

A Feasibility Analysis For

Liberty Station

SW of Buford and Liberty Streets
Gaffney, SC
Cherokee County
Census Tract 9702.01

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Section 1: Introduction

Market Analyst Professionals, LLC (MAP) has prepared the following report to determine the market feasibility of an affordable housing project located in Gaffney, South Carolina. The subject proposal is described in detail in Section 3. The study assumes Low Income Housing Tax Credits will be utilized in financing the subject property. The market study was prepared in accordance with South Carolina State Housing Finance and Development Authority (SCSHFDA) guidelines and industry accepted practices. Information contained within the report is assumed to be trustworthy and reliable. Recommendations and conclusions in the report are based on professional opinion. MAP does not guarantee the data nor assume any liability for any errors in fact, analysis or judgment resulting from the use of the report.

Section 2: Executive Summary

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY: (APPENDIX C)		
Development Name:	Liberty Station Apartments	Total # Units: 56
Location:	SW of Buford and Liberty Streets, Gaffney SC	# LIHTC Units: 56
PMA Boundary:	The county border forms the boundaries of the PMA to the north and the river to the east. To the west Census Tract boundaries form the boundaries of the PMA.	
Development Type: Open	(Miles):	10.34 SE

RENTAL HOUSING STOCK (found on page 58)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	15	1000	30	97.0%
Market-Rate Housing	4	412	19	95.3%
Assisted/Subsidized Housing not to include LIHTC	10	492	9	98.2%
LIHTC (All that are stabilized)**	1	96	2	97.9% Current Rate
Stabilized Comps***	3	376	14	96.2% Current Rate
Non-stabilized Comps	0	0	0	

* Average Occupancy percentages will be determined by using the second and fourth quarter rates reported for 2013.

** Stabilized occupancy of at least 93%.

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

Subject Development				Adjusted Market Rent				Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	2 BR-Apt	2	1,075	\$359	\$629	\$0.58	43%	\$695	\$0.72
21	2 BR-Apt	2	1,075	\$442	\$629	\$0.58	30%	\$695	\$0.72
7	3 BR-Apt	2	1,225	\$425	\$701	\$0.57	39%	\$770	\$0.62
21	3 BR-Apt	2	1,225	\$524	\$701	\$0.57	25%	\$770	\$0.62
****Gross Potential Rent Monthly				\$25,774	\$37,243		31%		

****Gross Potential Rent Monthly is calculated by multiplying the number of units for each bedroom type by the proposed tenant rent by bedroom. Sum of those is the Gross Potential Rent

DEMOGRAPHIC DATA (found on page 51)						
	2010		2013		2016	
Renter Households	4,505	36.1%	4,613	36.4%	4,722	36.6%
Income-Qualified Renter HHs (LIHTC)	1,012	22.5%	1,036	22.5%	1,060	22.5%
Income-Qualified Renter HHs (MR)						

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 51)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	17	19				24
Existing Households (Overburden + Substand)	271	305				396
Homeowner conversion (Seniors)	0	0				0
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	288	324				421

CAPTURE RATES (found on page 51)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	4.9%	13.0%				13.3%

ABSORPTION RATE (found on page 50)		
Absorption Rate	7 to 8 Months	months

# Units	Bedroom Type	Proposed Tenant Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
7	2 BR-Apt	\$359	\$2,513	\$629	\$4,402	
21	2 BR-Apt	\$442	\$9,282	\$629	\$13,206	
7	3 BR-Apt	\$425	\$2,975	\$701	\$4,909	
21	3 BR-Apt	\$524	\$11,004	\$701	\$14,726	
56			\$25,774		\$37,243	30.80%

- Based on the analysis within this report, the proposal will be successful as is; no changes are deemed necessary. The market study supports that the subject will fill a housing void for affordable housing within the market. High demand for comparable housing as well as demand statistics offer support for the proposal. The proposal will offer units targeting households at 50 and 60 percent AMI. The site is located near existing residential, demonstrating the site's viability for residential housing. Amenities and employment opportunities are located in close proximity. Local economic conditions deteriorated along with the turmoil in the national economy in 2008 but are showing signs of recovery in terms of year over year employed and positive net jobs in the past four quarters. Additionally, the subject is slated to enter the market after 2014 at which point it is expected that the economy will have entered a more normal growth phase. Households have contracted very modestly in the past decade in the PMA, but are forecasted to increase through 2019. Stabilization in the local economy is evident, which should stabilize or reverse recent contractions in households. Additionally, derived demand statistics based on demographic data suggest sufficient demand to absorb the proposal. Demand statistics also suggest an additional approximately 70 similarly positioned units could enter the market before increasing capture rates above threshold levels; however, absorption would become problematic. Furthermore, supply side data indicates rents for the subject will be competitively positioned in the area and the subject will be well positioned in the market and competitive with comparable projects. As a result, the development of the proposal to more adequately serve the PMA's population is appropriate.
- Between 2000 and 2010, population and households decreased at a modest rate in the PMA. Nielsen forecasts a reversal of these declines through 2019 with modest growth over this period.
- The site is a vacant lot located on the south side of Buford Street southwest of the intersection of Liberty Street in a mixed use area. The site is bordered by trees to the southwest. Immediately

adjacent to the west is a church and to the southeast is the corporate office of Hamrick Mills, a textiles company. Across Buford Street to the northeast are single family homes in good condition. Farther removed to the southwest, northwest and northeast are single family and multifamily residential in good condition (including Westwinds Village, a senior only RD project). Farther removed to the southeast is a park and a few commercial buildings. The downtown area is located a short distance to the northeast.

- The overall occupancy rate for the most comparable projects is 96.2 percent, with Iveywood Park , the only LIHTC project in the competitive set reporting 97.9 percent occupancy. This project should be considered the most comparable to the subject given condition and targeting. Rents for the subject are discounted relative to this project for similar AMI targeting and should be considered a value. Among the remaining competitive set projects both projects offer unrestricted units with higher rents relative to the proposal and comparable appeal at Stonecrest Apartments but lower appeal at Westwood Apartments, this is evident in the steep discount from market rent for the subject. The proposal offers comparable amenities, construction type and unit sizes to the most comparable facilities (Stonecrest and Iveywood) and superior appeal to Westwood Apartments. The high occupancy among competitive set projects offers evidence of demand for the proposal. Competitive rents and strong demand for affordable housing in the area offer support for the success of the proposal.

- A capture rate of 13.3 percent for the total LIHTC units was determined based on the demand calculations. The capture rate is within the threshold rate of 30 percent. Individual capture rates are also within the 30 percent threshold rate. The capture rates for the proposal should be considered to provide further evidence of potential demand for the subject.

- No projects included in the survey were able to cite absorption information. MAP has utilized movership ratios from the American Housing Survey as well as estimated “capture” rates among these income eligible households to estimate absorption. Based on the limited number of new rental projects, the quality of unit offered and the competitive rents at the subject, the proposal can expect to capture a large percentage of eligible movers. Based on these estimates MAP projects an absorption period of to 7 to 8 months.

- The introduction of the proposal will have no long-term negative impact on existing surveyed LIHTC projects. Strong demand is evident among existing competitive set projects with reported occupancy at the only LIHTC project of 97.9 percent. Strong demand in the overall rental market and ongoing obsolescence of existing units and moderate household growth in the area will fuel demand for the subject.

Section 3: Project Description

Name: Liberty Station Apartments

Address: SW of Buford and Liberty Streets
Gaffney, SC 29341

Target Population: Open

Total Units: 56

Subsidized Units: 0

LIHTC Units: 56

Unrestricted Units: 0

Utilities Included in Rent

Heat: No

Electric: No

Water: No

Sewer: No

Trash: Yes

Heat Type: Ele

Construction Detail:

Construction: New

Building Type: Apt

Total Buildings: 4

Stories: 2

Site Acreage: 5.45

Year of Market Entry: 2016

Unit Configuration

	AMI Target	# of Units	# of Baths	Type	Average Sq. Footage	Contract Rent	Utility Allowance	Gross Rent	Max Gross Rent	Maximum Income
Total		56								\$32,760
Summary 2 BR										
		28								\$28,380
2 BR-Apt	50%	7	2.0	Apt	1,075	\$359	\$178	\$537	\$591	\$23,650
2 BR-Apt	60%	21	2.0	Apt	1,075	\$442	\$178	\$620	\$709	\$28,380
Summary 3 BR										
		28								\$32,760
3 BR-Apt	50%	7	2.0	Apt	1,225	\$425	\$220	\$645	\$682	\$27,300
3 BR-Apt	60%	21	2.0	Apt	1,225	\$524	\$220	\$744	\$819	\$32,760

Proposed and Recommended Amenities										
Unit Amenities										
Yes	A/C - Central			Yes	Microwave				Patio/Balcony	
	A/C - Wall Unit			Yes	Ceiling Fan				Basement	
	A/C - Sleeve Only				Walk-In Closet				Fireplace	
Yes	Garbage Disposal			Yes	Window - Mini-Blinds				High Speed Internet	
Yes	Dishwasher				Window - Draperies		Yes		Individual Entry	
Development Amenities										
Yes	Clubhouse (separate building)				Swimming Pool				Sports Courts (b-ball, tennis, v-ball, etc.)	
Yes	Community Room			Yes	Playground/Tot Lot		Yes		On-Site Management	
Yes	Computer Center			Yes	Gazebo				Secured Entry - Access Gate	
	Exercise/Fitness Room				Elevator		Yes		Secured Entry - Intercom or Camera	
Yes	Community Kitchen(ette)				Exterior Storage Units					
Laundry Type										
Yes	Coin-Operated Laundry			Parking Type						
Yes	In-Unit Hook-up Only			Yes	Surface Lot					
	In-Unit Washer/Dryer				Carport					
	None				Garage (attached)					
					Garage (detached)					

Section 4: Site Profile

Date of Inspection:	2/18/2014	
Acreage:	5.45	
Total Residential Buildings:	4	
Density: (Acres/Building)	1.4	
Topography:	Vacant land	
Adjacent Land Uses:		Impact:
North:	Single-family homes	Favorable
East:	Office	Neutral
South:	Wooded lot	Favorable
West:	Church	Neutral

City and Neighborhood Characteristics

The subject is located in the city of Gaffney, South Carolina. Gaffney is the county seat of Cherokee County and is located 20 miles northeast of Spartanburg, South Carolina and 50 miles southwest of Charlotte, North Carolina.

The site is a vacant lot located on the south side of Buford Street southwest of the intersection of Liberty Street in a mixed use area. The site is bordered by trees to the southwest. Immediately adjacent to the west is a church and to the southeast is the corporate office of Hamrick Mills, a textiles company. Across Buford Street to the northeast are single family homes in good condition. Farther removed to the southwest, northwest and northeast are single family and multifamily residential in good condition (including Westwinds Village, a senior only RD project. Farther removed to the southeast is a park and a few commercial buildings. The downtown area is located a short distance to the northeast.

Visibility and Accessibility of the Site

The site is located in a primarily residential area, away from main thoroughfares. The subject will be easily visible from Buford Street and accessibility will be good. Marketing efforts will be critical to draw potential tenants to the site, but other projects in the survey in less trafficked areas have reported

high occupancy. It is assumed an experienced management company, familiar with LIHTC guidelines and initial project lease ups, will manage the project.

Marketability of Proposal

The site is located in an area attractive to its targeted tenants. The project's adjacency to multi-family residential and proximity to single-family residential demonstrate the site's viability for residential use. It is located a short distance from retail and service amenities and offers easy access to roadways that provide linkages to the greater area.

Neighborhood Amenities/Retail/Services

Adequate amenities are located near the site. Commercial concentrations are located along South Granard Street to the southeast and W Floyd Baker Blvd to the northwest. The nearest grocery store is Bi-Lo on W Floyd Baker Blvd, less than .5 miles to the northwest. Other commercial along W Floyd Baker includes Walgreen's, several restaurants and offices, auto parts store, cash advance store, furniture store, hair salon, and post office. CVS/Pharmacy is located at the intersection of Buford and Granard, .5 miles southeast. Also along Granard are county offices, flower shop, tire store, auto parts store, banks, several offices, Family Dollar, dry cleaners, post office, and Ace Hardware.

Health Care

The nearest major hospital is Gaffney Medical Center, less than 2 miles northeast of the site. Gaffney Medical Center provides emergency services, medical services, surgery, maternity and intensive care. In addition, the hospital provides outpatient services including a pain clinic, bariatrics, wound care and sleep disorders studies.

Road or Infrastructure Improvements

Planned or underway projects within Cherokee County according to the South Carolina Department of Transportation include the following:

In Design/Development

Cherokee - Blacksburg Highway (S-83) Bridge over Buffalo Creek

Cherokee - Beech Street (S-41) Bridge over People's Creek

In Construction

Cherokee - Possum Trot Road (S-223) Bridge over Garner Branch
Cherokee - US 29 Bridge over Norfolk Southern R.R.

