% of the current residents are from the immediate Hartsville area, with the remaining 2.0% being from within Darlington County.

The Hartsville Site PMA includes the entire city of Hartsville and outlying areas of Darlington County. The boundaries of the Site PMA consist of the Darlington County line to the north, the western zip code boundaries for 29532 and 29540 to the east, Interstate 20 to the south and Lee State Park Road (State Route 22), Ashland-Stokes Bridge Highway and Family Road to the west. The Site PMA comprises Census Tract numbers: 102, 103, 104, 105, 106, 107, 108 and 109.

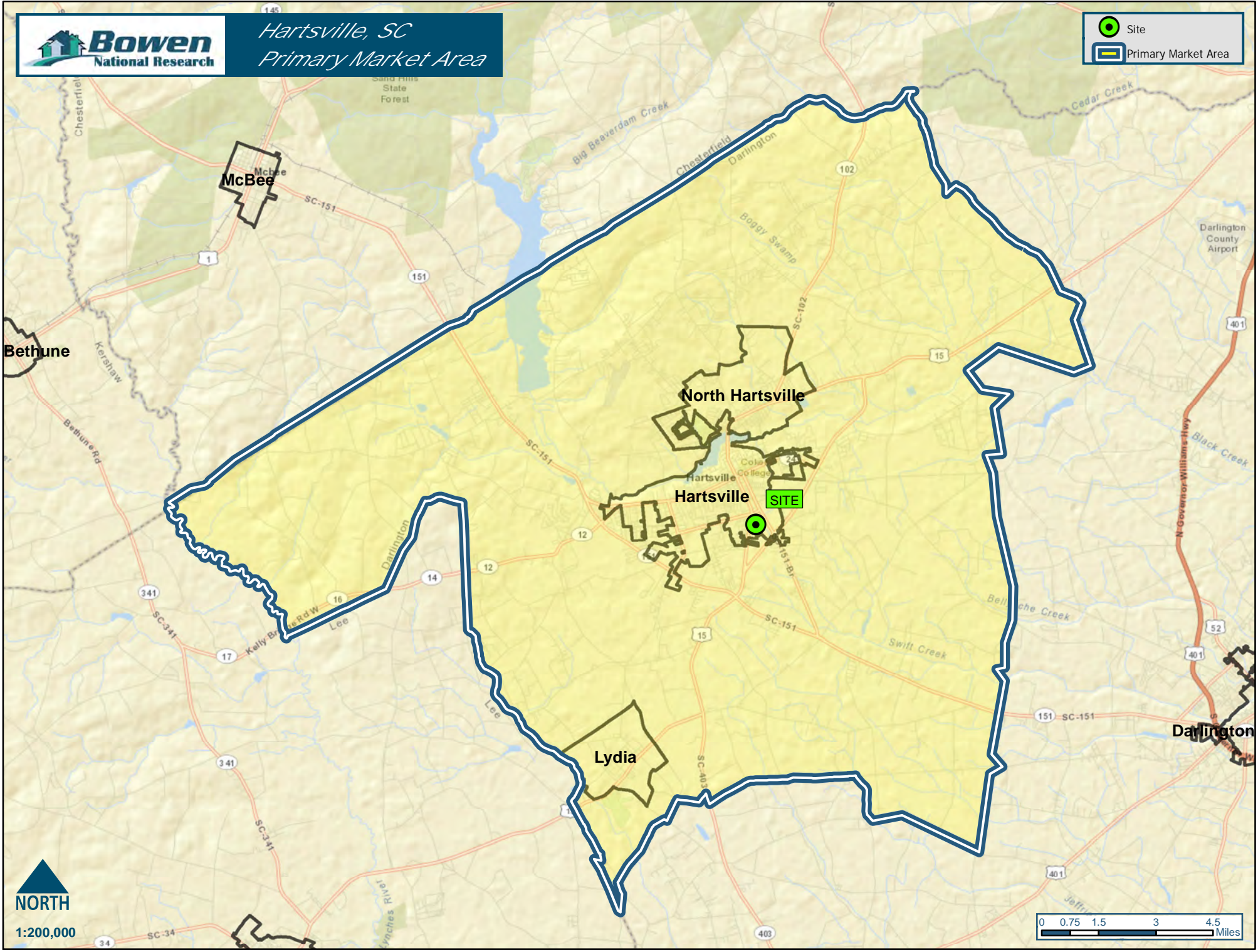
A modest portion of support may originate from some of the outlying communities in the area; we have not, however, considered any secondary market area in this report.

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



Hartsville, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:200,000



E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

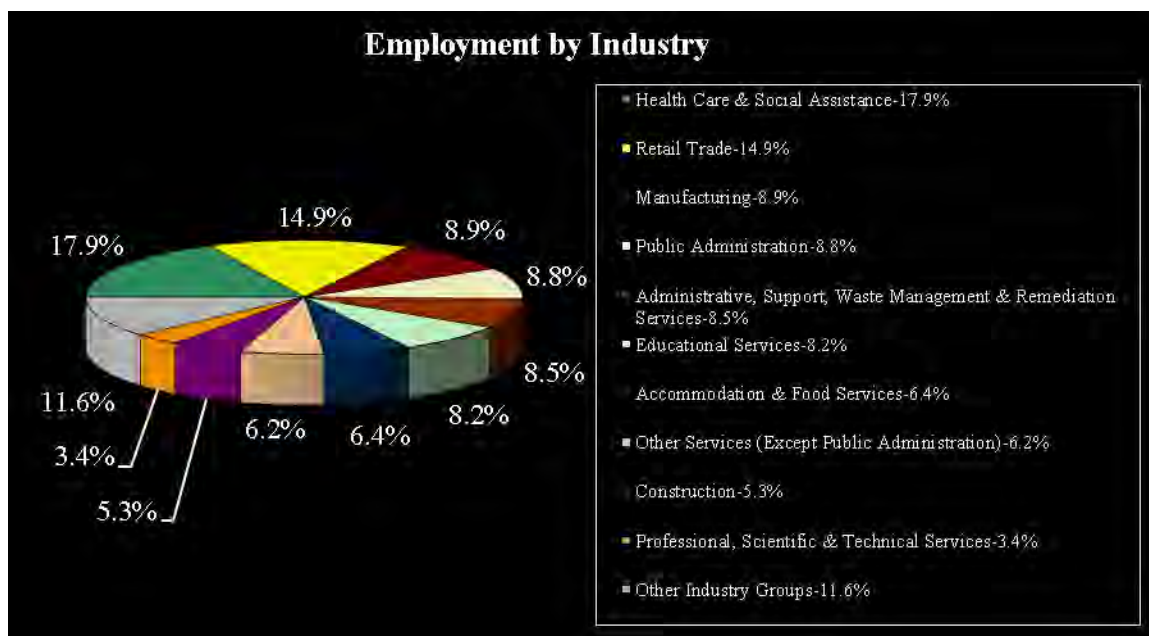
The labor force within the Hartsville Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 17.9%) and Retail Trade comprise nearly 33% of the Site PMA labor force. Employment in the Hartsville Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	45	3.1%	93	0.9%	2.1
Mining	1	0.1%	1	0.0%	1.0
Utilities	4	0.3%	79	0.8%	19.8
Construction	124	8.7%	526	5.3%	4.2
Manufacturing	38	2.7%	887	8.9%	23.3
Wholesale Trade	49	3.4%	212	2.1%	4.3
Retail Trade	202	14.1%	1,483	14.9%	7.3
Transportation & Warehousing	52	3.6%	194	2.0%	3.7
Information	11	0.8%	77	0.8%	7.0
Finance & Insurance	59	4.1%	206	2.1%	3.5
Real Estate & Rental & Leasing	60	4.2%	186	1.9%	3.1
Professional, Scientific & Technical Services	103	7.2%	341	3.4%	3.3
Management of Companies & Enterprises	2	0.1%	4	0.0%	2.0
Administrative, Support, Waste Management & Remediation Services	198	13.8%	844	8.5%	4.3
Educational Services	31	2.2%	813	8.2%	26.2
Health Care & Social Assistance	124	8.7%	1,777	17.9%	14.3
Arts, Entertainment & Recreation	22	1.5%	97	1.0%	4.4
Accommodation & Food Services	66	4.6%	635	6.4%	9.6
Other Services (Except Public Administration)	218	15.2%	617	6.2%	2.8
Public Administration	24	1.7%	875	8.8%	36.5
Total	1,433	100.0%	9,947	100.0%	6.9

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Florence MSA	South Carolina
Management Occupations	\$88,700	\$93,820
Business and Financial Occupations	\$50,990	\$58,660
Computer and Mathematical Occupations	\$53,960	\$63,670
Architecture and Engineering Occupations	\$64,160	\$72,610
Community and Social Service Occupations	\$34,810	\$38,950
Art, Design, Entertainment and Sports Medicine Occupations	\$37,010	\$41,300
Healthcare Practitioners and Technical Occupations	\$63,300	\$64,670
Healthcare Support Occupations	\$21,860	\$25,010
Protective Service Occupations	\$30,630	\$33,430
Food Preparation and Serving Related Occupations	\$18,420	\$19,610
Building and Grounds Cleaning and Maintenance Occupations	\$19,950	\$22,080
Personal Care and Service Occupations	\$21,510	\$22,420
Sales and Related Occupations	\$28,480	\$30,660
Office and Administrative Support Occupations	\$30,340	\$31,280
Construction and Extraction Occupations	\$32,120	\$35,900
Installation, Maintenance and Repair Occupations	\$38,610	\$40,140
Production Occupations	\$35,540	\$34,750
Transportation and Moving Occupations	\$30,740	\$29,620

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

Most annual blue-collar salaries range from \$19,200 to \$38,610 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,222. It is important to note that most occupational types within the MSA have lower typical wages than the State of South Carolina's typical wages. The proposed project will target households with incomes generally between \$18,890 and \$34,000. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Darlington County comprise a total of 4,832 employees. These employers are summarized in the following table. It should be noted that this list does not include the Darlington County School District, Carolina Pines Regional Medical Center and Coker College, which are also major players in Darlington County's economy.

Business	Business Type	Total Employed
Sonoco Products	Packaging Products Manufacturer	1,781
Dixie/Georgia Pacific	Paper Products Manufacturer	535
Nucor	Steel Bar Manufacturer	510
Galey & Lord	Textile Mill	499
Robinson Nuclear Plant	Power Plant	430
Walmart Supercenter	Retail	380
RBC	Bearings Manufacturer	209
New South Lumber Company	Wood/Lumber	180
Darlington Veneer	Wood Products	160
Stingray Boats	Pleasure Boats	148
Total		4,832

Source: Darlington County Economic Development Partnership

According to a representative with the Darlington County Economic Development Partnership the economy is slowly improving. The economy has been slow to improve due to the shortage of skilled laborers, and welders within the county as these are the fastest and most in demand industries within the county. The metropolitan areas of Hartsville have seen the most development within the past few years as the rural portions of the county remain slow at the present time. However there has been some positive growth within the manufacturing industry which is summarized as follows.

- In late 2013, Sonoco, a paper manufacturer, was testing a new \$75 million biomass boiler that will be brought online in late 2014. The boiler project is about 80% complete. This new boiler will replace two outdated coal-fired boilers that have been in use at the Hartsville manufacturing complex for more than 60 years. This will allow Sonoco to reduce its reliance on coal energy and reduce the plant's carbon footprint. Additionally, the new system will produce about 16 megawatts of green energy that will be consumed by the manufacturing complex, as well as steam that is used in the paper making process. Sonoco also announced the launch of a new, responsive corporate website that provides better access to visitors on tablets and mobile phones. Currently, over 15% of Sonoco's website visitors are on mobile devices.