Crime

A crime index for the area is illustrated below. Total crime risk for the 29341 zip code is slightly higher than the state as a whole for most crime statistics. However, perception of crime is not deemed problematic for the site. The Crime Index score represents the combined risks of crime compared to the national average of 100. A score of 200 indicates twice the national average total crime risk, while 50 indicates half the national risk. The different types of crime are given equal weight in this score. Scores are based on demographic and geographic analyses of crime over seven years.

Area	Gaffney 29341	SC	National
Total Crime Risk	150	130	100

Personal Crime Index

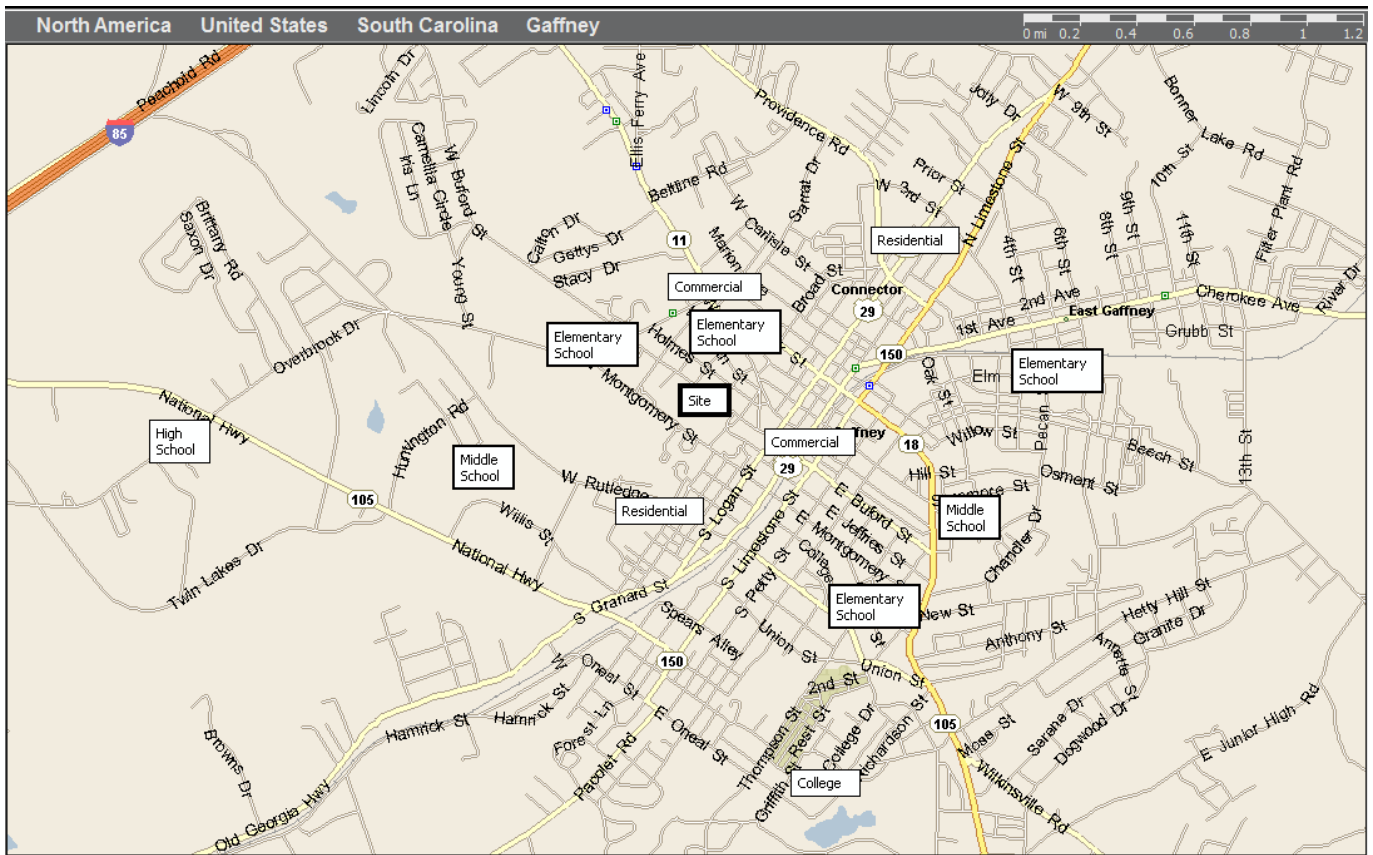
Personal Crime Risk	199	165	100
Murder Risk	167	138	100
Rape Risk	90	138	100
Robbery Risk	76	95	100
Assault Risk	359	200	100

Property Crime Index

Property Crime Risk	137	124	100
Burglary Risk	169	137	100
Larceny Risk	135	125	100
Motor Vehicle Theft Risk	86	91	100

Source: Homsfair.com

Map: Local Area and Amenities



Site Photos



-Looking south at site



-Looking west from site



-Looking north from site



-Looking east from site



-Looking south from site

Section 5: Market Area Delineation

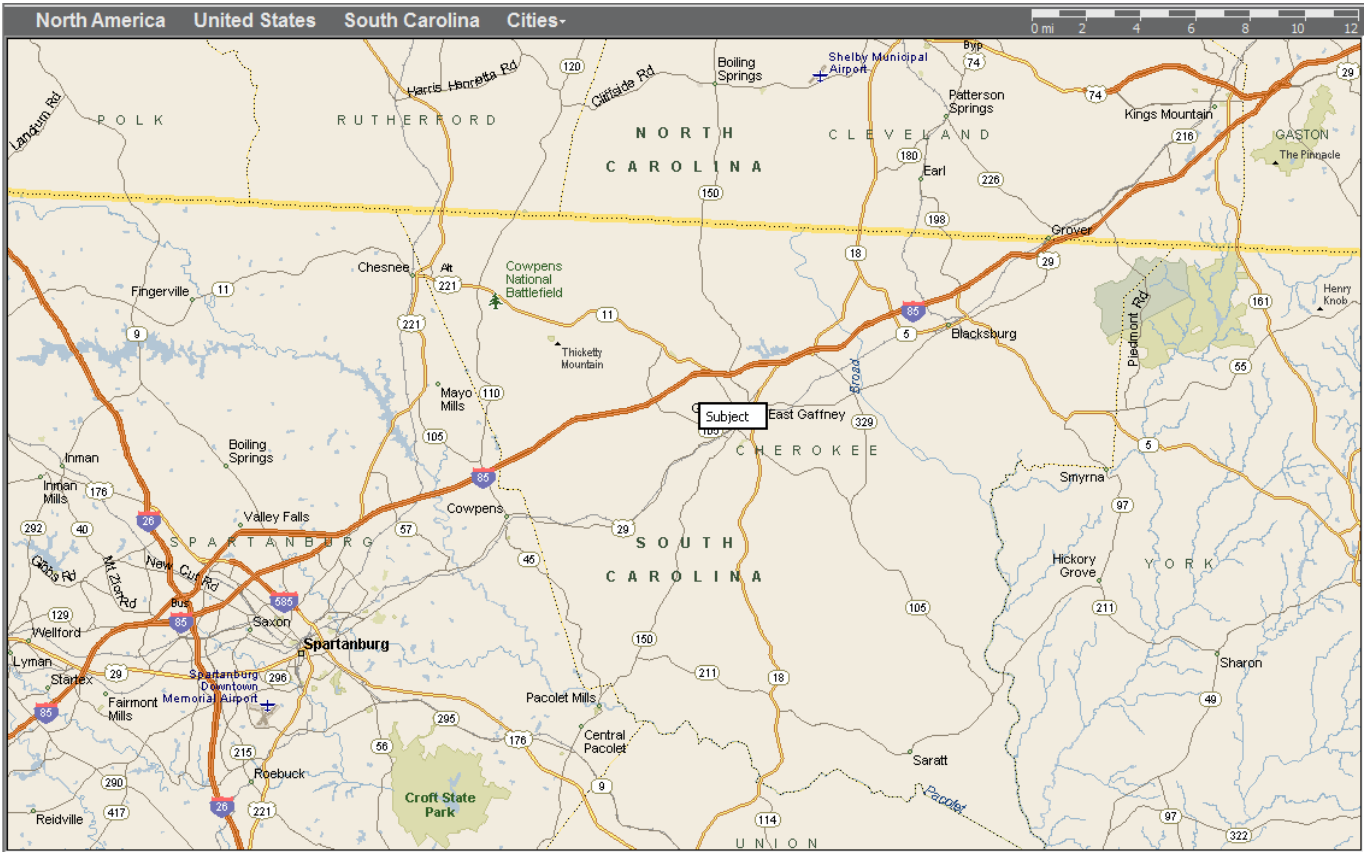
The following demographic information, comparables, and demand analysis are based on the Primary Market Area (PMA) as defined below and outlined in the following maps. The proposal is located in Gaffney, South Carolina, in Census Tract 9702.01 of Cherokee County. For comparison purposes, data pertaining to the city of Gaffney, Cherokee County and the state of South Carolina where appropriate have also been included throughout the analysis.

Census Tracts were used to define the PMA. The county border forms the boundaries of the PMA to the north and the river to the east. To the west Census Tract boundaries form the boundaries of the PMA. The farthest boundary of the PMA is approximately 10.3 miles from the site to the southeast. From the site, the PMA extends approximately 7 miles to the north, 4 miles to the west, less than 4.5 miles to the east and 8.7 miles to the south. Census Tracts defining the market area include:

Census Tract 9701	Census Tract 9705.01
Census Tract 9702.01	Census Tract 9705.02
Census Tract 9703.01	Census Tract 9705.03
Census Tract 9703.02	Census Tract 9706.01

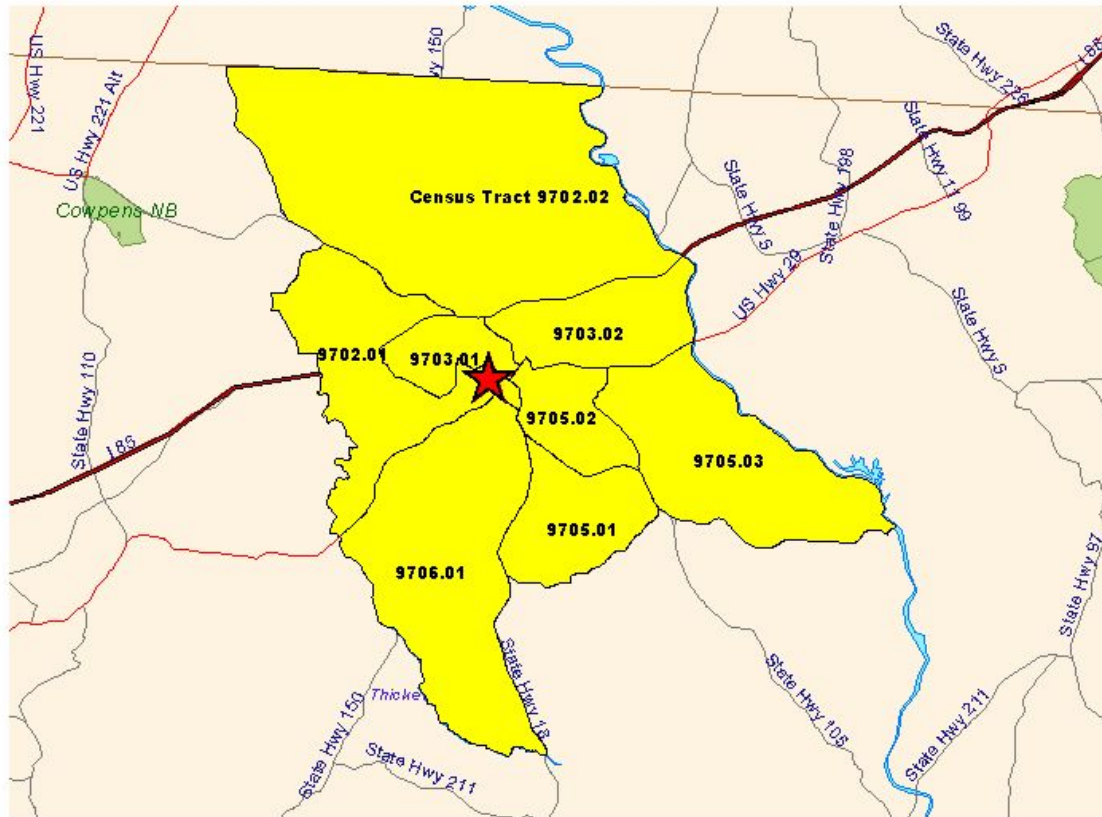
Major factors in defining the PMA were proximity to the site, competition with surrounding areas and socioeconomic conditions. The proposal is a family project, located in Gaffney. Outside of the city there is little development, resulting in little competition for tenants within the county, therefore the PMA should be considered a conservative estimate of demand for the subject. Declining proximity was the primary factor in limiting the PMA to the north and south, while the river forms a natural boundary to the east and increasing competition with Spartanburg limits farther extension to the west.

Map: Local Area



Map: Primary Market Area

Micro View



-  **Primary Market Area**
-  **County Boundary**
-  **Airport**
-  **Highway**
-  **Primary road**
-  **Secondary and connecting road**
-  **Water body**
-  **Park**



Map: Primary Market Area

Macro View



-  Primary Market Area
-  County Boundary
-  Airport
-  Highway
-  Primary road
-  Secondary and connecting road
-  Water body
-  Park



Section 6: Economic Analysis

Economic Overview

The proposal will offer units targeted at low and moderate income households within the Gaffney area. Economic analysis is provided for Cherokee County, which is deemed the most important for the area's economic viability. In addition, information for the State of South Carolina and United States are illustrated to put these trends into greater context.

Local economics are largely driven by the national economy, particularly for larger, more urban areas with greater economic diversification. This is visually evident in the unemployment rate comparison presented in the following pages (i.e., movements in the unemployment rate for the United States coincide with state and local movements). While generally moving in tandem with national levels, the unemployment rate in South Carolina has been higher in comparison to national levels in recent years with a dramatic surge evident in 2008--this can be attributed to a continual rise in the labor force combined with a decline in employment. In recent months the unemployment rate within the state has stabilized or reversed owing to an increase in employment outpacing growth in the labor force.

The national economy suffered a credit crisis in 2008, which led to worsening economic conditions including declining consumer confidence, continued pressure on an already fragile housing sector, declining consumer spending and a dramatic decline in automotive purchases all contributing to a worsening in economic conditions throughout the nation. While the credit crisis has largely passed and there are nascent signs of recovery, unemployment throughout the nation remains high relative to recent historical trends, but with renewed optimism among some economists. Analysis throughout this report is based on current economic conditions remaining stable with a more robust recovery beginning in 2014-2015. The effects of a deceleration or stagnation in the economy generally serve to increase demand for affordable housing among those experiencing wage cuts while eliminating from consideration those who become unemployed.

Economic Characteristics and Trends

Gaffney is located within Cherokee County, with the bulk of employment concentrations within the county located within Gaffney. Within the PMA, 45 percent of workers find employment within a less than 15 minute travel time, while an additional 36 percent of workers find employment within a 30 minute radius.

Employee Commute Times

	City of Gaffney	PMA	County of Cherokee	State of SC
2010 Total Workers via Census	4,490	11,617	20,389	1,988,734
Travel Time: < 15 Minutes	2,645	5,285	7,218	572,755
Percent of Workers	58.9%	45.5%	35.4%	28.8%
Travel Time: 15 - 29 Minutes	1,280	4,162	8,217	797,482
Percent of Workers	28.5%	35.8%	40.3%	40.1%
Travel Time: 30 - 44 Minutes	314	1,292	3,018	383,826
Percent of Workers	7.0%	11.1%	14.8%	19.3%
Travel Time: 45 - 59 Minutes	112	419	1,040	131,256
Percent of Workers	2.5%	3.6%	5.1%	6.6%
Travel Time: 60+ Minutes	139	453	897	101,425
Percent of Workers	3.1%	3.9%	4.4%	5.1%
Avg Travel Time in Minutes for Commuters	15	18	21	23

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

Industry employment concentrations in the city, county and state are illustrated below with national trends illustrated to put state and local trends into greater context. Locally within the city and PMA employment is more heavily concentrated in manufacturing than the state as a whole, with this concentration offset against a broad range of industries. Employment concentrations in the PMA and county are more concentrated in the production, transportation and material moving sectors relative to the state as a whole.

Industry Employment Concentrations

	City of Gaffney	County of Cherokee	State of SC	USA
Ag, forestry, fishing and hunting, and mining	1.0%	0.7%	1.1%	1.9%
Construction	3.1%	7.5%	7.7%	6.8%
Manufacturing	26.0%	25.5%	13.8%	10.8%
Wholesale trade	4.0%	3.0%	2.8%	2.9%
Retail trade	15.6%	12.9%	12.1%	11.5%
Transp and warehousing, and util	4.4%	7.5%	4.9%	5.1%
Information	2.0%	0.9%	1.8%	2.3%
Fin and ins, and r.estate and rent/lease	3.0%	2.7%	6.0%	6.9%
Prof, sci, and mngr, and admin and waste	5.9%	5.0%	9.1%	10.5%
Ed services, and hlth care and soc assist	15.8%	18.6%	21.3%	22.5%
Arts, ent, and rec, and accommod/food	8.1%	7.6%	9.7%	9.0%
Other services, except public administration	5.6%	5.1%	4.9%	4.9%
Public administration	5.5%	3.2%	4.9%	4.9%
Total Occupations				
Mngmt, bus, sci, and arts	22.9%	23.9%	32.0%	35.7%
Service occupations	16.7%	14.9%	17.7%	17.5%
Sales and office occupations	26.4%	23.5%	25.2%	25.1%
Nat res, construction, and maintenance	5.3%	9.7%	10.5%	9.6%
Prod, transp, and material moving	28.7%	28.0%	14.7%	12.2%

Source: Census of Population and Housing, U.S. Census Bureau

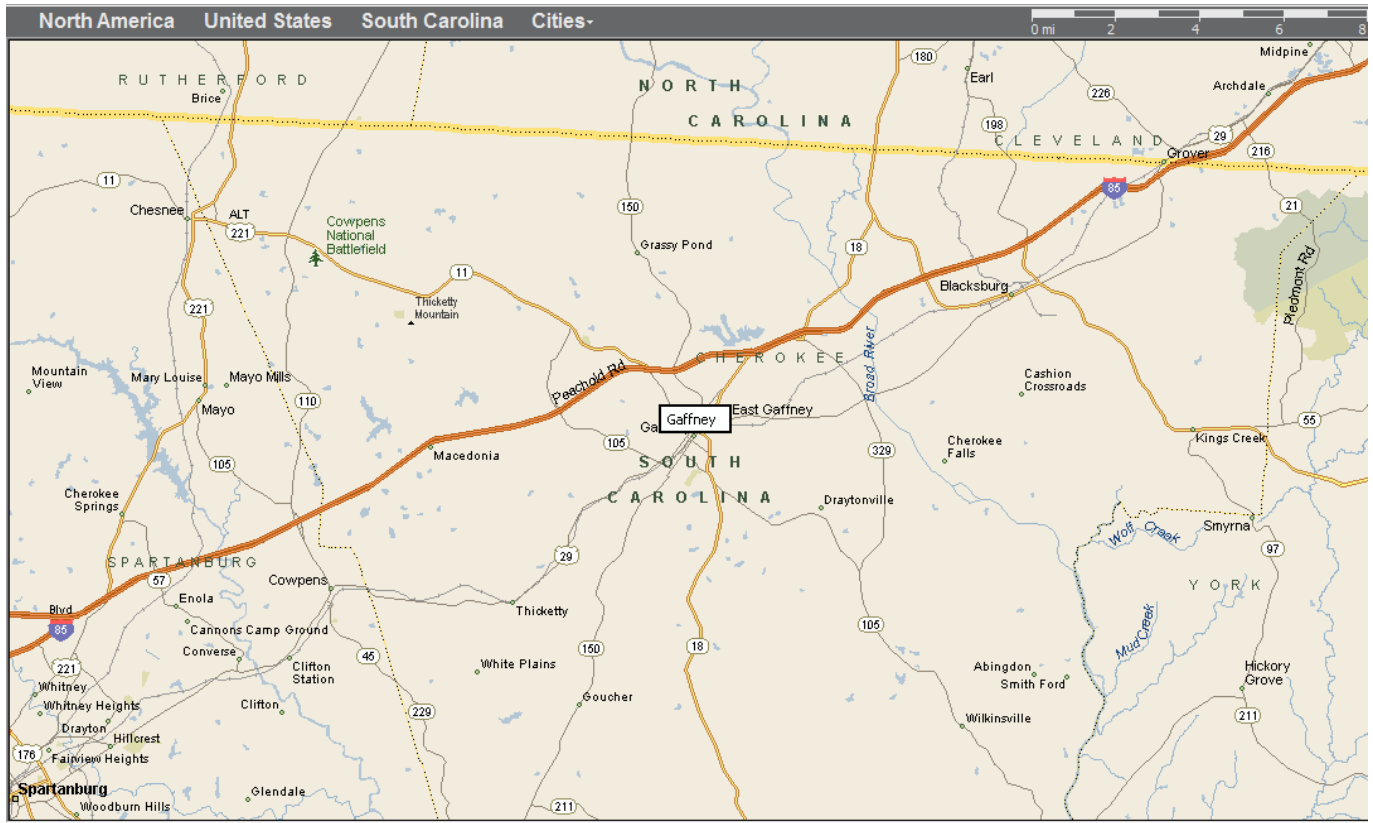
The major employers within Cherokee County are detailed below. Data was gathered from South Carolina Work Force in February 2014. Top employers in the area are largely engaged a number of industries, including shipping, manufacturing and distribution, consistent with the industry concentrations presented previously. Net job flows in 2011 and 2012 are detailed on the following pages showing net positive job flows over the past four quarters within the county. The subject is slated for market entry in 2016 at which point it is anticipated the economy will have entered a recovery phase and growth will resume with resumption of job creation to more normal levels.

Employment within the county is concentrated in Gaffney which represents the highest population density area in the county. Gaffney is highlighted in the map on the following pages.

Top Employers within Cherokee County

Employer Name	City	Zip Code	Employee Range
Timken Co	Gaffney	29341	1,000-4,999
Freightliner Custom Chassis	Gaffney	29341	500-999
Ups Freight	Gaffney	29341	500-999
Magnolia Finishing	Blacksburg	29702	500-999
Novant Health Gaffney Med Ctr	Gaffney	29340	250-499
Walmart Supercenter	Gaffney	29341	250-499
Automated Distribution Systems	Gaffney	29340	250-499
Limestone College	Gaffney	29340	250-499
Newark Electronics Corp	Gaffney	29341	250-499
Ply Gem Siding Group	Gaffney	29340	250-499
Adecco	Gaffney	29341	100-249
Brown Packing Co	Gaffney	29341	100-249
Robert Allen Group Inc	Gaffney	29341	100-249
Suminoe Textile of America	Gaffney	29340	100-249
Gaffney Senior High School	Gaffney	29341	100-249
Parkdale Mills	Gaffney	29341	100-249
Gaffney City Administration	Gaffney	29340	100-249
Ametex Fabrics	Gaffney	29341	100-249
Carolina Cottonworks	Gaffney	29340	100-249
Cherokee Masonry	Gaffney	29341	100-249
Interim Health Care	Gaffney	29341	100-249
Brookview Healthcare Ctr	Gaffney	29340	100-249
Watts Regulator Co	Chesnee	29323	100-249
Hamrick's Inc	Gaffney	29341	100-249
J Grady Randolph	Gaffney	29341	100-249

Map: Employment Concentrations Cherokee County Area



Labor Market Dynamics

Cherokee County	Q4 2012	Average Last 4 Quarters	Q4 2011
Total Employment	18,744	18,743	18,821
Net Job Flows	476	83	137
Job Creation	997	753	781
New Hires	2,349	2,277	1,982
Seperations	2,467	2,550	2,399
Turnover	N/A	N/A	7%
Avg Monthly Earnings	\$3,189	\$3,000	\$3,053
Avg New Hire Earnings	\$2,223	\$1,899	\$1,896

Source: US Census Bureau

Announced Employer Expansions-(Since September 2013)

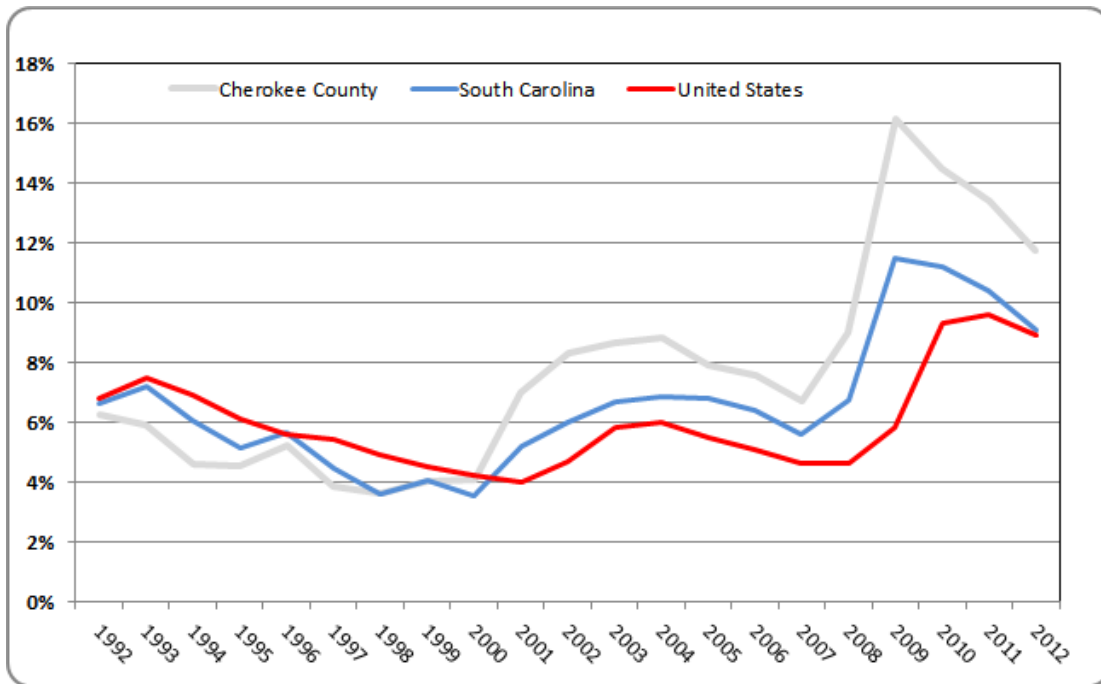
Company	Location	New Jobs	\$ Investment (Millions)
Associated Hardwoods	Cherokee County	28	\$9.8