WARN (layoff notices):

According to the South Carolina Works website, there have been zero WARN notices of large scale layoffs/closures reported for Darlington county since 2013.

4. EMPLOYMENT TRENDS

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

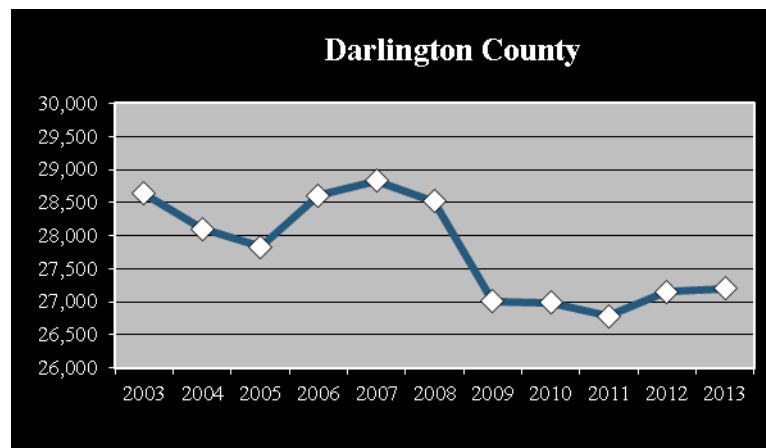
Excluding 2013, the employment base has declined by 4.8% over the past five years in Darlington County, more than the South Carolina state decline of 1.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Darlington County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	28,638	-	1,854,419	-	137,936,674	-
2004	28,100	-1.9%	1,888,050	1.8%	138,386,944	0.3%
2005	27,830	-1.0%	1,922,367	1.8%	139,988,842	1.2%
2006	28,604	2.8%	1,970,912	2.5%	142,328,023	1.7%
2007	28,828	0.8%	2,010,252	2.0%	144,990,053	1.9%
2008	28,521	-1.1%	1,998,368	-0.6%	146,397,529	1.0%
2009	27,007	-5.3%	1,908,839	-4.5%	146,068,824	-0.2%
2010	26,988	-0.1%	1,917,747	0.5%	140,721,369	-3.7%
2011	26,780	-0.8%	1,941,654	1.2%	140,483,185	-0.2%
2012	27,150	1.4%	1,970,112	1.5%	141,748,955	0.9%
2013*	27,204	0.2%	1,995,454	1.3%	141,772,241	0.0%

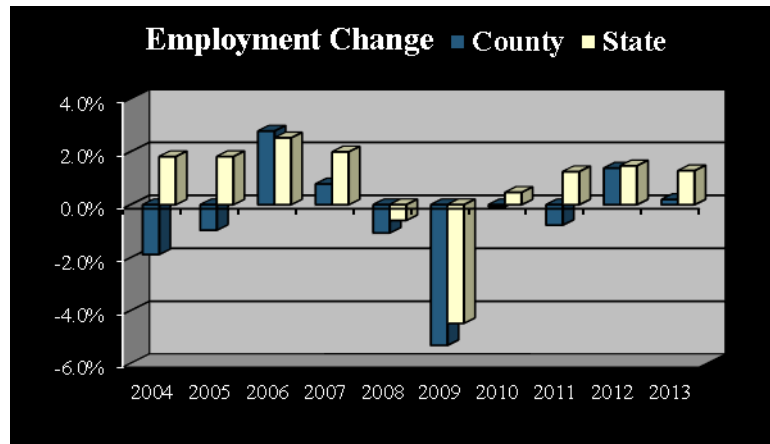
Source: Department of Labor; Bureau of Labor Statistics

*Through December



As the preceding illustrates, the Darlington County employment base declined by 1,821 employees (6.3%) between 2007 and 2009. The decline in the employment base is consistent with economies throughout the nation that were impacted by the national recession. The employment base has been generally stable since 2009, increasing by 0.7% through December 2013, indicating that the local economy is recovering.

The following table illustrates the percent change in employment for Darlington County and South Carolina.

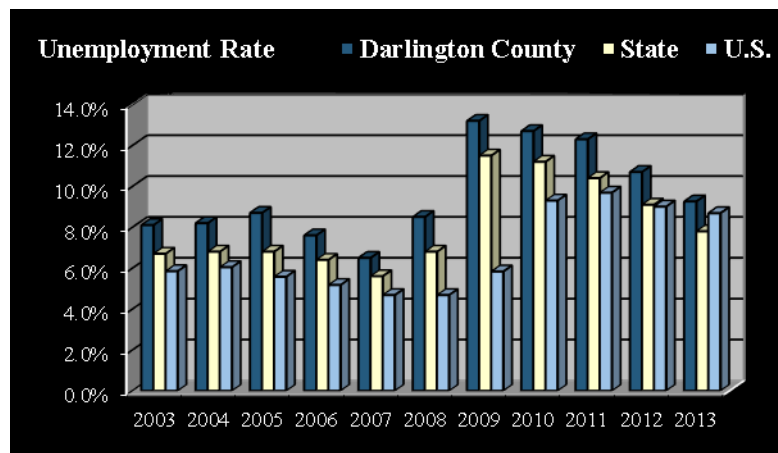


Unemployment numbers and rates for Darlington County, South Carolina and the United States are illustrated as follows:

Year	Total Unemployed					
	Darlington County		South Carolina		United States	
	Number	Percentage	Number	Percentage	Number	Percentage
2003	2,534	8.1%	133,257	6.7%	8,896,479	5.8%
2004	2,523	8.2%	138,430	6.8%	8,261,839	6.0%
2005	2,668	8.7%	139,983	6.8%	7,756,938	5.6%
2006	2,352	7.6%	134,123	6.4%	7,118,073	5.2%
2007	1,989	6.5%	119,068	5.6%	7,187,820	4.7%
2008	2,635	8.5%	144,925	6.8%	9,048,051	4.7%
2009	4,115	13.2%	246,945	11.5%	14,430,152	5.8%
2010	3,924	12.7%	241,452	11.2%	15,068,608	9.3%
2011	3,751	12.3%	225,657	10.4%	14,029,475	9.7%
2012	3,247	10.7%	197,083	9.1%	12,688,718	9.0%
2013*	2,782	9.3%	168,885	7.8%	13,012,624	8.7%

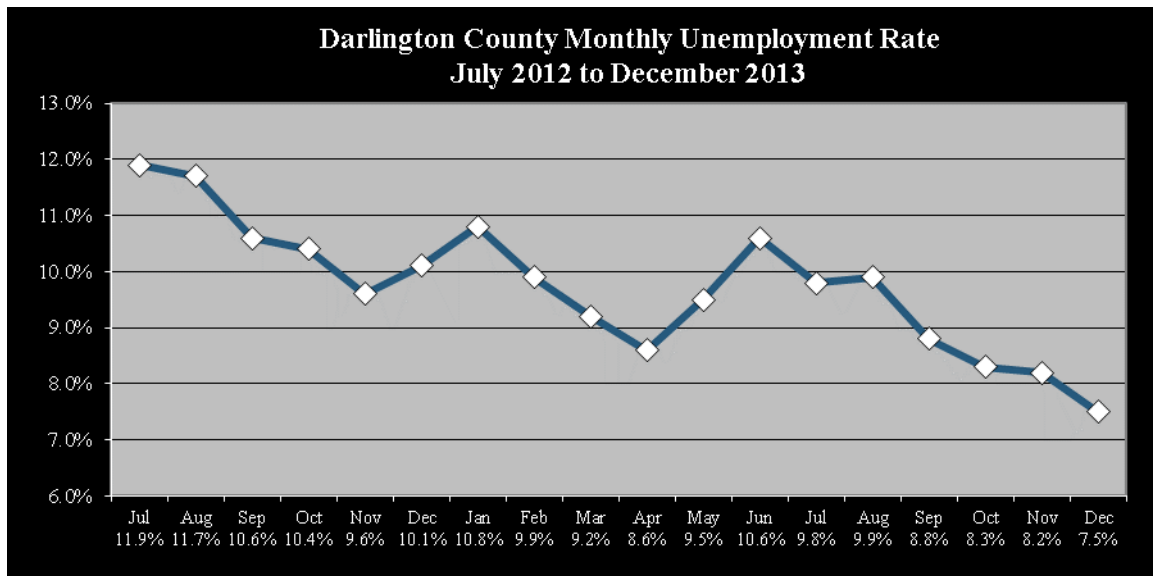
Source: Department of Labor, Bureau of Labor Statistics

*Through December



The unemployment rate in Darlington County has ranged between 6.5% and 13.2%, consistently above both state and national averages since 2003. Between 2007 and 2009, the unemployment rate increased by nearly seven percentage points as a result of the national recession. On a positive note, the unemployment rate has consistently decreased over the preceding five-year period; however it is still considered high at 9.3% (through December 2013)

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



Despite fluctuations in the unemployment rate within the past 18 months, it has generally trended downward from a high of 11.9% in July 2012 to a low of 7.5% in December 2013.

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

In-Place Employment Darlington County			
Year	Employment	Change	Percent Change
2003	21,108	-	-
2004	20,899	-209	-1.0%
2005	20,961	62	0.3%
2006	20,983	22	0.1%
2007	20,675	-308	-1.5%
2008	20,342	-333	-1.6%
2009	18,406	-1,936	-9.5%
2010	18,168	-238	-1.3%
2011	18,382	214	1.2%
2012	18,621	239	1.3%
2013*	19,599	978	5.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Darlington County to be 68.6% of the total Darlington County employment. This means that Darlington County has more employed persons staying in the county for daytime employment than those who work outside the county. This will likely have a positive impact on the marketability of the proposed development.