Source: South Carolina Commerce

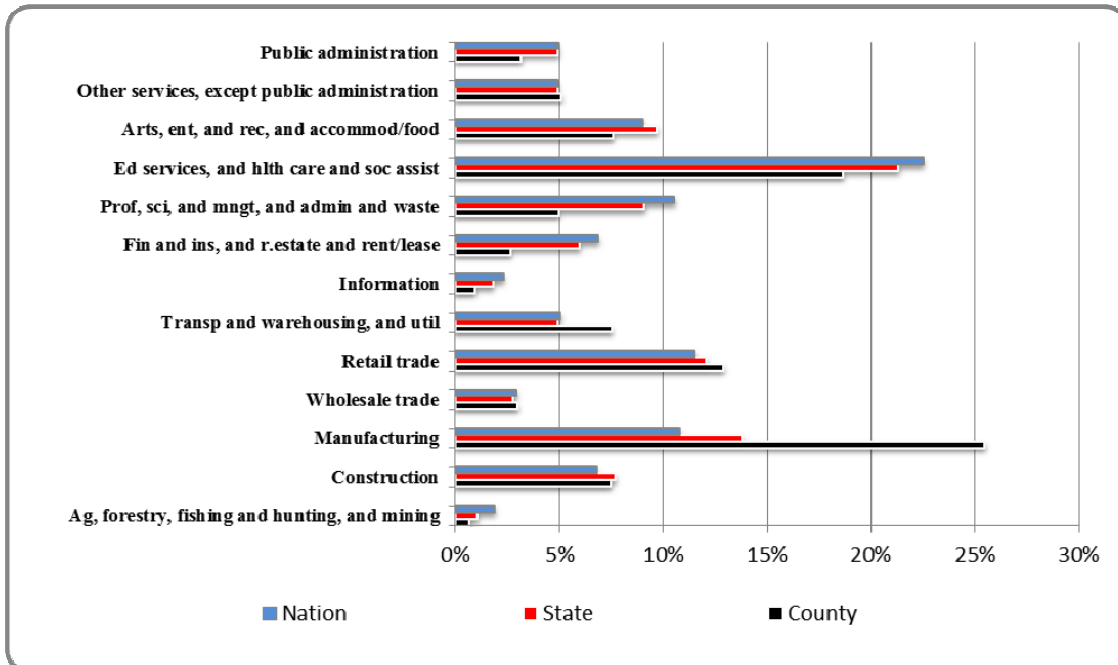
WARN Notification Report-State of South Carolina (2013-2014 YTD)

Company	Location	Effective Date	Positions	Type
Carolina, Inc.	Aiken	6/7/2013	214	Layoff
Shaw Project Services	Aiken	8/6/2013	485	Layoff
AREVA Federal Services	Aiken	8/6/2013	130+28	Layoff
Pepperidge Farm, Inc.	Aiken	9/27/2013	115	Closure
Harvey Industries Die Casting	Aiken	11/21/2013	150	Closure
General Nutrition	Anderson	10/11/2013	50	Closure
Joy Global	Belton	8/1/2013	77	Closure
Palmetto GBA	Columbia	8/23/2013	126	Layoff
Mortgage Bank	Florence	6/4/2013	573	Closure
Mortgage Bank	Florence	2/1/2014	23	Closure
Heinz	Florence	3/21/2014	198	Closure
Titanium Holdings	Fort Mill	3/31/2013	95	Closure
DSE Systems, Inc.	Gaffney	5/31/2013	42	Layoff
Gannett Publishing Company	Greenville	3/31/2014	117	Closure
Bi-Lo	Greenville	4/17/2013	130	Layoff
Sunland Logistics Solutions	Greenville	7/1/2013	47	Layoff
Sunland Staffing	Greenville	7/1/2013	52	Layoff
Capitol Management	Greenville	7/29/2013	36	Closure
First Center, LLC	Greenville	7/29/2013	85	Closure
International Automotive	Greenville	12/20/2013	164	Closure
SafeAuto Insurance	Hemingway	3/19/2013	164	Closure
Jostens, Inc.	Laurens	6/24/2013	63	Layoff
CGI Federal	North Charleston	11/30/2013	88	Layoff
Piggly Wiggly	North Charleston	3/31/2014	64	Closure
Stacy's Greenhouses	Pendleton	9/8/2013	61	Intent to Sell
Fast Lane of Rock Hill	Rock Hill	2/25/2013	31	Closure
Spartanburg Steel Products,	Spartanburg	7/1/2013	64	Layoff
Piggly Wiggly	Summerville	3/31/2014	85	Closure
Caterpillar, Inc.	Summerville	6/1/2014	250	Closure
SCE&G	Walterboro	12/31/2013	67	Closure
Filtration Group	York	8/16/2013	96	Layoff
Stacy's Greenhouses	York	9/8/2013	656	Intent to Sell

Graph: Unemployment Rate Comparison



Graph: Industry Employment Concentrations



Annual Labor Force and Employment Statistics

Year	Cherokee County				South Carolina				U.S.
	Number Employed	Labor Force	Annual Change	Unemp. Rate	Number Employed	Labor Force	Annual Change	Unemp. Rate	Unemp. Rate
1992	21,860	23,313	NA	6.2%	1,673,620	1,792,544	NA	6.6%	6.8%
1993	22,360	23,761	500	5.9%	1,696,068	1,827,755	22,448	7.2%	7.5%
1994	22,937	24,040	577	4.6%	1,729,363	1,840,416	33,295	6.0%	6.9%
1995	23,287	24,397	350	4.5%	1,754,633	1,849,866	25,270	5.1%	6.1%
1996	23,668	24,978	381	5.2%	1,785,646	1,892,377	31,013	5.6%	5.6%
1997	24,016	24,971	348	3.8%	1,819,508	1,903,857	33,862	4.4%	5.4%
1998	24,452	25,367	436	3.6%	1,849,075	1,918,305	29,567	3.6%	4.9%
1999	24,724	25,768	272	4.1%	1,876,895	1,956,674	27,820	4.1%	4.5%
2000	24,683	25,737	(41)	4.1%	1,917,365	1,988,159	40,470	3.6%	4.2%
2001	23,507	25,274	(1,176)	7.0%	1,834,871	1,935,614	(82,494)	5.2%	4.0%
2002	22,178	24,181	(1,329)	8.3%	1,826,240	1,942,147	(8,631)	6.0%	4.7%
2003	22,212	24,309	34	8.6%	1,854,419	1,987,676	28,179	6.7%	5.8%
2004	22,797	25,010	585	8.8%	1,888,050	2,026,480	33,631	6.8%	6.0%
2005	22,857	24,827	60	7.9%	1,922,367	2,062,350	34,317	6.8%	5.5%
2006	23,148	25,050	291	7.6%	1,970,912	2,105,035	48,545	6.4%	5.1%
2007	23,596	25,293	448	6.7%	2,010,252	2,129,320	39,340	5.6%	4.6%
2008	23,254	25,555	(342)	9.0%	1,998,368	2,143,293	(11,884)	6.8%	4.6%
2009	21,517	25,654	(1,737)	16.1%	1,908,839	2,155,784	(89,529)	11.5%	5.8%
2010	21,602	25,261	85	14.5%	1,917,747	2,159,199	8,908	11.2%	9.3%
2011	21,536	24,870	(66)	13.4%	1,941,654	2,167,311	23,907	10.4%	9.6%
2012	22,170	25,116	634	11.7%	1,970,112	2,167,194	28,458	9.1%	8.9%
2013	22,538	25,033	368	10.0%	1,995,454	2,164,340	25,343	7.8%	8.1%
	<i>Number</i>	<i>Percent</i>	<i>Annualized Rate</i>		<i>Number</i>	<i>Percent</i>	<i>Annualized Rate</i>		
Change in Employment:									
(2006-2012):	(260)	-1.0%	-0.1%		35,020	1.6%	0.2%		
(2009-2012):	(228)	-0.9%	-0.2%		5,141	0.2%	0.1%		
Change in Labor Force:									
(2006-2012):	(1,058)	-4.5%	-0.7%		(14,798)	-0.7%	-0.1%		
(2009-2012):	936	4.3%	1.1%		77,707	4.1%	1.0%		
<i>Source: Bureau of Labor and Statistics</i>									

Monthly Labor Force and Employment Statistics (NSA)

Date	Cherokee County				South Carolina			
	Number Employed	Labor Force	Yr/Yr Employed	Yr/Yr Labor Force	Number Employed	Labor Force	Yr/Yr Employed	Yr/Yr Labor Force
Jan-11	21,343	24,936			1,899,209	2,136,980		
Feb-11	21,510	24,972			1,907,779	2,141,593		
Mar-11	21,547	24,796			1,930,337	2,148,352		
Apr-11	21,758	24,968			1,952,151	2,166,708		
May-11	21,695	25,050			1,958,736	2,182,123		
Jun-11	21,577	25,068			1,960,258	2,201,808		
Jul-11	20,839	24,185			1,959,774	2,195,475		
Aug-11	21,592	25,077			1,954,296	2,190,765		
Sep-11	21,701	24,970			1,945,758	2,172,993		
Oct-11	21,713	24,922			1,949,986	2,170,384		
Nov-11	21,597	24,719			1,944,664	2,154,697		
Dec-11	21,554	24,775			1,936,900	2,145,855		
Jan-12	22,031	25,369	3.2%	1.7%	1,926,690	2,138,745	1.4%	0.1%
Feb-12	22,224	25,440	3.3%	1.9%	1,940,638	2,152,652	1.7%	0.5%
Mar-12	22,378	25,345	3.9%	2.2%	1,961,792	2,156,306	1.6%	0.4%
Apr-12	22,294	25,080	2.5%	0.4%	1,974,673	2,161,433	1.2%	-0.2%
May-12	22,233	25,114	2.5%	0.3%	1,987,279	2,183,865	1.5%	0.1%
Jun-12	22,239	25,288	3.1%	0.9%	1,992,817	2,204,175	1.7%	0.1%
Jul-12	21,959	25,047	5.4%	3.6%	1,985,535	2,195,335	1.3%	0.0%
Aug-12	21,854	24,909	1.2%	-0.7%	1,972,124	2,174,892	0.9%	-0.7%
Sep-12	22,133	24,864	2.0%	-0.4%	1,976,521	2,160,202	1.6%	-0.6%
Oct-12	22,338	25,150	2.9%	0.9%	1,986,738	2,173,585	1.9%	0.1%
Nov-12	22,208	24,804	2.8%	0.3%	1,972,406	2,152,028	1.4%	-0.1%
Dec-12	22,151	24,986	2.8%	0.9%	1,964,125	2,153,111	1.4%	0.3%
Jan-13	22,149	25,278	0.5%	-0.4%	1,958,505	2,160,115	1.7%	1.0%
Feb-13	22,367	25,282	0.6%	-0.6%	1,969,759	2,157,345	1.5%	0.2%
Mar-13	22,564	25,147	0.8%	-0.8%	1,982,977	2,153,766	1.1%	-0.1%
Apr-13	22,667	25,114	1.7%	0.1%	2,000,233	2,160,081	1.3%	-0.1%
May-13	22,597	25,145	1.6%	0.1%	2,008,927	2,179,225	1.1%	-0.2%
Jun-13	22,474	25,236	1.1%	-0.2%	2,011,356	2,201,813	0.9%	-0.1%
Jul-13	22,483	25,035	2.4%	0.0%	2,015,814	2,192,688	1.5%	-0.1%
Aug-13	22,392	24,963	2.5%	0.2%	2,003,711	2,181,483	1.6%	0.3%
Sep-13	22,470	24,786	1.5%	-0.3%	1,994,952	2,155,916	0.9%	-0.2%
Oct-13	22,762	24,960	1.9%	-0.8%	1,998,427	2,153,035	0.6%	-0.9%
Nov-13	22,695	24,700	2.2%	-0.4%	1,996,248	2,137,993	1.2%	-0.7%
Dec-13	22,838	24,745	3.1%	-1.0%	2,004,540	2,138,614	2.1%	-0.7%
<i>Source: Bureau of Labor and Statistics</i>								

Section 7: Demographic Trends and Characteristics

Demographic Overview

Between 2000 and 2010, population and households decreased at a modest rate in the PMA. Nielsen forecasts a reversal of these declines through 2019 with modest growth over this period.