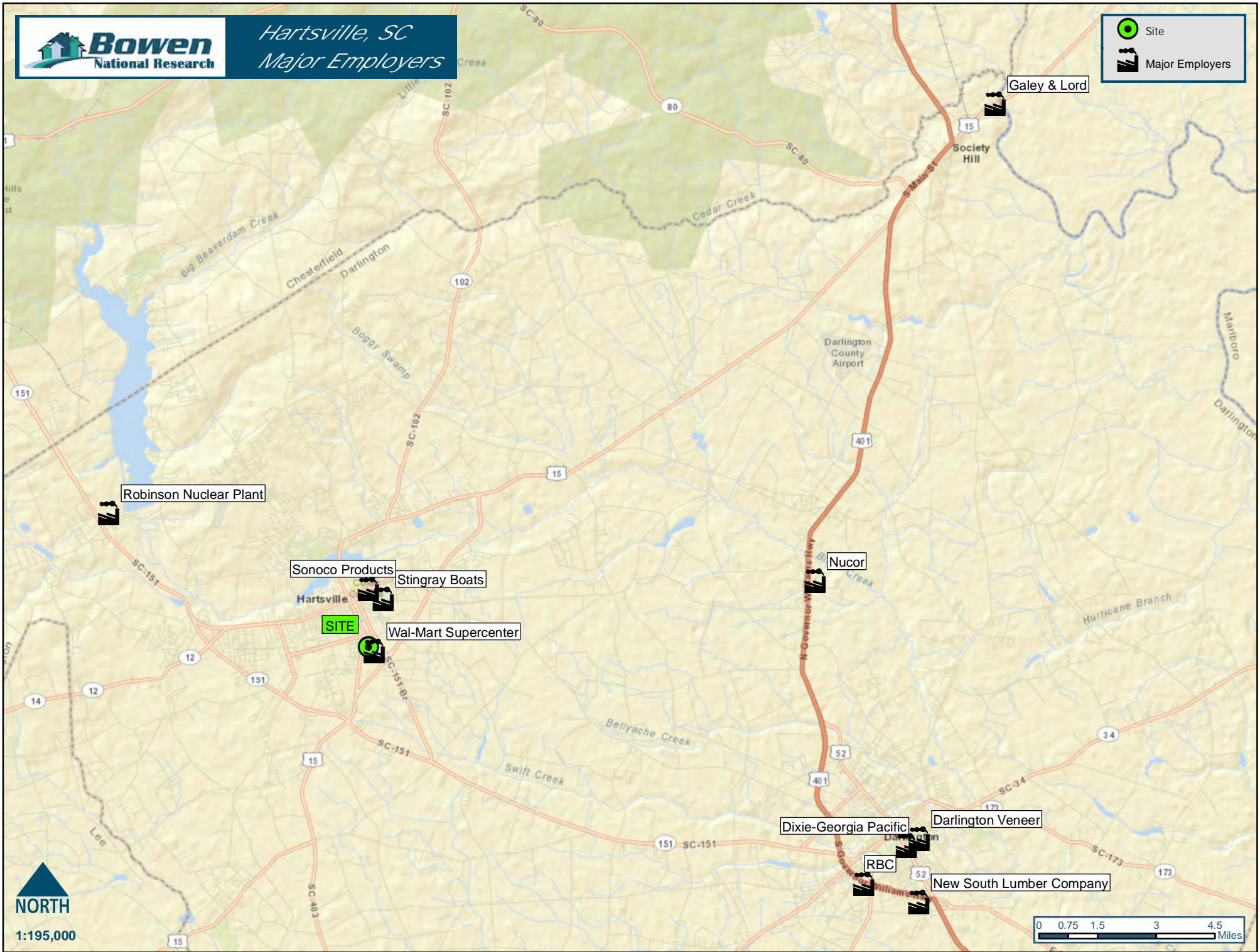
5. EMPLOYMENT CENTERS MAP

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



Hartsville, SC Major Employers

 Site
 Major Employers



NORTH
1:195,000

0 0.75 1.5 3 4.5 Miles

6. COMMUTING PATTERNS

Based on the American Community Survey (2006-2010), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	10,623	83.7%
Carpooled	1,400	11.0%
Public Transit	6	0.0%
Walked	153	1.2%
Other Means	184	1.4%
Worked at Home	331	2.6%
Total	12,697	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

Nearly 84% of all workers drove alone, 11.0% carpooled and only 0.05% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	4,858	38.3%
15 to 29 Minutes	4,348	34.2%
30 to 44 Minutes	1,930	15.2%
45 to 59 Minutes	681	5.4%
60 or More Minutes	549	4.3%
Worked at Home	331	2.6%
Total	12,697	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. At less than a 30-minute commute, the average drive time of the subject site to many large employers is considered reasonable and should contribute to the project's marketability.

A drive-time map for the subject site is on the following page.

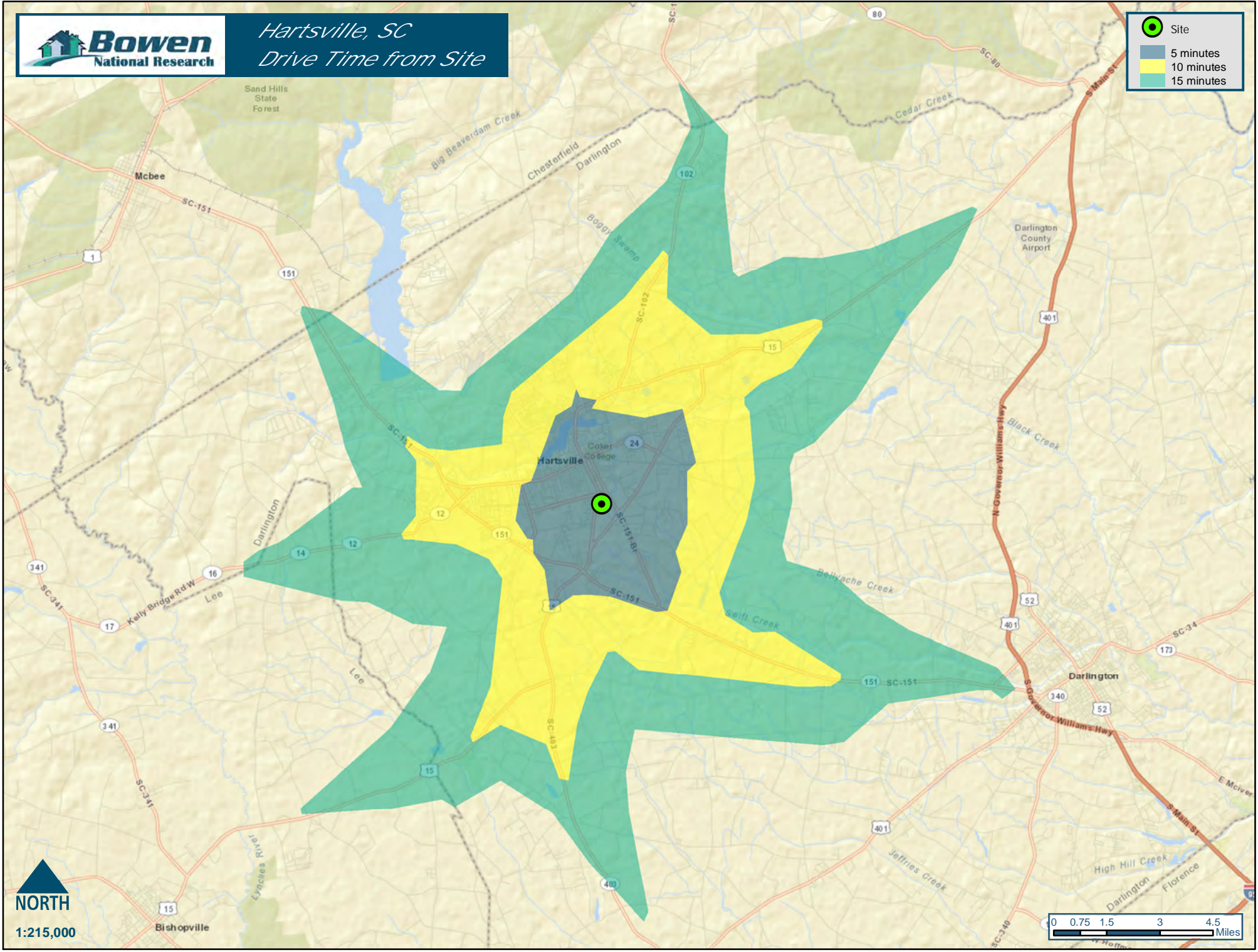


Hartsville, SC

Drive Time from Site

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:215,000



7. ECONOMIC FORECAST AND HOUSING IMPACT

According to economic development representatives, as well as other local government officials, and based on ESRI data and employment data from the Bureau of Labor Statistics, the Darlington County economy appears to be slowly improving. The county was adversely impacted by the national recession between 2007 and 2009. Since 2009, the employment base has been generally stable (increasing by 0.7% through 2013) and the unemployment rate has consistently decreased. However, the unemployment rate of 9.3% (through December 2013) remains relatively high, being above both state and national averages. We anticipate that the local economy will grow slowly over the foreseeable future.

Considering the relatively high unemployment rate, the need for affordable housing has remained strong, as evidenced by the combined 100.0% occupancy rate and waiting lists of the affordable housing projects in the Site PMA. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2016 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2016 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2016 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2016 (Projected)
Population	29,749	30,399	30,622	30,654
Population Change	-	650	223	32
Percent Change	-	2.2%	0.7%	0.1%

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

The Hartsville Site PMA population base increased by 650 between 2000 and 2010. This represents a 2.2% increase over the 2000 population, or an annual rate of 0.2%. Between 2010 and 2013, the population increased by 223, or 0.7%. It is projected that the population will generally remain stable through 2016.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.5% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	756	2.5%
Population not in Group Quarters	29,643	97.5%
Total Population	30,399	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2013 (Estimated)		2016 (Projected)		Change 2013-2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,352	27.5%	7,950	26.0%	7,772	25.4%	-178	-2.2%
20 to 24	1,868	6.1%	2,010	6.6%	1,891	6.2%	-119	-5.9%
25 to 34	3,179	10.5%	3,324	10.9%	3,416	11.1%	92	2.8%
35 to 44	3,960	13.0%	3,785	12.4%	3,609	11.8%	-176	-4.7%
45 to 54	4,440	14.6%	4,346	14.2%	4,218	13.8%	-128	-3.0%
55 to 64	4,217	13.9%	4,331	14.1%	4,336	14.1%	5	0.1%
65 to 74	2,561	8.4%	2,990	9.8%	3,360	11.0%	370	12.4%
75 & Over	1,823	6.0%	1,886	6.2%	2,052	6.7%	166	8.8%
Total	30,400	100.0%	30,622	100.0%	30,654	100.0%	32	0.1%

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

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2013. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2016 (Projected)
Households	11,533	11,843	11,988	12,016
Household Change	-	310	145	28
Percent Change	-	2.7%	1.2%	0.2%
Household Size	2.58	2.57	2.49	2.49

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



Within the Hartsville Site PMA, households increased by 310 (2.7%) between 2000 and 2010. Between 2010 and 2013, households increased by 145 or 1.2%. By 2016, there will be 12,016 households, an increase of 28 households, or 0.2% from 2013. Similar to population trends, households are projected to remain relatively stable through 2016.

b. Household by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2016 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	8,521	71.9%	8,471	70.7%	8,484	70.6%
Renter-Occupied	3,322	28.1%	3,517	29.3%	3,533	29.4%
Total	11,843	100.0%	11,988	100.0%	12,016	100.0%

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

In 2013, homeowners occupied 70.7% of all occupied housing units, while the remaining 29.3% were occupied by renters. The 3,517 renter households in 2013 represent a good base of potential support in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2013 (Estimated)		2016 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,284	10.8%	1,706	14.2%	1,878	15.6%
\$10,000 to \$19,999	1,659	14.0%	2,278	19.0%	2,353	19.6%
\$20,000 to \$29,999	1,613	13.6%	1,859	15.5%	1,858	15.5%
\$30,000 to \$39,999	1,259	10.6%	1,134	9.5%	1,205	10.0%
\$40,000 to \$49,999	1,187	10.0%	907	7.6%	930	7.7%
\$50,000 to \$59,999	844	7.1%	1,023	8.5%	994	8.3%
\$60,000 to \$74,999	1,341	11.3%	1,186	9.9%	1,076	9.0%
\$75,000 to \$99,999	1,386	11.7%	946	7.9%	873	7.3%
\$100,000 to \$124,999	452	3.8%	372	3.1%	340	2.8%
\$125,000 to \$149,999	175	1.5%	171	1.4%	155	1.3%
\$150,000 to \$199,999	468	4.0%	303	2.5%	264	2.2%
\$200,000 & Over	174	1.5%	102	0.9%	91	0.8%
Total	11,843	100.0%	11,988	100.0%	12,016	100.0%
Median Income	\$40,892		\$31,328		\$29,565	

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

In 2010, the median household income was \$40,892. This declined by 23.4% to \$31,328 in 2013. By 2016, it is projected that the median household income will be \$29,565, a decline of 5.6% over 2013.