Population Characteristics and Trends

Population information for the PMA, Cherokee County and the city of Gaffney is illustrated below. In addition, information for the state of South Carolina is provided to put demographic trends in greater context. Population increased at a tepid rate in the county with declines in other submarkets, including a very negligible change in population in the PMA between 2000 and 2010. Nielsen forecasts a reversal of these declines through 2019 with modest growth over this period in the PMA, indeed growth in the PMA is forecasted to increase at a rate in excess of the county over this period.

Population Trends and Forecast

	City of Gaffney	PMA	County of Cherokee	State of SC
2000 Population	12,807	32,681	52,537	4,011,983
2010 Population	12,414	31,991	55,342	4,625,364
Percent Change (2000 to 2010)	-3.1%	-2.1%	5.3%	15.3%
Total Change (2000 to 2010)	-393	-690	2,805	613,381
Annual Change (2000 to 2010)	-39	-69	281	61,338
Annualized Change (2000 to 2010)	-0.3%	-0.2%	0.5%	1.4%
2013 Population Estimate	12,351	32,468	55,840	4,740,447
Percent Change (2010 to 2013)	-0.5%	1.5%	0.9%	2.5%
Total Change (2010 to 2013)	-63	477	498	115,083
Annual Change (2010 to 2013)	-21	159	166	38,361
Annualized Change (2010 to 2013)	-0.2%	0.5%	0.3%	0.8%
2016 Population Forecast	12,287	32,946	56,338	4,855,531
Percent Change (2010 to 2016)	-1.0%	3.0%	1.8%	5.0%
Total Change (2010 to 2016)	-127	955	996	230,167
Annual Change (2010 to 2016)	-21	159	166	38,361
Annualized Change (2010 to 2016)	-0.2%	0.5%	0.3%	0.8%
2019 Population Forecast	12,224	33,423	56,836	4,970,614
Percent Change (2010 to 2019)	-1.5%	4.5%	2.7%	7.5%
Total Change (2010 to 2019)	-190	1,432	1,494	345,250
Annual Change (2010 to 2019)	-21	159	166	38,361
Annualized Change (2010 to 2019)	-0.2%	0.5%	0.3%	0.8%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

All three submarkets share similar age distribution characteristics with the majority of the population concentrated in the 44 and under age cohorts. The aging of the Baby Boom generation has and will continue to shift the national age distribution toward the 45 and over population segments. This national trend is evident within all three areas here as well with the majority of growth between 2000 and 2010 concentrated in the 45 and over age segments and a forecasted shift to the upper age segments through 2019.

Population by Age Group

	City of Gaffney	PMA	County of Cherokee	State of SC
Age 24 and Under - 2000	4,480	11,543	18,316	1,417,517
Percent of total 2000 population	35.0%	35.3%	34.9%	35.3%
Age Between 25 and 44 - 2000	3,417	9,390	15,535	1,186,002
Percent of total 2000 population	26.7%	28.7%	29.6%	29.6%
Age Between 45 and 64 - 2000	2,811	7,384	12,173	923,249
Percent of total 2000 population	21.9%	22.6%	23.2%	23.0%
Age 65 and Over - 2000	2,099	4,364	6,513	485,215
Percent of total 2000 population	16.4%	13.4%	12.4%	12.1%
Age 24 and Under - 2010	4,238	11,127	18,884	1,556,919
Percent of total 2010 population	34.1%	34.8%	34.1%	33.7%
Percent change (2000 to 2010)	-5.4%	-3.6%	3.1%	9.8%
Age Between 25 and 44 - 2010	2,882	8,048	14,078	1,193,348
Percent of total 2010 population	23.2%	25.2%	25.4%	25.8%
Percent change (2000 to 2010)	-15.7%	-14.3%	-9.4%	0.6%
Age Between 45 and 64 - 2010	3,135	8,345	14,938	1,243,223
Percent of total 2010 population	25.3%	26.1%	27.0%	26.9%
Percent change (2000 to 2010)	11.5%	13.0%	22.7%	34.7%
Age 65 and Over - 2010	2,159	4,471	7,442	631,874
Percent of total 2010 population	17.4%	14.0%	13.4%	13.7%
Percent change (2000 to 2010)	2.9%	2.5%	14.3%	30.2%
Age 24 and Under - 2019	2,921	8,264	13,895	1,179,330
Percent of total 2019 population	23.9%	24.7%	24.4%	23.7%
Percent change (2010 to 2019)	-31.1%	-25.7%	-26.4%	-24.3%
Age Between 25 and 44 - 2019	4,078	10,926	18,447	1,668,857
Percent of total 2019 population	33.4%	32.7%	32.5%	33.6%
Percent change (2010 to 2019)	41.5%	35.8%	31.0%	39.8%
Age Between 45 and 64 - 2019	2,910	8,401	14,837	1,274,264
Percent of total 2019 population	23.8%	25.1%	26.1%	25.6%
Percent change (2010 to 2019)	-7.2%	0.7%	-0.7%	2.5%
Age 65 and Over - 2019	2,315	5,832	9,658	848,163
Percent of total 2019 population	18.9%	17.4%	17.0%	17.1%
Percent change (2010 to 2019)	7.2%	30.4%	29.8%	34.2%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

Household Characteristics and Trends

Household growth trends follow similar patterns to those observed in the overall population within all areas. Between 2000 and 2010, households decreased marginally in the PMA and city with tepid growth in the county, lagging the state as a whole. Nielsen forecasts households within the PMA to expand through 2019 at a rate in excess of the county as a whole.

Household Trends and Forecast

	City of Gaffney	PMA	County of Cherokee	State of SC
2000 Household	5,295	12,853	20,495	1,533,839
2010 Household	5,044	12,475	21,519	1,801,181
Percent Change (2000 to 2010)	-4.7%	-2.9%	5.0%	17.4%
Total Change (2000 to 2010)	-251	-378	1,024	267,342
Annual Change (2000 to 2010)	-25	-38	102	26,734
Annualized Change (2000 to 2010)	-0.5%	-0.3%	0.5%	1.6%
2013 Household Estimate	5,044	12,685	21,705	1,851,126
Percent Change (2010 to 2013)	0.0%	1.7%	0.9%	2.8%
Total Change (2010 to 2013)	0	210	186	49,945
Annual Change (2010 to 2013)	0	70	62	16,648
Annualized Change (2010 to 2013)	0.0%	0.6%	0.3%	0.9%
2016 Household Forecast	5,045	12,896	21,891	1,901,071
Percent Change (2010 to 2016)	0.0%	3.4%	1.7%	5.5%
Total Change (2010 to 2016)	1	421	372	99,890
Annual Change (2010 to 2016)	0	70	62	16,648
Annualized Change (2010 to 2016)	0.0%	0.6%	0.3%	0.9%
2019 Household Forecast	5,045	13,106	22,076	1,951,017
Percent Change (2010 to 2019)	0.0%	5.1%	2.6%	8.3%
Total Change (2010 to 2019)	1	631	557	149,836
Annual Change (2010 to 2019)	0	70	62	16,648
Annualized Change (2010 to 2019)	0.0%	0.5%	0.3%	0.9%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

Average household size can reflect economic conditions (with household size increasing during periods of recession) or indicative of the construction of larger units within the area. Consistent with national trends, average household size decreased within the state between 2000 and 2010, but with an increase in all submarkets over this period. Nielsen projections indicate a decline in average household size within all areas except the county through 2019.

Average Household Size and Group Quarters

	City of Gaffney	PMA	County of Cherokee	State of SC
2000 Average Household Size	2.32	2.49	2.53	2.53
2010 Average Household Size	2.34	2.53	2.54	2.49
Percent Change (2000 to 2010)	1.1%	1.9%	0.4%	-1.5%
2013 Average Household Size Estimate	2.34	2.52	2.54	2.49
Percent Change (2010 to 2013)	-0.4%	-0.5%	0.0%	-0.2%
2016 Average Household Size Forecast	2.33	2.51	2.54	2.48
Percent Change (2010 to 2016)	-0.7%	-0.9%	0.1%	-0.4%
2019 Average Household Size Forecast	2.32	2.50	2.54	2.48
Percent Change (2010 to 2019)	-1.1%	-1.4%	0.1%	-0.6%
2000 Group Quarters	531	722	729	135,031
2010 Group Quarters	589	379	707	139,154
Percent Change (2000 to 2010)	10.9%	-47.5%	-3.0%	3.1%
2013 Group Quarters Estimate	567	476	707	138,995
Percent Change (2010 to 2013)	-3.7%	25.6%	0.0%	-0.1%
2016 Group Quarters Forecast	545	573	707	138,837
Percent Change (2010 to 2016)	-7.4%	51.3%	0.0%	-0.2%
2019 Group Quarters Forecast	523	671	707	138,678
Percent Change (2010 to 2019)	-11.2%	76.9%	0.0%	-0.3%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

Renter penetration rates increased within the PMA between 2000 and 2010 consistent with the financial crisis of 2008 and lasting impacts on home ownership. The increase is consistent with an overall increase in the state as a whole. Renter penetration is the highest within the city at 46.3 percent, and lowest within the county at 31.1 percent. This is consistent with the higher density of the city relative to the county. Nielsen forecasts increasing renter penetration rates in all the PMA through 2019, contributing to ongoing growth in renter households over this period.

Renter Households

	City of Gaffney	PMA	County of Cherokee	State of SC
2000 Renter Households	2,179	3,884	5,349	426,215
Percent of Total HHs	41.2%	30.2%	26.1%	27.8%
2010 Renter Households	2,337	4,505	6,686	552,376
Percent of Total HHs	46.3%	36.1%	31.1%	30.7%
Percent Change (2000 to 2010)	7.3%	16.0%	25.0%	29.6%
Total Change (2000 to 2010)	158	621	1,337	126,161
Annual Change (2000 to 2010)	16	62	134	12,616
Annualized Change (2000 to 2010)	0.7%	1.5%	2.3%	2.6%
2013 Renter Households Estimate	2,370	4,613	6,724	567,532
Percent of Total HHs	47.0%	36.4%	31.0%	30.7%
Percent Change (2010 to 2013)	1.4%	2.4%	0.6%	2.7%
Total Change (2010 to 2013)	33	108	38	15,156
Annual Change (2010 to 2013)	11	36	13	5,052
Annualized Change (2010 to 2013)	0.5%	0.8%	0.2%	0.9%
2016 Renter Households Forecast	2,403	4,722	6,761	582,688
Percent of Total HHs	47.6%	36.6%	30.9%	30.7%
Percent Change (2010 to 2016)	2.8%	4.8%	1.1%	5.5%
Total Change (2010 to 2016)	66	217	75	30,312
Annual Change (2010 to 2016)	11	36	13	5,052
Annualized Change (2010 to 2016)	0.5%	0.8%	0.2%	0.9%
2019 Renter Households Forecast	2,436	4,830	6,799	597,844
Percent of Total HHs	48.3%	36.9%	30.8%	30.6%
Percent Change (2010 to 2019)	4.2%	7.2%	1.7%	8.2%
Total Change (2010 to 2019)	99	325	113	45,468
Annual Change (2010 to 2019)	11	36	13	5,052
Annualized Change (2010 to 2019)	0.5%	0.8%	0.2%	0.9%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

All three submarkets have similar renter persons per household distribution, with the highest concentration in one- to three-person households. The subject will offer two and three-bedroom units appealing to a broad spectrum of ages and household sizes.

Households by Tenure by Number of Persons in Household

	City of Gaffney	PMA	County of Cherokee	State of SC
Total 2010 Owner Occupied HUs	2,707	7,970	14,833	1,248,805
1-person HH	751	1,830	3,302	289,689
2-person HH	995	2,878	5,412	477,169
3-person HH	427	1,403	2,704	210,222
4-person HH	287	1,099	2,031	164,774
5-person HH	140	463	854	69,110
6-person HH	64	194	347	24,016
7-person or more HH	43	103	183	13,825
Imputed Avg. Owner HH Size*	2.4	2.6	2.6	2.5
Total 2010 Renter Occupied HUs	2,337	4,505	6,686	552,376
1-person HH	986	1,624	2,256	188,205
2-person HH	555	1,099	1,655	146,250
3-person HH	367	821	1,231	93,876
4-person HH	228	527	868	67,129
5-person HH	115	258	406	33,904
6-person HH	62	125	185	13,817
7-person or more HH	24	51	85	9,195
Imputed Avg. Renter HH Size*	2.2	2.4	2.5	2.4
Percent 2010 Owner Occupied HUs	2,707	7,970	14,833	1,248,805
1-person HH	27.7%	23.0%	22.3%	23.2%
2-person HH	36.8%	36.1%	36.5%	38.2%
3-person HH	15.8%	17.6%	18.2%	16.8%
4-person HH	10.6%	13.8%	13.7%	13.2%
5-person HH	5.2%	5.8%	5.8%	5.5%
6-person HH	2.4%	2.4%	2.3%	1.9%
7-person or more HH	1.6%	1.3%	1.2%	1.1%
Percent 2010 Renter Occupied HUs	2,337	4,505	6,686	552,376
1-person HH	42.2%	36.0%	33.7%	34.1%
2-person HH	23.7%	24.4%	24.8%	26.5%
3-person HH	15.7%	18.2%	18.4%	17.0%
4-person HH	9.8%	11.7%	13.0%	12.2%
5-person HH	4.9%	5.7%	6.1%	6.1%
6-person HH	2.7%	2.8%	2.8%	2.5%
7-person or more HH	1.0%	1.1%	1.3%	1.7%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

*-MAP estimated based on 7 persons per 7 or more HH size

Tenure by Age by Household

	City of Gaffney	PMA	County of Cherokee	State of SC
Total 2010 Owner Occupied HUs	2,707	7,970	14,833	1,248,805
15 to 24 years	40	138	259	17,132
25 to 34 years	205	746	1,410	127,978
35 to 44 years	377	1,368	2,613	208,648
45 to 54 years	507	1,619	3,200	271,475
55 to 64 years	622	1,792	3,317	277,550
Total Non-senior (64 years and under)	1,751	5,663	10,799	902,783
65 years and over	956	2,307	4,034	346,022
Total 2010 Renter Occupied HUs	2,337	4,505	6,686	552,376
15 to 24 years	272	525	775	71,339
25 to 34 years	471	960	1,463	139,948
35 to 44 years	411	928	1,402	107,375
45 to 54 years	417	818	1,227	96,611
55 to 64 years	317	608	877	67,712
Total Non-senior (64 years and under)	1,888	3,839	5,744	482,985
65 years and over	449	666	942	69,391
Percent 2010 Owner Occupied HUs	2,707	7,970	14,833	1,248,805
15 to 24 years	1.5%	1.7%	1.7%	1.4%
25 to 34 years	7.6%	9.4%	9.5%	10.2%
35 to 44 years	13.9%	17.2%	17.6%	16.7%
45 to 54 years	18.7%	20.3%	21.6%	21.7%
55 to 64 years	23.0%	22.5%	22.4%	22.2%
Total Non-senior (64 years and under)	64.7%	71.1%	72.8%	72.3%
65 years and over	35.3%	28.9%	27.2%	27.7%
Percent 2010 Renter Occupied HUs	2,337	4,505	6,686	552,376
15 to 24 years	11.6%	11.7%	11.6%	12.9%
25 to 34 years	20.2%	21.3%	21.9%	25.3%
35 to 44 years	17.6%	20.6%	21.0%	19.4%
45 to 54 years	17.8%	18.2%	18.4%	17.5%
55 to 64 years	13.6%	13.5%	13.1%	12.3%
Total Non-senior (64 years and under)	80.8%	85.2%	85.9%	87.4%
65 years and over	19.2%	14.8%	14.1%	12.6%

Source: Census of Population and Housing, U.S. Census Bureau; Claritas

Household Income

Median household income within all areas increased at a steady annual rate between 1999 and 2013, decreasing over this period and suggesting a loss of purchasing power. Income levels within the county as a whole are highest among the three submarkets. Nielsen forecasts a continual decline in median income for all submarkets through 2019, with income expected to decrease at a 0.8 percent annual rate within the PMA over this period. While this is consistent with historic growth it is likely overly pessimistic.

Median Household Income

	City of Gaffney	PMA	County of Cherokee	State of SC
1999 Median Household Income	\$29,464	\$32,573	\$34,042	\$37,510
2013 Median Household Income Estimate	\$26,246	\$29,049	\$30,450	\$42,354
Percent Change (1999 to 2013)	-10.9%	-10.8%	-10.6%	12.9%
Annualized Change (1999 to 2013)	-0.8%	-0.8%	-0.8%	0.9%
2016 Median Household Income Forecast	\$25,557	\$28,294	\$29,680	\$43,392
Percent Change (1999 to 2016)	-13.3%	-13.1%	-12.8%	15.7%
Annualized Change (1999 to 2016)	-0.8%	-0.8%	-0.8%	0.9%
2019 Median Household Income Forecast	\$24,867	\$27,539	\$28,910	\$44,430
Percent Change (1999 to 2019)	-15.6%	-15.5%	-15.1%	18.4%
Annualized Change (1999 to 2019)	-0.8%	-0.8%	-0.8%	0.9%

Source: *Census of Population and Housing, U.S. Census Bureau; Claritas*

The income range for the proposed facility is approximately \$18,411 to \$32,760 (in current dollars). Current year data for household income distribution by tenure is not available; consequently results below are based on extrapolations considering household growth and inflation rates. In particular household income distribution based on 2010 Census data is applied to forecasted households for 2016. Additionally these income distributions are inflated to current year dollars based on the Consumer Price Index. Based on these calculations approximately 19 percent of households within the PMA will be income qualified for the proposal.

Household Income Distribution by Tenure PMA

	Total Households	Owner Households	Renter Households
Less than \$10,599	1,862	611	1,252
Percent of 2016 Households	14.4%	7.6%	26.5%
\$10,599-\$15,899	1,288	725	563
Percent of 2016 Households	10.0%	8.9%	11.9%
\$15,899-\$21,199	995	541	454
Percent of 2016 Households	7.7%	6.6%	9.6%
\$21,199-\$26,499	980	542	438
Percent of 2016 Households	7.6%	6.7%	9.3%
\$26,499-\$37,099	1,584	936	649
Percent of 2016 Households	12.3%	11.5%	13.7%
\$37,099-\$52,999	1,882	1,207	675
Percent of 2016 Households	14.6%	14.8%	14.3%
\$52,999-\$79,499	2,393	1,890	503
Percent of 2016 Households	18.6%	23.0%	10.7%
\$79,500 or More	1,910	1,723	187
Percent of 2016 Households	14.8%	20.9%	4.0%

Source: Census of Population and Housing, U.S. Census Bureau; Bureau of Labor and Statistics

Section 8: Demand Analysis

Utilizing methodology provided by SCSHFDA, demand estimates for the proposal are outlined in the following pages based on qualified income ranges for the proposal. Income ranges are based on an affordability ratio of 35 and 40 percent of income to gross rent for family and senior projects respectively, and maximum LIHTC rents and income limits for Cherokee County. Based on South Carolina requirements, demand estimates are measured from two key sources: new renter household growth and demand from existing households and elderly owner households converting to rentership for senior projects. The resulting calculations are illustrated in the following tables and discussed below.

Demand by bedroom is derived from the individual income ranges by bedroom by income targeting. Specifically, the income range is based on beginning gross rents by bedroom size and maximum income by income target. For three-bedroom and larger units the analysis is further refined taking into account only large size households.

Capture Rates

From the LIHTC demand calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the subject property. Lower capture rates indicate generally deeper markets, thus reducing risk and hastening potential absorption periods.

A capture rate of 13.3 percent for the total LIHTC units was determined based on the demand calculations outlined in the following pages (including renter household growth, substandard units and overburdened rental housing potential). The capture rate is within the threshold rate of 30 percent. Individual capture rates are also within the 30 percent threshold rate. The capture rates for the proposal should be considered to provide further evidence of potential demand for the subject.

Absorption Rate

No projects included in the survey were able to cite absorption information. MAP has utilized movership ratios from the American Housing Survey as well as estimated “capture” rates among these income eligible households to estimate absorption. Based on the limited number of new rental projects, the quality of unit offered and the competitive rents at the subject, the proposal can expect to capture a

large percentage of eligible movers. Based on these estimates MAP projects an absorption period of to 7 to 8 months.

Demand Estimates

Area Median Income Targeting	50%	60%	Total LIHTC
Minimum Income (based on lowest rent)	\$18,411	\$21,257	\$18,411
Maximum Income (based on LIHTC County Limits)	\$27,300	\$32,760	\$32,760
2000 Households	12,475	12,475	12,475
2000 Renter Households	4,505	4,505	4,505
2013 Households	12,685	12,685	12,685
2013 Renter Households	4,613	4,613	4,613
2016 Households	12,896	12,896	12,896
2016 Renter Households	4,722	4,722	4,722
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth 2013 to 2016	108	108	108
Percent Income Qualified Renter Households	15.4%	17.3%	22.5%
Demand From New Households	17	19	24
DEMAND FROM EXISTING HOUSEHOLDS			
Percent of Renters in Substandard Housing	3.1%	3.1%	3.1%
Percent Income Qualified Renter Households	15.4%	17.3%	22.5%
Demand From Substandard Renter Households	22	25	33
Percent of Renters Rent-Overburdened	35.1%	35.1%	35.1%
Percent Income Qualified Renter Households	15.4%	17.3%	22.5%
Demand From Overburdened Renter Households	249	280	364
Demand From Existing Households	271	305	396
TOTAL DEMAND	288	324	421
LESS: Total Comparable Units Constructed Since 2013	0	0	0
LESS: Comparable Units Proposed/Under Construction	0	0	0
LESS: Vacancies in Existing Projects (<90%)	0	0	0
TOTAL NET DEMAND	288	324	421
PROPOSED NUMBER OF UNITS	14	42	56
CAPTURE RATE	4.9%	13.0%	13.3%
<i>Source: Census of Population and Housing, U.S. Census Bureau; Claritas</i>			

Demand by Bedroom

BR	AMI	Total Demand	Adjusted by Large HH Size	Adjusted Total Demand	Less Supply of:	Net Demand	Units Proposed	Capture Rate
2 BR	50%	175		175	0	175	7	4.0%
2 BR	60%	218		218	0	218	21	9.7%
2 BR	LIHTC	314		314	0	314	28	8.9%
3 BR	50%	163	21.3%	35	0	35	7	20.1%
3 BR	60%	184	21.3%	39	0	39	21	53.4%
3 BR	LIHTC	296	21.3%	63	0	63	28	44.4%

Section 9: Supply Analysis and Characteristics

Local Rental Market Analysis

MAP completed a survey of existing rental projects within the market area in February 2014. Leasing specialists of developments were contacted to identify rental housing trends as well as the most competitive projects within the area. Additionally, the area was surveyed regarding current developments under construction; pipeline projects are detailed below. The overall occupancy rate for the surveyed projects was 97.0 percent with the only LIHTC project reporting 97.9 percent—both rates are indicative of very strong demand for rental housing.

For those facilities providing information, the rental stock surveyed was weighted toward one- and two-bedroom units, which represent approximately 18 and 39 percent, respectively, of the surveyed rental stock. In terms of number of projects, the surveyed rental market is weighted to affordable housing projects. The average build year for the surveyed facilities was 1981.

Comparable Project Analysis

The proposal will be new construction operating under LIHTC guidelines. The most relevant projects for assessing demand for the proposal include units operating under income restriction guidelines in close proximity to the subject. Only one LIHTC project was located in the market area, so the competitive set was expanded to include two market rates projects offering two- and three-bedroom units, (which are also used to gauge hypothetical market rents).

The overall occupancy rate for the most comparable projects is 96.2 percent, with Iveywood Park , the only LIHTC project in the competitive set reporting 97.9 percent occupancy. This project should be considered the most comparable to the subject given condition and targeting. Rents for the subject are discounted relative to this project for similar AMI targeting and should be considered a value. Among the remaining competitive set projects both projects offer unrestricted units with higher rents relative to the proposal and comparable appeal at Stonecrest Apartments but lower appeal at Westwood Apartments, this is evident in the steep discount from market rent for the subject. The proposal offers comparable amenities, construction type and unit sizes to the most comparable facilities (Stonecrest and Iveywood) and superior appeal to Westwood Apartments. The high occupancy among competitive set projects offers

evidence of demand for the proposal. Competitive rents and strong demand for affordable housing in the area offer support for the success of the proposal.

Impact on Existing LIHTC Housing

The introduction of the proposal will have no long-term negative impact on existing surveyed LIHTC projects. Strong demand is evident among existing competitive set projects with reported occupancy at the only LIHTC project of 97.9 percent. Strong demand in the overall rental market and ongoing obsolescence of existing units and moderate household growth in the area will fuel demand for the subject.

Competitive Environment

The housing market throughout most of the nation has deteriorated considerably over the past several years. While this has created buying opportunities in many markets, credit restrictions, particularly for lower income buyers, have made purchasing a home outside the reach of potential buyers. Thus competition between rental and ownership options are limited, making rental housing the most viable option for low- to moderate-income families.

Pipeline Considerations

No comparable units in the planning stages were located within the area.