d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2000, 2010, 2013 and 2016 for the Hartsville Site PMA:

Renter Households	2000 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	378	121	82	71	7	658
\$10,000 to \$19,999	241	263	206	78	72	861
\$20,000 to \$29,999	157	118	149	68	137	629
\$30,000 to \$39,999	120	47	32	34	38	270
\$40,000 to \$49,999	42	95	26	33	1	196
\$50,000 to \$59,999	69	88	72	24	21	275
\$60,000 to \$74,999	89	115	13	44	30	290
\$75,000 to \$99,999	15	23	1	19	56	113
\$100,000 to \$124,999	34	6	4	27	2	72
\$125,000 to \$149,999	-3	7	-3	9	11	20
\$150,000 to \$199,999	0	3	10	19	10	42
\$200,000 & Over	13	-4	9	8	-2	23
Total	1,154	881	599	434	381	3,449

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	388	128	92	90	12	710
\$10,000 to \$19,999	179	172	189	54	55	650
\$20,000 to \$29,999	158	109	77	73	140	558
\$30,000 to \$39,999	134	71	83	30	31	350
\$40,000 to \$49,999	58	137	21	49	9	274
\$50,000 to \$59,999	37	45	55	36	26	199
\$60,000 to \$74,999	100	99	25	29	16	269
\$75,000 to \$99,999	29	51	13	18	50	161
\$100,000 to \$124,999	20	8	4	18	5	55
\$125,000 to \$149,999	4	3	2	7	5	21
\$150,000 to \$199,999	15	16	9	6	8	54
\$200,000 & Over	4	5	3	3	5	20
Total	1,127	845	574	414	363	3,322

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	554	206	105	109	10	984
\$10,000 to \$19,999	227	230	202	61	82	801
\$20,000 to \$29,999	154	118	113	69	137	592
\$30,000 to \$39,999	92	62	71	32	33	289
\$40,000 to \$49,999	40	102	23	50	6	222
\$50,000 to \$59,999	54	54	65	33	21	228
\$60,000 to \$74,999	49	81	13	29	33	204
\$75,000 to \$99,999	15	20	4	11	44	94
\$100,000 to \$124,999	15	3	1	19	2	40
\$125,000 to \$149,999	2	4	0	6	5	18
\$150,000 to \$199,999	3	9	4	9	4	29
\$200,000 & Over	5	1	3	2	3	15
Total	1,211	891	605	429	381	3,517

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2016 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	596	227	111	117	10	1,061
\$10,000 to \$19,999	223	222	201	56	84	787
\$20,000 to \$29,999	154	118	104	69	137	583
\$30,000 to \$39,999	85	65	81	31	32	294
\$40,000 to \$49,999	40	104	23	54	8	229
\$50,000 to \$59,999	51	46	63	35	21	217
\$60,000 to \$74,999	40	73	13	25	34	184
\$75,000 to \$99,999	15	20	5	9	41	89
\$100,000 to \$124,999	10	3	0	17	2	33
\$125,000 to \$149,999	3	4	1	6	4	18
\$150,000 to \$199,999	4	10	3	6	3	26
\$200,000 & Over	3	2	2	1	4	13
Total	1,224	893	607	428	381	3,533

Source: Ribbon Demographics; ESRI; Urban Decision Group

Over a quarter of the market is occupied by renter households. Overall, population and household growth has been positive since 2000 and is projected to continue to increase, although nominally, through 2016. Because of this growth, the need for general occupancy housing options will slightly increase between 2013 and 2016. This will have a positive impact on the demand for the proposed subject units, particularly when factoring in rent overburdened households or those living in substandard housing. Regardless of the PMA's demographic trends, the proposed subject project will be able to rely on the long wait list maintained at phase I of the project for much of its support.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within the Darlington County, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$49,800 for 2014. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$52,500 in 2014. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,400	\$22,080
Two-Person	\$21,000	\$25,200
Three-Person	\$23,650	\$28,380
Four-Person	\$26,250	\$31,500
Five-Person	\$28,350	\$34,020
Six-Person	\$30,450	\$36,540

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$34,020.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$561 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,732. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$19,234.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$19,234	\$28,350
Tax Credit (Limited To 60% Of AMHI)	\$22,149	\$34,020
Overall Project	\$19,234	\$34,020

3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2013 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2016) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and four-bedroom units, analysts must refine the analysis by factoring in the number of large households (generally four-person +). A demand analysis that does not consider this may overestimate demand.

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

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 20.2% to 24.5% (depending upon the targeted income level) of households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2010 ACS 5-Year Estimates Table B25016, 3.2% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

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

4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service in 2013 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2013 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. **DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2013 to current). We did not identify any comparable projects that were placed in service prior to 2013 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$19,234-\$28,350)	60% AMHI (\$22,149-\$34,020)	Overall (\$19,234-\$34,020)
Demand From New Renter Households (Age- And Income-Appropriate)	547 - 555 = -8	576 - 581 = -5	761 - 769 = -8
+			
Demand From Existing Households (Rent Overburdened)	555 X 24.5% = 136	581 X 20.2% = 117	769 X 22.8% = 175
+			
Demand From Existing Households (Renters In Substandard Housing)	555 X 3.2% = 18	581 X 3.2% = 19	769 X 3.2% = 25
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	146	131	192
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2013)	0	0	0
=			
Net Demand	146	131	192
Proposed Units	9	27	36
Proposed Units/ Net Demand	9 / 146	27 / 131	36 / 192
Capture Rate	= 6.2%	= 20.6%	= 18.8%

The capture rate for units targeting households at 50% and 60% of AMHI, ranging from 6.2% to 20.6%, are considered low and achievable. The overall capture rate for the subject project is also achievable at 18.8%. The capture rate demonstrates that there is a sufficient base of income-qualified renter households that will be able to support the subject project.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	15%
Two-Bedroom	55%
Three-Bedroom	30%
Total	100.0%

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

Units Targeting 50% Of AMHI (146 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (15%)	22	0	22	N/A	N/A
Two-Bedroom (55%)	80	0	80	3	3.8%
Three-Bedroom (30%)	44	0	44	6	13.6%

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

Units Targeting 60% Of AMHI (131 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (15%)	20	0	20	N/A	N/A
Two-Bedroom (55%)	72	0	72	9	12.5%
Three-Bedroom (30%)	39	0	39	18	46.2%

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 3.8% to 46.2%. These capture rates are considered low to moderate, yet achievable, especially when considering the existing non-subsidized Tax Credit units in the Hartsville Site PMA are 100.0% occupied with waiting lists.

6. **ABSORPTION PROJECTIONS**

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2016 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2016. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Our absorption projections also take into consideration the rapid absorption experienced by Hartsville Garden Apartments I (Map I.D. 1), which occupied all 72 units within three months of opening.

It is our opinion that the proposed 36 LIHTC units at the subject site will experience an average initial absorption rate of seven units per month and reach a stabilized occupancy of 93.0% within approximately five months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified two non-subsidized Low-Income Housing Tax Credit (LIHTC) properties within the Hartsville Site PMA. These properties both target households up to 50% and 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties.

Due to the limited amount of non-subsidized Tax Credit product within the Hartsville Site PMA, we identified and surveyed three additional Tax Credit properties located outside of the Site PMA in Darlington, approximately 15.0 miles southeast of Hartsville. Due to the distance between Darlington and Hartsville, there will be no competitive overlap between the subject project and these LIHTC properties. These properties do, however, provide a good base of comparison for which to evaluate the subject project.

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Bent Tree	2015	36	-	-	-	Families; 50% & 60% AMHI
1	Hartsville Garden Apts. I	2011	72	100.0%	0.9 Mile	38 H.H.	Families; 50% & 60% AMHI
4	Middletown Apts.	1997	40	100.0%	1.1 Miles	5 H.H.	Families; 50% & 60% AMHI
901	Autumn Run	2004	40	100.0%	13.2 Miles	20 H.H.	Families; 50% & 60% AMHI
904	Darlington Lofts	2007	28	100.0%	13.5 Miles	5 H.H.	Families; 50% & 60% AMHI
906	Pecan Grove	2007	32	100.0%	14.7 Miles	4 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. - Households

900 series Map IDs located outside of Site PMA

The five LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain wait lists, indicating pent-up demand exists for additional affordable housing within the region. The two comparable projects within the Site PMA have a combined total of 43 households on their wait lists for the next available units. This is an indicator of the strong demand for affordable housing in the market and the pent-up demand that exists for additional low-income housing.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Bent Tree	-	\$561/50% (3) \$646/60% (9)	\$649/50% (6) \$724/60% (18)	-
1	Hartsville Garden Apts. I	\$486-\$509/50% (4/0) \$606/60% (12/0)	\$578-\$616/50% (9/0) \$696/60% (27/0)	\$676-\$708/50% (5/0) \$781/60% (15/0)	None
4	Middletown Apts.	-	\$564/50% (24/0)	\$643/50% (10/0) \$643/60% (6/0)	None
901	Autumn Run	-	\$600/50% (14/0) \$716/60% (14/0)	\$671/50% (6/0) \$825/60% (6/0)	None
904	Darlington Lofts	\$470/50% (9/0) \$484/60% (6/0)	\$583/50% (8/0) \$583/60% (4/0)	\$698/60% (1/0)	None
906	Pecan Grove	\$452/50% (6/0) \$487/60% (6/0)	\$557/50% (8/0) \$567/60% (7/0)	\$637/50% (2/0) \$662/60% (3/0)	None

900 series Map IDs located outside of Site PMA

The proposed subject gross rents, ranging from \$551 to \$686, will be competitively priced relative to the comparable LIHTC projects in the market and region. Considering that all comparable LIHTC projects are 100.0% occupied, illustrate that the proposed gross rents are well positioned within the market and region.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Hartsville Garden Apts. I	72	11	15.3%
4	Middletown Apts.	40	7	17.5%
901	Autumn Run	40	12	30.0%
904	Darlington Lofts	28	6	21.4%
906	Pecan Grove	32	7	21.9%
Total		212	43	20.3%

900 series Map IDs located outside of Site PMA

As the preceding table illustrates, there are a total of approximately 43 voucher holders residing at the comparable LIHTC properties within the region. This comprises 20.3% of the 212 total non-subsidized LIHTC units. Considering that nearly 80% of these comparable units are occupied by tenants currently not receiving rental assistance, it can be concluded that the gross rents at these properties are achievable. This is further evidenced by the combined occupancy rate of 100.0% at all comparable LIHTC properties.

According to a representative with the Housing Authority of Hartsville, there are approximately 159 Housing Choice Voucher holders within the housing authority's jurisdiction and 52 households currently on the waiting list for additional Vouchers. The waiting list is closed and will open again in 2015. Annual turnover of households in the Voucher program is estimated at 10 households. This reflects the continuing need for Housing Choice Voucher assistance.

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

1 Hartsville Garden Apts. I

0.9 miles to site



Address	780 Tailwind Ln. Hartsville, SC 29550		
Phone	(843) 917-0257	Contact	Kisha
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	1,2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	38 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (11 units); HOME Funds (15 units at 50% AMHI)		



Features and Utilities

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	740	\$0.69	\$510	60%
1	1	G	1	0	740	\$0.56	\$413	50%
1	1	G	3	0	740	\$0.53	\$390	50%
2	2	G	27	0	888	\$0.64	\$570	60%
2	2	G	1	0	888	\$0.55	\$490	50%
2	2	G	8	0	888	\$0.51	\$452	50%
3	2	G	15	0	1069	\$0.58	\$625	60%
3	2	G	1	0	1069	\$0.52	\$552	50%
3	2	G	4	0	1069	\$0.49	\$520	50%

4

Middletown Apts.