Rental Housing Survey-Competitive Set

Project Name	Program	Year Built (1)	Last Rehab (1)	Tenancy	Occ. Rate	Total Units	0BR	1BR	2BR	3BR	4BR	Heat Inc.	Ele. Inc.	Trash Inc.	Water Inc.	Sewer Inc.	Heat Type
Iveywood Park Apartments 2 Phase	LIHTC	1997		Open	98%	96	0	0	48	48	0	No	No	Yes	No	No	ELE
Stonecrest Apartments	MARKET	2008		Open	95%	114	0	NA	NA	NA	0	No	No	Yes	No	No	ELE
Westwood Apartments	MARKET	1982		Open	96%	166	20	65	65	16	0	No	No	Yes	No	No	ELE
Totals and Averages:		1996			96.2%	376	20	65	113	64	0	0%	0%	100%	0%	0%	
Subject Project:	LIHTC	New		Open		56	0	0	28	28	0	No	No	Yes	No	No	Ele
LIHTC Averages:		1997			97.9%	96	0	0	48	48	0	0%	0%	100%	0%	0%	
Market Averages:		1995			95.6%	280	20	65	65	16	0	0%	0%	100%	0%	0%	

Project Name	Program	Low Rent 1BR	High Rent 1BR	Low SQFT 1BR	High SQFT 1BR	Rent per Square Foot		Low Rent 2BR	High Rent 2BR	Low SQFT 2BR	High SQFT 2BR	Rent per Square Foot	
Iveywood Park Apartments 2 Phas	LIHTC							\$441	\$545	921		\$0.48	\$0.59
Stonecrest Apartments	MARKET	\$545	\$595	708	833	\$0.77	\$0.71	\$650	\$695	904	1,029	\$0.72	\$0.68
Westwood Apartments	MARKET	\$420		512		\$0.82		\$510		768		\$0.66	
Totals and Averages:		\$483	\$595	610	833	\$0.79	\$0.71	\$534	\$620	864	1,029	\$0.62	\$0.60
Subject Project:	LIHTC							\$359	\$442	1,075		\$0.33	\$0.41
LIHTC Averages:								\$441	\$545	921		\$0.48	\$0.59
Market Averages:		\$483	\$595	610	833	\$0.79	\$0.71	\$580	\$695	836	1,029	\$0.69	\$0.68

Project Name	Program	Low Rent 3BR	High Rent 3BR	Low SQFT 3BR	High SQFT 3BR	Rent per Square Foot		Low Rent 4BR	High Rent 4BR	Low SQFT 4BR	High SQFT 4BR	Rent per Square Foot	
Iveywood Park Apartments 2 Phas	LIHTC	\$441	\$595	1,151		\$0.38	\$0.52						
Stonecrest Apartments	MARKET	\$770		1,475		\$0.52							
Westwood Apartments	MARKET	\$599		960		\$0.62							
Totals and Averages:		\$603	\$595	1,195		\$0.50	\$0.50						
Subject Project:	LIHTC	\$425	\$524	1,225		\$0.35	\$0.43						
LIHTC Averages:		\$441	\$595	1,151		\$0.38	\$0.52						
Market Averages:		\$685		1,218		\$0.56							

Project Name	Disposal	Dishwasher	Microwave	Central Air	Wall Air	Mini-Blinds	Patio/ Balcony	Coin Op. Laundry	Hook Up Laundry	In-Unit W/D	Clubhouse	Entry Security	Exercise/Fitness Room	Pool	On-Site Management	Carport	Garage (attached)	Garage (detached)
Iveywood Park Apartments	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No	Yes	No	No	No	Yes	No	No	No
Stonecrest Apartments	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No	No	Yes
Westwood Apartments	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	No
Totals and Averages:	100%	100%	0%	100%	0%	100%	67%	100%	100%	0%	67%	0%	0%	67%	100%	0%	0%	33%
Subject Project:	No	No	Yes	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	No	No
LIHTC Averages:	100%	100%	0%	100%	0%	100%	0%	100%	100%	0%	100%	0%	0%	0%	100%	0%	0%	0%
Market Averages:	100%	100%	0%	100%	0%	100%	100%	100%	100%	0%	50%	0%	0%	100%	100%	0%	0%	50%

Rental Housing Survey-Total Survey

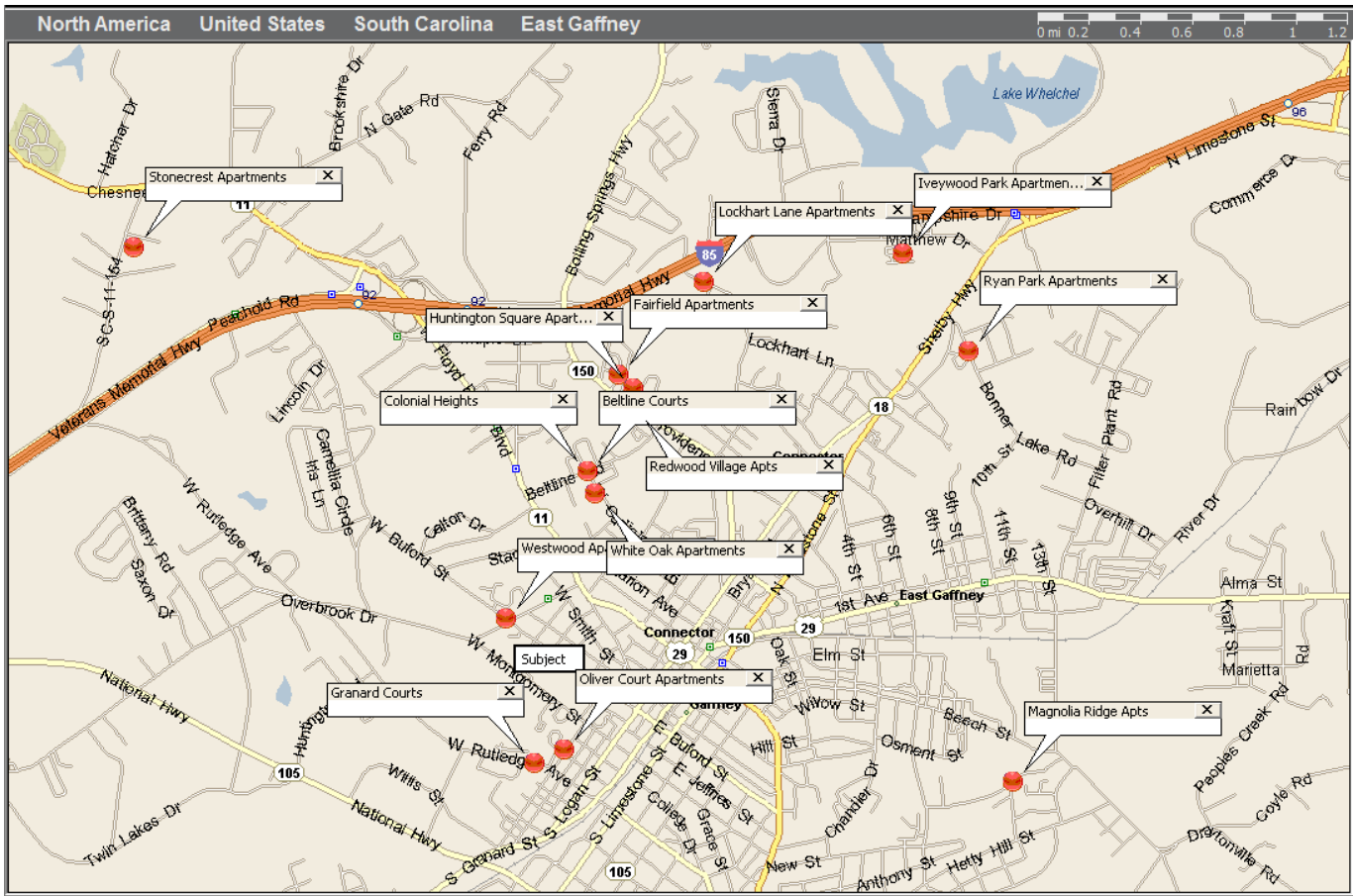
Project Name	Program	Last		Tenancy	Occupancy Rate	Total Units	0BR	1BR	2BR	3BR	4BR	Heat Inc.	Ele. Inc.	Trash Inc.	Water Inc.	Sewer Inc.	Heat Type
		Year Built (1)	Rehab (1)														
Iveywood Park Apartments 2 Phases	LIHTC	1997		Open	98%	96	0	0	48	48	0	No	No	Yes	No	No	ELE
Stonecrest Apartments	MARKET	2008		Open	95%	114	0	NA	NA	NA	0	No	No	Yes	No	No	ELE
Oliver Court Apartments	MARKET	UK		Open	90%	48	0	16	32	0	0	No	No	Yes	No	No	ELE
Westwood Apartments	MARKET	1982		Open	96%	166	20	65	65	16	0	No	No	Yes	No	No	ELE
Magnolia Ridge Apts	MARKET	1976	2000/06	Open	98%	84	12	16	32	20	4	No	No	Yes	No	No	ELE
Peachtree Apartments	RD/LIHTC	1975	1990	Open	100%	28	0	0	28	0	0	No	No	Yes	Yes	Yes	ELE
Fairfield Apartments	RD/LIHTC	1979	1994	Open	100%	60	0	24	36	0	0	No	No	Yes	No	No	ELE
White Oak Apartments	RD/LIHTC	1980	1994	Open	100%	50	0	24	26	0	0	No	No	Yes	No	No	ELE
Lockhart Lane Apartments	RD	1985		Open	94%	32	0	8	24	0	0	No	No	Yes	No	No	ELE
Ryan Park Apartments	RD	1989		Open	98%	48	0	16	32	0	0	No	No	Yes	No	No	ELE
Granard Courts	BOI-PHA	1951		Open	100%	58	0	NA	NA	NA	NA	No	No	Yes	Yes	Yes	GAS
Beltline Courts	BOI-PHA	1975		Open	100%	62	0	NA	NA	NA	NA	No	No	Yes	Yes	Yes	GAS
Colonial Heights	BOI-PHA	1975		Open	100%	56	0	0	NA	NA	NA	No	No	Yes	Yes	Yes	GAS
Huntington Square Apartments	RD/LIHTC	1982	2009	Open	88%	48	0	8	32	8	0	No	No	Yes	Yes	Yes	ELE
Redwood Village Apts	BOI-HUD	1983		Open	100%	50	0	0	34	16	0	No	No	Yes	Yes	Yes	ELE
Totals and Averages:		1981	1997		97.0%	1000	32	177	389	108	4	0%	0%	100%	40%	40%	
Subject Project:	LIHTC	New		Open		56	0	0	28	28	0	No	No	Yes	No	No	Ele
LIHTC Averages:		1997			97.9%	96	0	0	48	48	0	0%	0%	100%	0%	0%	
Market Averages:		1989			95.3%	412	32	97	129	36	4	0%	0%	100%	0%	0%	

Project Name	Program	Low Rent 1BR	High Rent 1BR	Low SQFT 1BR	High SQFT 1BR	Rent per Square Foot		Low Rent 2BR	High Rent 2BR	Low SQFT 2BR	High SQFT 2BR	Rent per Square Foot	
Iveywood Park Apartments 2 Phases	LIHTC							\$441	\$545	921		\$0.48	\$0.59
Stonecrest Apartments	MARKET	\$545	\$595	708	833	\$0.77	\$0.71	\$650	\$695	904	1,029	\$0.72	\$0.68
Oliver Court Apartments	MARKET	\$475						\$525	\$550				
Westwood Apartments	MARKET	\$420		512		\$0.82		\$510		768		\$0.66	
Magnolia Ridge Apts	MARKET	\$425		720		\$0.59		\$495		860		\$0.58	
Peachtree Apartments	RD/LIHTC												
Fairfield Apartments	RD/LIHTC	\$467	\$587	600		\$0.78	\$0.98	\$493	\$663	875		\$0.56	\$0.76
White Oak Apartments	RD/LIHTC	\$464	\$525	625		\$0.74	\$0.84	\$483	\$584	872		\$0.55	\$0.67
Lockhart Lane Apartments	RD	\$435	\$620					\$465	\$654				
Ryan Park Apartments	RD	\$420	\$474	597		\$0.70	\$0.79	\$465	\$519	830		\$0.56	\$0.63
Granard Courts	BOI-PHA												
Beltline Courts	BOI-PHA												
Colonial Heights	BOI-PHA												
Huntington Square Apartments	RD/LIHTC	\$397	\$480	825		\$0.48	\$0.58	\$466	\$549	900		\$0.52	\$0.61
Redwood Village Apts	BOI-HUD												
Totals and Averages:		\$450	\$547	655	833	\$0.69	\$0.66	\$499	\$595	866	1,029	\$0.58	\$0.58
Subject Project:	LIHTC							\$359	\$442	1,075		\$0.33	\$0.41
LIHTC Averages:								\$441	\$545	921		\$0.48	\$0.59
Market Averages:		\$466	\$595	647	833	\$0.72	\$0.71	\$545	\$623	844	1,029	\$0.65	\$0.60