1.1 miles to site



Address 601 W. Washington St.
Hartsville, SC 29550

Phone (843) 332-6863 **Contact** Kebie

Total Units 40 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 1997 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 5 households

Quality Rating C **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (7 units); Square footage estimated



Features and Utilities

Utilities Landlord pays Trash

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

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	800	\$0.48	\$385	50%
3	1.5	G	6	0	970	\$0.44	\$425	60%
3	1.5	G	10	0	970	\$0.44	\$425	50%

901 Autumn Run

13.2 miles to site



Address 405 Wells St.
Darlington, SC 29532

Phone (843) 398-1981 **Contact** Mary

Total Units 40 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2004 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 20 households

Quality Rating B+ **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (12 units)



Features and Utilities

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities On-site Management, Laundry Facility, Meeting Room, Playground, Social Services, CCTV

Unit Configuration

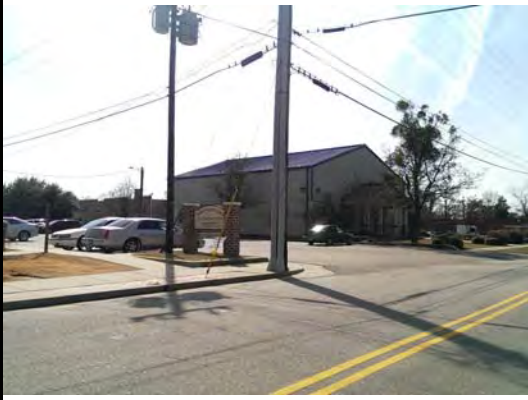
BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	14	0	850	\$0.63	\$537	60%
2	1	G	14	0	850	\$0.50	\$421	50%
3	2	G	6	0	1000	\$0.61	\$607	60%
3	2	G	6	0	1000	\$0.45	\$453	50%

904 Darlington Lofts

13.5 miles to site



Address	107 Orange St. Darlington, SC 29532		
Phone	(843) 409-9094	Contact	Helen
Total Units	28	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 households		
Quality Rating	B+	Neighborhood Rating	A
Remarks	50% & 60% AMHI; HCV (6 units); HOME Funds (Nine 1-br units); Adaptive reuse of historic building, built in 1900; Square footage estimated		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	600	\$0.65	\$388	60%
1	1	G	9	0	600	\$0.62	\$374	50%
2	2	G	4	0	820	\$0.56	\$457	60%
2	2	G	8	0	820	\$0.56	\$457	50%
3	2	G	1	0	1100	\$0.49	\$542	60%



Address	1218 S. Main St. Darlington, SC 29532		
Phone	(843) 393-3009	Contact	Helen
Total Units	32	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	4 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (7 units); HOME Funds (7 units); Square footage estimated by mgmt.		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	570	\$0.69	\$391	60%
1	1	G	6	0	570	\$0.62	\$356	50%
2	2	G	7	0	700	\$0.63	\$441	60%
2	2	G	8	0	700	\$0.62	\$431	50%
3	2	G	3	0	837	\$0.60	\$506	60%
3	2	G	2	0	837	\$0.57	\$481	50%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Bent Tree	-	1,100	1,250
1	Hartsville Garden Apts. I	740	888	1,069
4	Middletown Apts.	-	800	970
901	Autumn Run	-	850	1,000
904	Darlington Lofts	600	820	1,100
906	Pecan Grove	570	700	837

900 series Map IDs located outside of Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Bent Tree	-	1.75	2.5
1	Hartsville Garden Apts. I	1.0	2.0	2.0
4	Middletown Apts.	-	1.0	1.5
901	Autumn Run	-	1.0	2.0
904	Darlington Lofts	1.0	2.0	2.0
906	Pecan Grove	1.0	2.0	2.0

900 series Map IDs located outside of Site PMA

The proposed development will offer the largest unit sizes, in terms of square footage and number of bathrooms offered, in both the market and region. This will provide the project with a competitive advantage.

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



COMPARABLE PROPERTIES AMENITIES - HARTSVILLE, SC

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

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

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

As the preceding table illustrates, the proposed unit amenities are comprehensive and will be generally similar to those of the comparable Tax Credit rental alternatives within the region. The lack of a garbage disposal in the proposed units is not anticipated to have an adverse impact on its marketability. The subject project will also offer a comprehensive property amenities package that will generally be superior to the comparable LIHTC properties. This will provide the proposed development with a competitive advantage.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will be competitive.

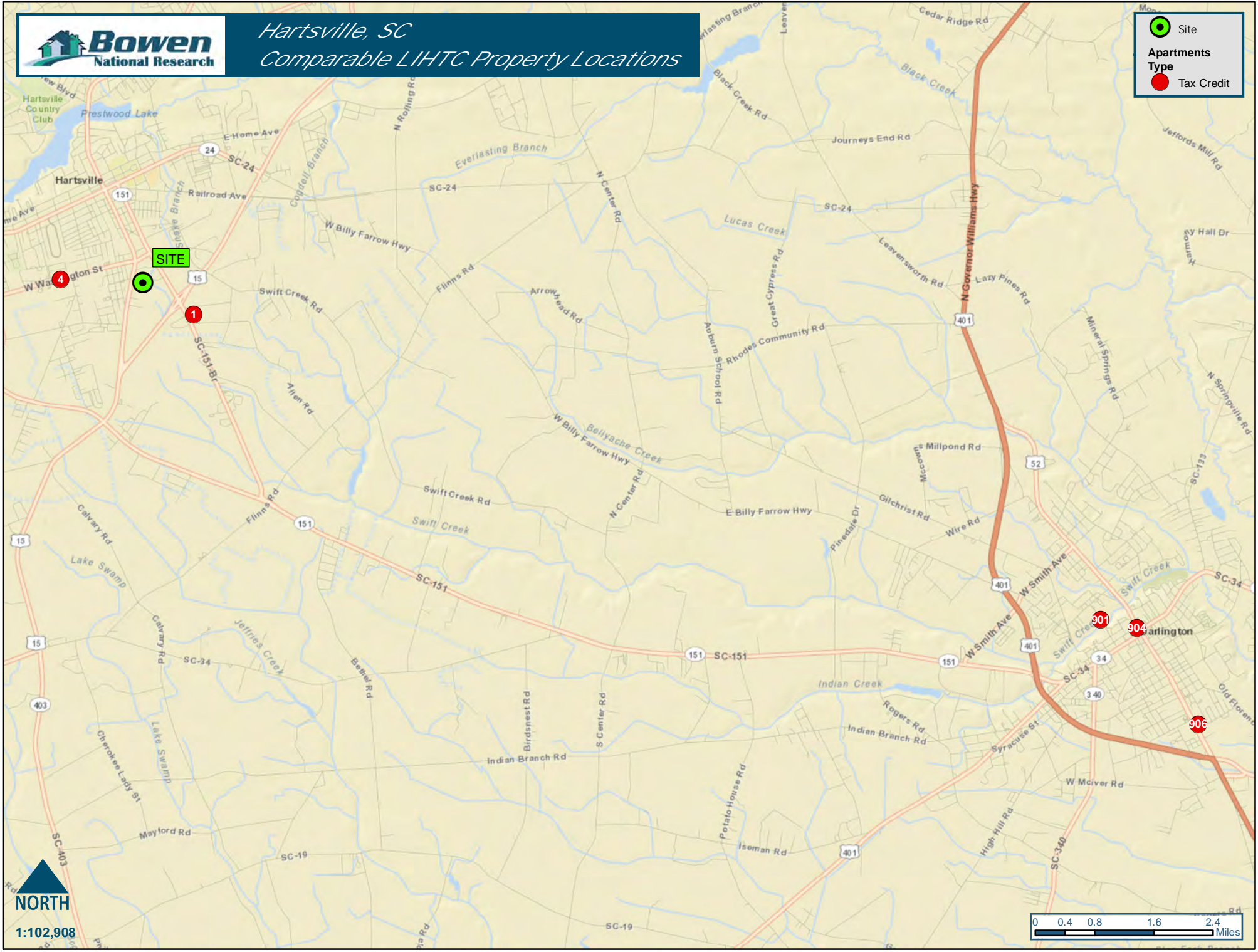
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Hartsville, SC Comparable LIHTC Property Locations

● Site
● Apartments
● Tax Credit



NORTH
1:102,908



3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Hartsville Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,843	87.0%	11,988	87.7%
Owner-Occupied	8,521	71.9%	8,471	70.7%
Renter-Occupied	3,322	28.1%	3,517	29.3%
Vacant	1,762	13.0%	1,674	12.3%
Total	13,605	100.0%	13,662	100.0%

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

Based on a 2013 update of the 2010 Census, of the 13,662 total housing units in the market, 12.3% were vacant. In 2013, it was estimated that homeowners occupied 70.7% of all occupied housing units, while the remaining 29.3% were occupied by renters. The share of renters is considered typical for a rural market and the 3,517 renter households in 2013 represent a good base of support for the subject development.

We identified and personally surveyed ten conventional housing projects containing a total of 580 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.1%, a strong rate for rental housing. Among these projects, four are non-subsidized (market-rate and Tax Credit) projects containing 232 units. These non-subsidized units are 95.3% occupied. The remaining six projects contain 348 government-subsidized units, which are 100.0% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	120	11	90.8%
Tax Credit	2	112	0	100.0%
Tax Credit/Government-Subsidized	1	89	0	100.0%
Government-Subsidized	5	259	0	100.0%
Total	10	580	11	98.1%

As the preceding table illustrates, all properties broken out by project type are maintaining good occupancies, none being lower than 90.8%. In fact, all affordable housing projects surveyed in the market are 100.0% occupied, thus indicating pent-up demand exists for additional affordable housing in the Hartsville Site PMA. It should be noted that 10 of the 11 vacancies in the market are within a single market-rate project: Palmetto Villas (Map ID 3).

This project is the lowest quality project in the Site PMA and, according to management, has a large number of vacancies attributed to recent move outs due to short-term tenancy of contractors.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	13.3%	0	0.0%	\$576
Two-Bedroom	1.0	72	60.0%	10	13.9%	\$629
Two-Bedroom	1.5	32	26.7%	1	3.1%	\$707
Total Market-rate		120	100.0%	11	9.2%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	14.3%	0	0.0%	\$606
Two-Bedroom	1.0	24	21.4%	0	0.0%	\$564
Two-Bedroom	2.0	36	32.1%	0	0.0%	\$696
Three-Bedroom	1.5	16	14.3%	0	0.0%	\$643
Three-Bedroom	2.0	20	17.9%	0	0.0%	\$781
Total Tax Credit		112	100.0%	0	0.0%	-

The market-rate units are 90.8% occupied and the Tax Credit units are 100.0% occupied, both stable and good occupancy rates. The preceding table also illustrates that the distribution of two- and three-bedroom units dominates the non-subsidized Tax Credit communities, comprising nearly 86.0% of all bedroom types offered. As such, this provides evidence that they have been well received within the market and denotes likely demand for such units, as all non-subsidized Tax Credit units are occupied.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	72	13.9%
1980 to 1989	1	48	2.1%
1990 to 1999	1	40	0.0%
2000 to 2005	0	0	0.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	0	0	0.0%
2010	0	0	0.0%
2011	1	72	0.0%
2012	0	0	0.0%
2013	0	0	0.0%
Total	4	232	4.7%

*As of January

Nearly 52.0% of all apartments surveyed were built prior to 1990. These older apartments have a vacancy rate of 9.0%, higher than the overall market. Approximately 72 non-subsidized units have been added to the market since 2000. These newer units contain no vacancies, illustrating that newer product has been well received within the market. The existing rental housing stock is considered to be old and it can be concluded that age has had an impact on vacancies.

The market’s newest product, Hartsville Garden Apartments I (Map I.D. 1), began preleasing units in November 2010. This Tax Credit property opened in January 2011 and reached 100.0% occupancy in March 2011, resulting in an average monthly absorption of 14 units per month, a very quick absorption.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B-	1	48	2.1%
C-	1	72	13.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	72	0.0%
C	1	40	0.0%

Vacancies are the highest among the one market-rate property, Palmetto Villas (Map I.D. 3), with a rating of a “C-”. The remaining properties broken out by quality are maintaining strong occupancy rates above 98.0%. It should be noted that all non-subsidized Tax Credit communities are 100.0% occupied, regardless of quality. Therefore, there does not appear to be a correlation between vacancy rates and quality levels among the affordable communities.

4. RENTAL HOUSING INVENTORY MAP

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



5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that no official plans for additional multifamily units for the area exist.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

As discussed earlier in this analysis, we identified a total of five comparable LIHTC projects within or near the Site PMA that have received Tax Credit funding. In addition, we identified a total of two projects offering market-rate units of which none are considered both economically and conceptually comparable. The two stabilized comparable Tax Credit projects identified in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit Projects					
Map I.D.	Project Name	Year Built	Project Type	Total Units	Occupancy Rate
Site	Bent Tree	2015	TC	36	-
1	Hartsville Garden Apts. I	2011	TC	72	100.0%
4	Middletown Apts.	1997	TC	40	100.0%
Total				112	100.0%

TC – Tax Credit

The overall occupancy rate of the two stabilized comparable Tax Credit projects identified in the Site PMA is 100.0%.

8. MARKET RENT ADVANTAGE

We identified two market-rate properties within the Hartsville Site PMA that we consider most comparable to the subject development. Due to the lack of market-rate product in the Site PMA, we identified and surveyed three market-rate properties located outside of the Site PMA in the cities of Florence and Cheraw that we consider comparable to the subject development based on their modern design and age. Note, adjustments for the differences between the Hartsville market and the Florence market have been made. As Cheraw is considered to be similar to the city of Hartsville, no adjustments were warranted for such properties. These selected properties are used to derive market rent, or the *Conventional Rents for Comparable Units*, for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Bent Tree	2015	36	-	-	12 (-)	24 (-)
3	Palmetto Villas	1976 / 2010	72	86.1%	-	72 (86.1%)	-
5	Oakview Townhouses	1989	48	97.9%	16 (100.0%)	32 (96.9%)	-
902	Basin Duplexes	1991	16	100.0%	-	16 (100.0%)	-
903	Charles Pointe Apts.	2001	168	96.4%	42 (95.2%)	114 (96.5%)	12 (100.0%)
905	Reserve at Mill Creek	2008	268	97.0%	122 (95.9%)	122 (98.4%)	24 (95.8%)

Occ. - Occupancy

900 series Map IDs located outside of Site PMA

The five selected market-rate projects have a combined total of 572 units with an overall occupancy rate of 95.6%. With the exception of Palmetto Villas (Map I.D. 3), these high occupancy rates indicate that these projects are well received within their respective markets and will serve as accurate benchmarks with which to compare to the proposed subject development. As noted previously in this section, the vacancies at Palmetto Villas is likely attributed to its undesirable quality. However, Palmetto Villas was selected as a comparable because of its similar unit types to the subject development and location within the Site PMA.

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

Rent Comparability Grid

Unit Type →

TWO BEDROOM

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Bent Tree		Palmetto Villas		Oakview Townhouses		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek	
Hartsville Crossing Blvd. & Driver Ave.		207 14th St.		236 Swift Creek Rd.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Hartsville, SC		Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$450		\$535		\$575		\$800		\$995	
2	Date Surveyed	Feb-14		Feb-14		Feb-14		Feb-14		Feb-14	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	86%		97%		100%		96%		98%	
5	Effective Rent & Rent/ sq. ft	\$450	0.53	\$535	0.58	\$575	0.64	\$800	0.80	\$995	0.88
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		TH/1,2		R/1		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2015	\$22	1989	\$26	1991	\$24	2001	\$14	2008	\$7
8	Condition /Street Appeal	E	\$30	G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	F		G	(\$10)	G	(\$10)	E	(\$20)	E	(\$20)
10	Same Market?	Yes		Yes		No		No	(\$120)	No	(\$149)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.75	\$23	1.5	\$8	1	\$23	2	(\$8)	2	(\$8)
13	Unit Interior Sq. Ft.	1100	\$44	925	\$31	900	\$35	1000	\$17	1130	(\$5)
14	Balcony/ Patio	Y	\$5	Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	HU/L	\$5	HU/L		HU	\$5	HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		N	\$5	Y		Y		Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		N	\$5	Y		Y	
26	Security Gate/Cameras	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
28	Pool/ Recreation Areas	F	\$5	N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y	\$3	Y		N	\$3	Y		Y	
32	Storage	Y	\$5	Y		Y		Y		Y	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/Y	(\$29)	N/N		N/N		N/N	
39	Trash /Recycling	Y/N		Y/N		N/N	\$10	Y/N		N/N	\$10
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	15		11	1	13	2	7	5	1	6
41	Sum Adjustments B to D	\$177		\$120	(\$10)	\$135	(\$15)	\$64	(\$163)	\$7	(\$197)
42	Sum Utility Adjustments				(\$29)	\$10				\$10	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$177	\$177	\$81	\$159	\$130	\$160	(\$98)	\$227	(\$180)	\$214
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$627		\$616		\$705		\$702		\$815	
45	Adj Rent/Last rent		139%		115%		123%		88%		82%
46	Estimated Market Rent	\$690	\$0.63	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Bent Tree		Palmetto Villas		Oakview Townhouses		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek	
Hartsville Crossing Blvd. & Driver Ave.		207 14th St.		236 Swift Creek Rd.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Hartsville, SC		Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC	
Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?		\$450		\$535		\$575		\$955		\$1,210	
2 Date Surveyed		Feb-14		Feb-14		Feb-14		Feb-14		Feb-14	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		86%		97%		100%		100%		96%	
5 Effective Rent & Rent/ sq. ft	▼	\$450	0.53	\$535	0.58	\$575	0.64	\$955	0.78	\$1,210	0.94
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	TH/2	WU/2		TH/1,2		R/1		WU/3		WU/3	
7 Yr. Built/Yr. Renovated	2015	1976/2010	\$22	1989	\$26	1991	\$24	2001	\$14	2008	\$7
8 Condition /Street Appeal	E	F	\$30	G	\$15	G	\$15	G	\$15	E	
9 Neighborhood	F	F		G	(\$10)	G	(\$10)	E	(\$20)	E	(\$20)
10 Same Market?		Yes		Yes		No		No	(\$143)	No	(\$182)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	3	2	\$50	2	\$50	2	\$50	3		3	
12 # Baths	2.5	1	\$45	1.5	\$30	1	\$45	2	\$15	2	\$15
13 Unit Interior Sq. Ft.	1250	850	\$72	925	\$58	900	\$63	1230	\$4	1285	(\$6)
14 Balcony/ Patio	Y	N	\$5	Y		Y		Y		Y	
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	Y/Y	N/N	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	
18 Washer/Dryer	HU/L	HU	\$5	HU/L		HU	\$5	HU	\$5	HU/L	
19 Floor Coverings	C	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22 Garbage Disposal	N	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23 Ceiling Fans	Y	Y		N	\$5	Y		Y		Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	N	\$5	Y		N	\$5	Y		Y	
26 Security Gate/Cameras	Y	N	\$5	N	\$5	N	\$5	N	\$5	Y	
27 Clubhouse/ Meeting Rooms	Y	N	\$5	N	\$5	N	\$5	N	\$5	Y	
28 Pool/ Recreation Areas	F	N	\$5	N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29 Computer Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	Y	
30 Picnic Area	Y	N	\$3	N	\$3	N	\$3	Y		Y	
31 Playground	Y	N	\$3	Y		N	\$3	Y		Y	
32 Storage	Y	N	\$5	Y		Y		Y		Y	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	N/N	N/N		N/Y	(\$34)	N/N		N/N		N/N	
39 Trash /Recycling	Y/N	Y/N		Y/N		N/N	\$10	Y/N		N/N	\$10
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		16		12	1	14	2	8	4	2	5
41 Sum Adjustments B to D		\$278		\$220	(\$10)	\$236	(\$15)	\$66	(\$178)	\$22	(\$223)
42 Sum Utility Adjustments					(\$34)	\$10				\$10	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$278	\$278	\$176	\$264	\$231	\$261	(\$112)	\$244	(\$191)	\$255
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$728		\$711		\$806		\$843		\$1,019	
45 Adj Rent/Last rent			162%		133%		140%		88%		84%
46 Estimated Market Rent	\$805	\$0.64	← Estimated Market Rent/ Sq. Ft								

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$690 for a two-bedroom unit and \$805 for a three-bedroom unit.

The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	Proposed Collected Rent (% AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$375 (50%)	\$690	45.65%
	\$460 (60%)		33.33%
Three-Bedroom	\$425 (50%)	\$805	47.20%
	\$500 (60%)		37.89%
Weighted Average			39.08%

The proposed collected Tax Credit rents represent market rent advantages between 37.89% and 47.20%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1976 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties. As noted, one property was built in 1976; however, was renovated in 2010. As such, this one property was given an effective age of 1993.

8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. Four of the five selected properties are located in neighborhoods with higher quality ratings compared to the subject site. As such, we have adjusted the rents at these properties negatively to account for the neighborhood difference.
10. As previously stated, three of the five selected properties are located outside of the Hartsville Site PMA. One of the selected properties is located in Cheraw, which is considered to be similar to the city of Hartsville. The remaining two properties are located in Florence, which is approximately 24.0 miles southeast of Hartsville. The Florence market is significantly larger than Hartsville in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Hartsville market. Therefore, we have adjusted each collected rent at these two comparable projects by approximately 15.0% to account for this market difference.
11. All of the selected properties have two-bedroom units. For those projects lacking three-bedroom units, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package generally superior to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.

24.-32. The proposed project offers a generally superior project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

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

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2015
1	Hartsville Garden Apts. I	100.0%	95.0%+
4	Middletown Apts.	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are both 100.0% occupied. Given the high occupancies, we expect all Tax Credit projects to operate at or above 95.0%. Given the good overall capture rate for the proposed subject project, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on existing Tax Credit projects within the market should the subject project receive Tax Credit allocations and be developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$99,310. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$99,310 home is \$612, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$99,310
Mortgaged Value = 95% of Median Home Price	\$94,345
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$489
Estimated Taxes and Insurance*	\$122
Estimated Monthly Mortgage Payment	\$612

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$375 to \$500 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$112 greater than the cost of renting at the proposed subject development, depending on unit size. While it is possible that some of the residents would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, there are two competitive Tax Credit projects located within the Hartsville Site PMA. These projects have an overall occupancy rate of 100.0%, indicating a strong demand for affordable rental housing in the market. The proposed subject project will include a total of 36 general-occupancy units targeting households up to 50% and 60% of AMHI. Therefore, it is expected that the subject project will help fill part of the housing void that exists in the market.

As outlined previously in this section of the report, there is a general lack of modern, non-subsidized rental product within the Hartsville Site PMA. Aside from the two Tax Credit properties, all surveyed non-subsidized product was constructed prior to 1989. It is our opinion that the development of the subject project will add much needed modern units to a market that is generally aging and in need of updating. Further, as shown in the demographic section of this report, the Hartsville Site PMA is expected to have growth among its population and household bases. With this generally stable, but positive, demographic growth in the market, the demand for housing will increase. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the market that is currently being unmet and that is expected to increase over the foreseeable future.

I. INTERVIEWS

The following are summaries of interviews conducted with various stakeholders knowledgeable about the demand for affordable housing within the Site PMA:

- Kisha Johnson, Property Manager of Hartsville Garden Apartments (Map I.D. 1) 843-917-0257, stated that there is a continued demand for additional affordable housing within the Hartsville area. Hartsville Garden Apartments is typically 100.0% occupied with a waitlist and Ms. Johnson believes that additional housing, especially three-bedrooms, would be quickly occupied.
- Tamika Berry, Public Housing Occupancy Specialist for the Hartsville Housing Authority; 843-332-1583, stated that there is a demand for larger bedroom types. Ms. Berry believes that more and more families are falling on harder times and they need three- and four-bedroom sizes. She further stated that she has approximately 54 families on her waitlist.
- According to Kim Funderburk, Section 8 Specialist for the Housing Authority of Hartsville; 843-332-1583, there is a need for more two- and three-bedroom units in the area. The housing authority has a hard time locating units for families in need of these specific unit types which usually have the longest waitlist. There are approximately 159 Housing Choice Voucher holders within the housing authority's jurisdiction and 52 households currently on the waiting list for additional Vouchers. The waiting list is closed and will open again in 2015. Annual turnover of households in the Voucher program is estimated at 10 households. This reflects the continuing need for Housing Choice Voucher assistance.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 36 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The two Tax Credit properties located within the Hartsville Site PMA are both 100.0% occupied. Hartsville Garden Apartments I (Map I.D. 1) maintains a waiting list of 38 households for the next available units. The high occupancies among Tax Credit product, along with the lengthy waiting list at Hartsville Garden Apartments I, are indications that pent-up demand exists for additional rental housing targeting low- and moderate-income households within the Hartsville Site PMA.

Management for Hartsville Garden Apartments I began preleasing in November 2010. The property opened in January 2011 and reached 100.0% occupancy in March 2011, resulting in an average monthly absorption of 14 units per month, a very quick absorption.

The subject project will be competitively priced and will offer the lowest rents and the largest unit sizes, and will provide an amenities package that is generally similar to the existing LIHTC projects within the market. As such, the subject site will be perceived as a significant value in the marketplace and we have no recommendations at this time.

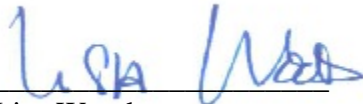
K. SIGNED STATEMENT REQUIREMENT

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

Certified:



Patrick Bowen
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patrickb@bowennational.com
Date: February 27, 2014



Lisa Wood
Market Analyst
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Date: February 27, 2014



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: February 27, 2014

L. Qualifications

The Company

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

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

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

Craig Rupert, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

Heather Moore, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

Greg Gray, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

Christine Atkins, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

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

Chuck Ewing, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

Marlon Boone, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

Amy Tyrrell is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

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

Desireé Johnson is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

June Davis, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

HARTSVILLE, SOUTH CAROLINA

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

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

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

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

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

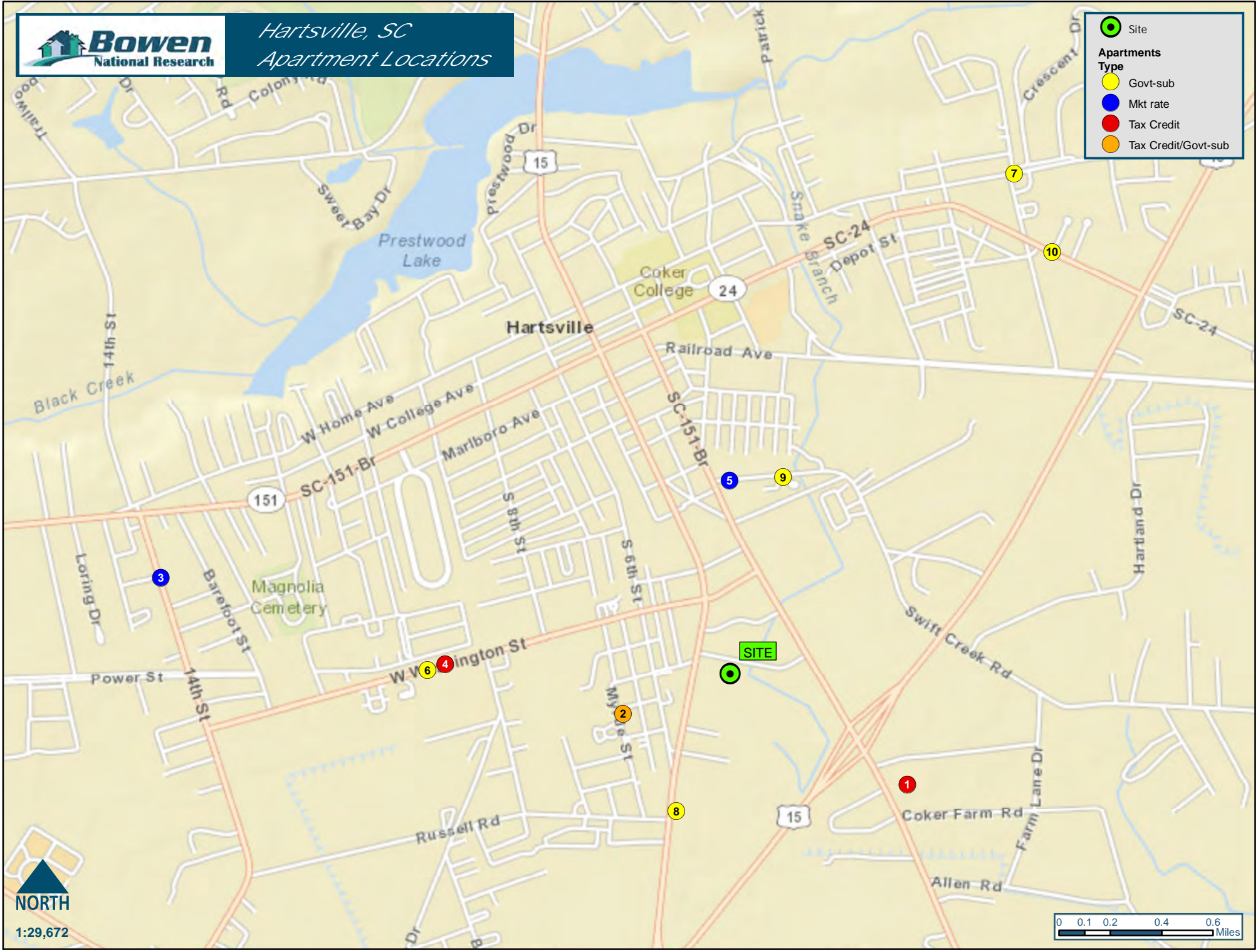


Hartsville, SC Apartment Locations

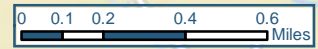
Site
● Site

Apartments Type

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



1:29,672



MAP IDENTIFICATION LIST - HARTSVILLE, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Hartsville Garden Apts. I	TAX	A	2011	72	0	100.0%	0.9
2	Forest Ridge Apts. I & II	TGS	B+	1971	89	0	100.0%	0.5
3	Palmetto Villas	MRR	C-	1976	72	10	86.1%	2.4
4	Middletown Apts.	TAX	C	1997	40	0	100.0%	1.1
5	Oakview Townhouses	MRR	B-	1989	48	1	97.9%	0.8
6	Palmetto Apts. (Hartsville)	GSS	B+	1981	44	0	100.0%	1.2
7	Pinebridge Apts.	GSS	C+	1985	43	0	100.0%	2.5
8	Southpark Apts.	GSS	C-	1981	50	0	100.0%	0.6
9	Swift Creek Apts.	GSS	B-	1980	72	0	100.0%	1.0
10	Eastpark Apts.	GSS	C	1991	50	0	100.0%	2.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	2	120	11	90.8%	0
TAX	2	112	0	100.0%	0
TGS	1	89	0	100.0%	0
GSS	5	259	0	100.0%	0

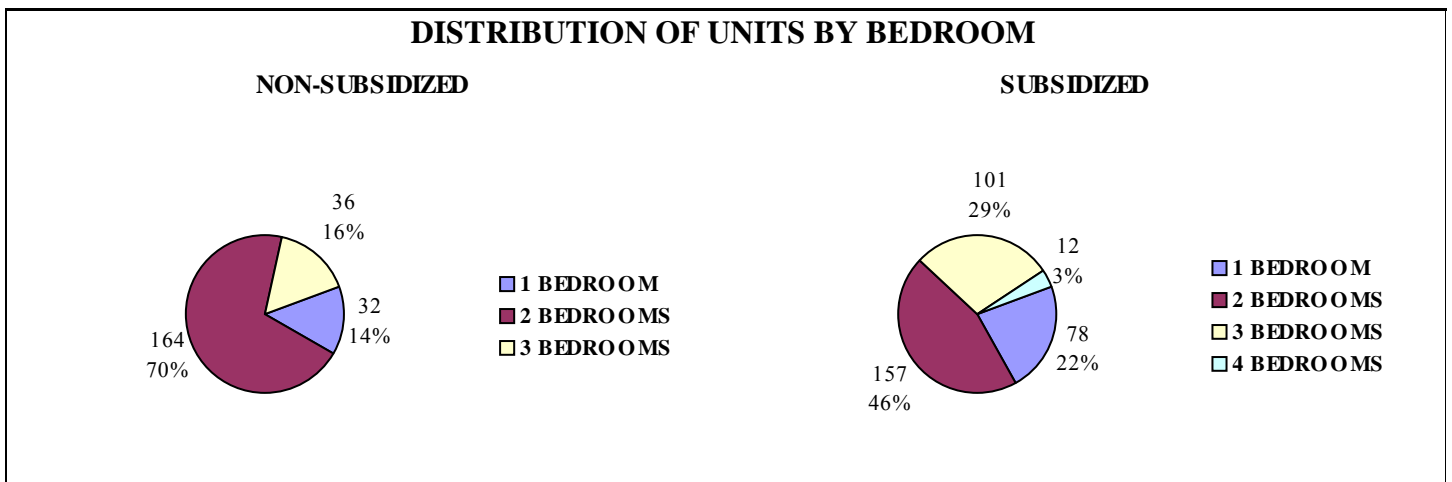
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)






Survey Date: February 2014

DISTRIBUTION OF UNITS - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	13.3%	0	0.0%	\$576
2	1	72	60.0%	10	13.9%	\$629
2	1.5	32	26.7%	1	3.1%	\$707
TOTAL		120	100.0%	11	9.2%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	14.3%	0	0.0%	\$606
2	1	24	21.4%	0	0.0%	\$564
2	2	36	32.1%	0	0.0%	\$696
3	1.5	16	14.3%	0	0.0%	\$643
3	2	20	17.9%	0	0.0%	\$781
TOTAL		112	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	17	19.1%	0	0.0%	N.A.
2	1	40	44.9%	0	0.0%	N.A.
3	1	28	31.5%	0	0.0%	N.A.
4	1	4	4.5%	0	0.0%	N.A.
TOTAL		89	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	61	23.6%	0	0.0%	N.A.
2	1	117	45.2%	0	0.0%	N.A.
3	1	73	28.2%	0	0.0%	N.A.
4	1.5	8	3.1%	0	0.0%	N.A.
TOTAL		259	100.0%	0	0.0%	
GRAND TOTAL		580	-	11	1.9%	



SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA


1 Hartsville Garden Apts. I			
	Address 780 Tailwind Ln. Hartsville, SC 29550	Phone (843) 917-0257 (Contact in person)	Total Units 72
	Year Built 2011 Comments 50% & 60% AMHI; HCV (11 units); HOME Funds (15 units at 50% AMHI)	Contact Kisha	Vacancies 0 Occupied 100.0% Floors 1,2,3 Quality Rating A
			Waiting List 38 households
2 Forest Ridge Apts. I & II			
	Address 1212 Myrtle St. Hartsville, SC 29550	Phone (843) 332-2162 (Contact in person)	Total Units 89
	Year Built 1971 Renovated 2008 Comments 50% & 60% AMHI; HUD Section 8	Contact Dorothy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 5 households
3 Palmetto Villas			
	Address 207 14th St. Hartsville, SC 29550	Phone (843) 245-2109 (Contact in person)	Total Units 72
	Year Built 1976 Renovated 2010 Comments HCV (1 unit, but longer accept); Additional fee of \$25 charged per person, up to 4 people; Vacancies are due to units are for short term rentals for contractors	Contact Ronnie	Vacancies 10 Occupied 86.1% Floors 2 Quality Rating C-
			Waiting List None
4 Middletown Apts.			
	Address 601 W. Washington St. Hartsville, SC 29550	Phone (843) 332-6863 (Contact in person)	Total Units 40
	Year Built 1997 Comments 50% & 60% AMHI; HCV (7 units); Square footage estimated	Contact Kebie	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C
			Waiting List 5 households
5 Oakview Townhouses			
	Address 236 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 332-0424 (Contact in person)	Total Units 48
	Year Built 1989 Comments HCV (6 units); Former RD 515 property; Square footage estimated	Contact Audrey	Vacancies 1 Occupied 97.9% Floors 1,2 Quality Rating B-
			Waiting List None

Project Type

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

Survey Date: February 2014

SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA

6 Palmetto Apts. (Hartsville)			
	Address 655 Washington St. Hartsville, SC 29550	Phone (843) 332-1991 (Contact in person)	Total Units 44
	Year Built 1981 Renovated 2012 Comments RD 515, has RA (44 units)	Contact Beverly	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+
			Waiting List 10-15 households
7 Pinebridge Apts.			
	Address 1101 E. Home Ave. Hartsville, SC 29550	Phone (843) 332-1269 (Contact in person)	Total Units 43
	Year Built 1985 Comments RD 515, has RA (43 units); One manager unit not included in total; Square footage estimated	Contact April	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C+
			Waiting List 17 households
8 Southpark Apts.			
	Address 1301 S. 5th Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1981 Comments Public Housing; Waitlist shared with Eastpark Apts.; Square footage estimated	Contact Tamika	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C-
			Waiting List 54 households
9 Swift Creek Apts.			
	Address 405 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 383-5785 (Contact in person)	Total Units 72
	Year Built 1980 Comments HUD Section 8	Contact Mary	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B-
			Waiting List 12 months
10 Eastpark Apts.			
No Picture on File	Address 1101 E. Carolina Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1991 Comments Public Housing; Waitlist shared with Southpark Apts.; Square footage estimated	Contact Tamika	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C
			Waiting List 54 households

Project Type

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

Survey Date: February 2014

COLLECTED RENTS - HARTSVILLE, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$390 to \$510	\$452 to \$570	\$520 to \$625					
3			\$450						
4			\$385	\$425					
5		\$460					\$535		

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

Survey Date: February 2014

PRICE PER SQUARE FOOT - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Oakview Townhouses	1	700	\$576	\$0.82
1	Hartsville Garden Apts. I	1	740	\$486 to \$606	\$0.66 to \$0.82
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Palmetto Villas	1	850	\$629	\$0.74
5	Oakview Townhouses	1.5	925	\$707	\$0.76
1	Hartsville Garden Apts. I	2	888	\$578 to \$696	\$0.65 to \$0.78
4	Middletown Apts.	1	800	\$564	\$0.71
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Hartsville Garden Apts. I	2	1069	\$676 to \$781	\$0.63 to \$0.73
4	Middletown Apts.	1.5	970	\$643	\$0.66

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

Survey Date: February 2014

AVERAGE GROSS RENT PER SQUARE FOOT - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.82	\$0.74	\$0.00
TOWNHOUSE	\$0.00	\$0.76	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.73	\$0.69
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.80	\$0.74	\$0.69
TOWNHOUSE	\$0.00	\$0.76	\$0.00

TAX CREDIT UNITS - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Hartsville Garden Apts. I	3	740	1	50%	\$390
1	Hartsville Garden Apts. I	1	740	1	50%	\$413
1	Hartsville Garden Apts. I	12	740	1	60%	\$510
2	Forest Ridge Apts. I & II	9	700	1	50%	\$595
2	Forest Ridge Apts. I & II	8	700	1	60%	\$595
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Middletown Apts.	24	800	1	50%	\$385
1	Hartsville Garden Apts. I	8	888	2	50%	\$452
1	Hartsville Garden Apts. I	1	888	2	50%	\$490
1	Hartsville Garden Apts. I	27	888	2	60%	\$570
2	Forest Ridge Apts. I & II	20	819	1	50%	\$650
2	Forest Ridge Apts. I & II	20	819	1	60%	\$650
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Middletown Apts.	10	970	1.5	50%	\$425
4	Middletown Apts.	6	970	1.5	60%	\$425
1	Hartsville Garden Apts. I	4	1069	2	50%	\$520
1	Hartsville Garden Apts. I	1	1069	2	50%	\$552
1	Hartsville Garden Apts. I	15	1069	2	60%	\$625
2	Forest Ridge Apts. I & II	14	1035	1	60%	\$725
2	Forest Ridge Apts. I & II	14	1035	1	50%	\$725
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Forest Ridge Apts. I & II	2	1070	1	50%	\$762
2	Forest Ridge Apts. I & II	2	1070	1	60%	\$762

QUALITY RATING - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

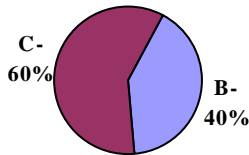
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	1	48	2.1%		\$576	\$707		
C-	1	72	13.9%			\$629		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

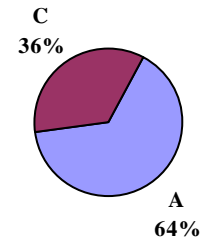
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	72	0.0%		\$606	\$696	\$781	
C	1	40	0.0%			\$564	\$643	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - HARTSVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	72	10	13.9%	72	31.0%
1980 to 1989	1	48	1	2.1%	120	20.7%
1990 to 1999	1	40	0	0.0%	160	17.2%
2000 to 2005	0	0	0	0.0%	160	0.0%
2006	0	0	0	0.0%	160	0.0%
2007	0	0	0	0.0%	160	0.0%
2008	0	0	0	0.0%	160	0.0%
2009	0	0	0	0.0%	160	0.0%
2010	0	0	0	0.0%	160	0.0%
2011	1	72	0	0.0%	232	31.0%
2012	0	0	0	0.0%	232	0.0%
2013	0	0	0	0.0%	232	0.0%
2014**	0	0	0	0.0%	232	0.0%
TOTAL	4	232	11	4.7%	232	100.0 %

YEAR RENOVATED - HARTSVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	0	0	0	0.0%	0	0.0%
2009	0	0	0	0.0%	0	0.0%
2010	1	72	10	13.9%	72	100.0%
2011	0	0	0	0.0%	72	0.0%
2012	0	0	0	0.0%	72	0.0%
2013	0	0	0	0.0%	72	0.0%
2014**	0	0	0	0.0%	72	0.0%
TOTAL	1	72	10	13.9%	72	100.0 %

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

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

** As of February 2014

APPLIANCES AND UNIT AMENITIES - HARTSVILLE, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	4	100.0%	232
REFRIGERATOR	4	100.0%	232
ICEMAKER	1	25.0%	72
DISHWASHER	2	50.0%	112
DISPOSAL	2	50.0%	112
MICROWAVE	1	25.0%	72
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	4	100.0%	232
AC - WINDOW	0	0.0%	
FLOOR COVERING	4	100.0%	232
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	4	100.0%	232
PATIO/DECK/BALCONY	3	75.0%	160
CEILING FAN	2	50.0%	144
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	100.0%	232
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - HARTSVILLE, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	75.0%	160
LAUNDRY	3	75.0%	160
CLUB HOUSE	0	0.0%	
MEETING ROOM	2	50.0%	112
FITNESS CENTER	1	25.0%	72
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	3	75.0%	160
COMPUTER LAB	1	25.0%	72
SPORTS COURT	1	25.0%	72
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	2	50.0%	112
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	25.0%	72

DISTRIBUTION OF UTILITIES - HARTSVILLE, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	8	480	82.8%
GAS	2	100	17.2%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	8	480	82.8%
GAS	2	100	17.2%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	8	480	82.8%
GAS	2	100	17.2%
			100.0%
ELECTRIC			
TENANT	10	580	100.0%
			100.0%
WATER			
LANDLORD	3	233	40.2%
TENANT	7	347	59.8%
			100.0%
SEWER			
LANDLORD	4	281	48.4%
TENANT	6	299	51.6%
TRASH PICK-UP			
LANDLORD	8	480	82.8%
TENANT	2	100	17.2%
			100.0%

UTILITY ALLOWANCE - HARTSVILLE, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$11	\$13		\$5	\$11	\$16	\$16	\$8	\$46	\$19	\$22	\$10	\$20
1	GARDEN	\$13	\$15		\$6	\$13	\$19	\$17	\$9	\$53	\$20	\$24	\$10	\$20
1	TOWNHOUSE	\$33	\$22		\$9	\$13	\$19	\$17	\$9	\$64	\$20	\$24	\$10	\$20
2	GARDEN	\$15	\$18		\$8	\$18	\$27	\$18	\$11	\$70	\$24	\$29	\$10	\$20
2	TOWNHOUSE	\$33	\$26		\$11	\$18	\$27	\$18	\$11	\$84	\$24	\$29	\$10	\$20
3	GARDEN	\$17	\$22		\$9	\$23	\$33	\$19	\$13	\$88	\$28	\$34	\$10	\$20
3	TOWNHOUSE	\$33	\$30		\$12	\$23	\$33	\$19	\$13	\$104	\$28	\$34	\$10	\$20
4	GARDEN	\$19	\$25		\$10	\$26	\$39	\$21	\$16	\$105	\$32	\$39	\$10	\$20
4	TOWNHOUSE	\$33	\$34		\$14	\$26	\$39	\$21	\$16	\$124	\$32	\$39	\$10	\$20

SC-Midlands Region (12/2013)

Survey Date: February 2014

A-17

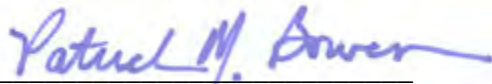


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

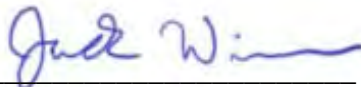
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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Date: February 27, 2014



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Date: February 27, 2014

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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