Project Name	Program	Low Rent 3BR	High Rent 3BR	Low SQFT 3BR	High SQFT 3BR	Rent per Square Foot		Low Rent 4BR	High Rent 4BR	Low SQFT 4BR	High SQFT 4BR	Rent per Square Foot	
Iveywood Park Apartments 2 Phas	LIHTC	\$441	\$595	1,151		\$0.38	\$0.52						
Stonecrest Apartments	MARKET	\$770		1,475		\$0.52							
Oliver Court Apartments	MARKET												
Westwood Apartments	MARKET	\$599		960		\$0.62							
Magnolia Ridge Apts	MARKET	\$525		1,000		\$0.53		\$628		1,160		\$0.54	
Peachtree Apartments	RD/LIHTC												
Fairfield Apartments	RD/LIHTC												
White Oak Apartments	RD/LIHTC												
Lockhart Lane Apartments	RD												
Ryan Park Apartments	RD												
Granard Courts	BOI-PHA												
Beltline Courts	BOI-PHA												
Colonial Heights	BOI-PHA												
Huntington Square Apartments	RD/LIHTC	\$482	\$565	950		\$0.51	\$0.59						
Redwood Village Apts	BOI-HUD												
Totals and Averages:		\$563	\$580	1,107		\$0.51	\$0.52	\$628		1,160		\$0.54	
Subject Project:	LIHTC	\$425	\$524	1,225		\$0.35	\$0.43						
LIHTC Averages:		\$441	\$595	1,151		\$0.38	\$0.52						
Market Averages:		\$631		1,145		\$0.55		\$628		1,160		\$0.54	

Project Name	Disposal	Dishwasher	Microwave	Central Air	Wall Air	Mini-Blinds	Patio/ Balcony	Coin Op. Laundry	Hook Up Laundry	In-Unit WD	Clubhouse	Entry Security	Exercise/Fitness Room	Pool	Management	On-Site	Carport	Garage (attached)	Garage (detached)
Iveywood Park Apartments 2 Phase	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No	Yes	No	No	No	Yes	No	No	No	No
Stoncrest Apartments	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	Yes
Oliver Court Apartments	No	No	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	No	No	No	No
Westwood Apartments	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	No	No
Magnolia Ridge Apts	No	No	No	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Peachtree Apartments	No	Yes	No	Yes	No	Yes	No	No	Yes	No	No	No	No	No	Yes	No	No	No	No
Fairfield Apartments	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	No
White Oak Apartments	No	No	No	Yes	No	Yes	No	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Lockhart Lane Apartments	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	No	No	No	No
Ryan Park Apartments	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Granard Courts	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No
Beltline Courts	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	No
Colonial Heights	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No
Huntington Square Apartments	No	No	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	No	No	No	No
Redwood Village Apts	Yes	No	No	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	Yes	No	No	No	No
Totals and Averages:	33%	33%	0%	100%	0%	100%	80%	67%	73%	0%	13%	0%	0%	13%	87%	0%	0%	7%	
Subject Project:	No	No	Yes	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	No	No	
LIHTC Averages:	100%	100%	0%	100%	0%	100%	0%	100%	100%	0%	100%	0%	0%	0%	100%	0%	0%	0%	
Market Averages:	50%	50%	0%	100%	0%	100%	100%	100%	75%	0%	25%	0%	0%	50%	100%	0%	0%	25%	

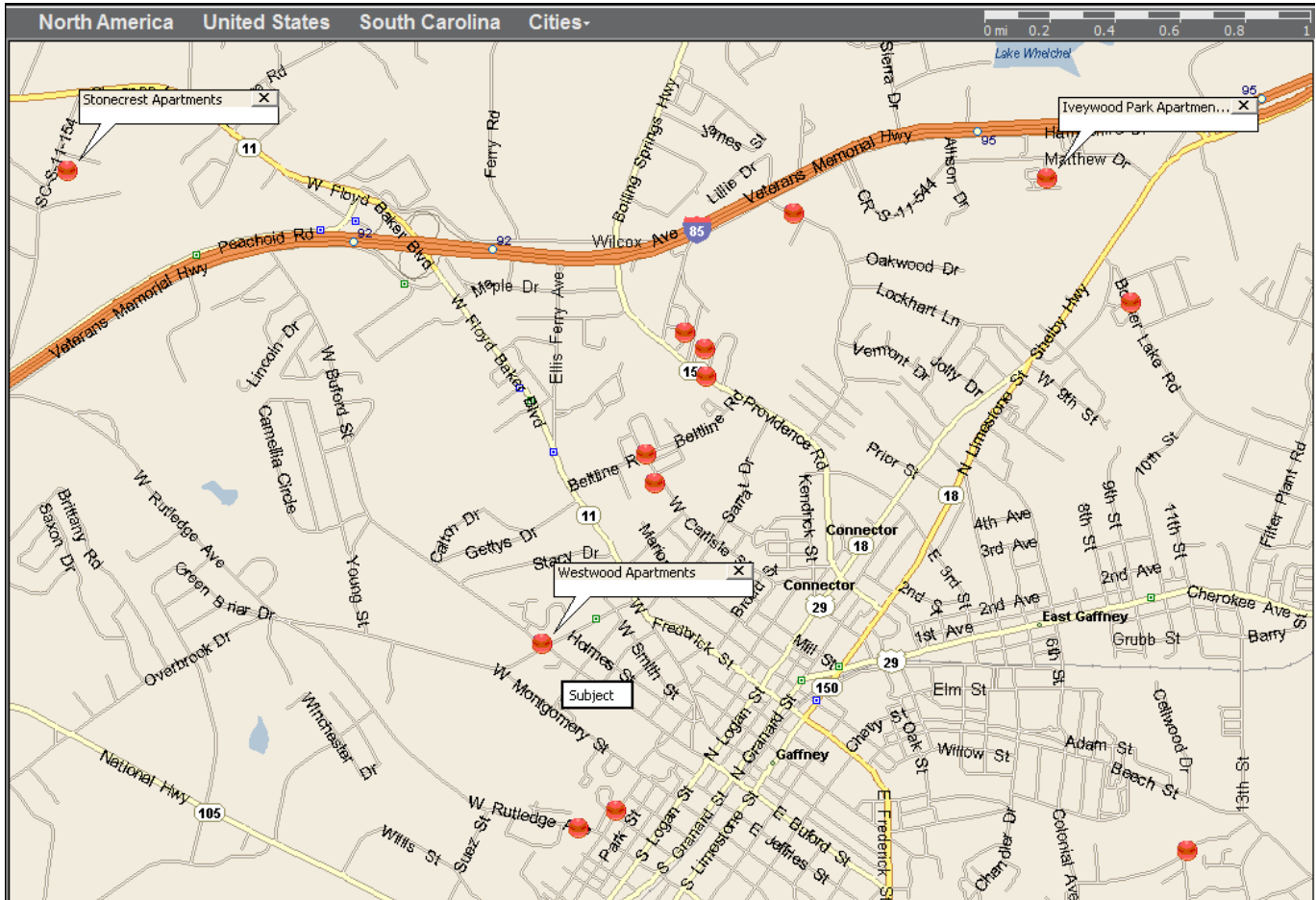
Map: Total Survey



Comp ID	Project Name	Program	Address	City	State	Phone	S-2 Summary ID
1	Iveywood Park Apartments 2 Phase	LIHTC	112 Martin Ln	Gaffney	SC	(864) 488-0093	All-LIHTC
2	Stonecrest Apartments	MARKET	102 Stonecrest Lane	Gaffney	SC	(864) 488-2224	All-MR
3	Oliver Court Apartments	MARKET	506 S Oliver St	Gaffney	SC	(864) 489-8702	All-MR
4	Westwood Apartments	MARKET	1022 W Buford St	Gaffney	SC	(864) 487-2167	All-MR
5	Magnolia Ridge Apts	MARKET	266 Goldmine Springs Rd	Gaffney	SC	(864) 489-0662	All-MR
6	Peachtree Apartments	RD/LIHTC	100 Killion Dr # 7E	Gaffney	SC	(864) 487-9064	All-Ass/Sub
7	Fairfield Apartments	RD/LIHTC	100 Fairfield Dr	Gaffney	SC	(864) 487-2119	All-Ass/Sub
8	White Oak Apartments	RD/LIHTC	100 White Oak Drive	Gaffney	SC	(843) 662-1771	All-Ass/Sub
9	Lockhart Lane Apartments	RD	473 Lockhart Ln	Gaffney	SC	(864) 487-9277	All-Ass/Sub
10	Ryan Park Apartments	RD	400 Bonner Lake Rd	Gaffney	SC	(864) 489-8126	All-Ass/Sub
11	Granard Courts	BOI-PHA	524 W Rutledge Ave	Gaffney	SC	(864) 488-1179	All-Ass/Sub
12	Beltline Courts	BOI-PHA	125 Beltline Rd	Gaffney	SC	(864) 489-3193	All-Ass/Sub
13	Colonial Heights	BOI-PHA	125 Beltline Rd	Gaffney	SC	(864) 488-1085	All-Ass/Sub
14	Huntington Square Apartments	RD/LIHTC	100 Huntington Square Dr	Gaffney	SC	(864) 489-3551	All-Ass/Sub
15	Redwood Village Apts	BOI-HUD	100 Redwood Cir	Gaffney	SC	(864) 487-3312	All-Ass/Sub

Comparable Project Information

Map: Comparable Projects



Comp ID	Project Name	Program	Address	City	State	Phone	S-2 Summary ID
1	Iveywood Park Apartments 2 Phases	LIHTC	112 Martin Ln	Gaffney	SC	(864) 488-0093	Stabilized Comp
2	Stonecrest Apartments	MARKET	102 Stonecrest Lane	Gaffney	SC	(864) 488-2224	Stabilized Comp
4	Westwood Apartments	MARKET	1022 W Buford St	Gaffney	SC	(864) 487-2167	Stabilized Comp

Comparable Project Summary Sheets

Project Name: Iveywood Park Apartments 2 Phases

Address: 112 Martin Ln
 City: Gaffney
 State: SC
 Zip: 29341
 Phone: (864) 488-0093
 Contact Name: Crystal
 Contact Date: 02/17/14
Current Occupancy: 98%

Program: LIHTC
Primary Tenancy: Open
Year Built: 1997
 PBRA: 0
 Accept Vouchers: Yes
 # of Vouchers: UK

Included Utilities:
 Heat: No
 Electric: No
 Trash: Yes
 Sewer: No
 Water: No
 Heat Type: ELE



Unit	Type	Target	# of Units	Rental Rate		Sq. Feet		# Vacant	Occ. Rate	Wait List	# Wait List
				Low	High	Low	High				
Total			96					2	98%	No	
2BR Summary			48					2	96%	No	
2BR 1.5Bth	Apt	60	39	\$545		921		2	95%	No	
2BR 1.5Bth	Apt	HOME	9	\$441		921		0	100%	No	
3BR Summary			48					0	100%	No	
3BR 2Bth	Apt	60	44	\$595		1,151		0	100%	No	
3BR 2Bth	Apt	HOME	4	\$441		1,151		0	100%	No	

Unit Amenities

Yes	A/C - Central				Microwave					Patio/Balcony
	A/C - Wall Unit				Ceiling Fan					Basement
	A/C - Sleeve Only			Yes	Walk-In Closet					Fireplace
Yes	Garbage Disposal			Yes	Mini-blinds		Yes			Internet
Yes	Dishwasher				Draperies		Yes			Individual Entry

Development Amenities

Yes	Clubhouse (separate building)				Swimming Pool					Sports Courts
Yes	Community Room			Yes	Playground/Tot Lot		Yes			On-Site Mngt.
	Computer Center				Gazebo					Security-Access Gate
	Exercise/Fitness Room				Elevator					Security-Intercom or Camera
Yes	Community Kitchen(ette)				Storage Units					

Laundry Type

Yes	Coin-Op. Laundry			Yes	Surface Lot Only (not covered)
Yes	In-Unit Hook-up				Carport
	In-Unit Washer/Dryer				Garage (att.)
	None				Garage (det.)

Project Name: Stonecrest Apartments

Address: 102 Stonecrest Lane
 City: Gaffney
 State: SC
 Zip: 29341
 Phone: (864) 488-2224
 Contact Name: Logan
 Contact Date: 02/20/14
Current Occupancy: 95%



Program: MARKET
Primary Tenancy: Open
Year Built: 2008

Included Utilities:

Heat: No
 Electric: No
 Trash: Yes
 Sewer: No
 Water: No
 Heat Type: ELE

Unit	Type	Target	# of Units	Rental Rate		Sq. Feet		# Vacant	Occ. Rate	Wait List	# Wait List
				Low	High	Low	High				
Total			114					6	95%	No	
1BR Summary			<i>NA</i>					<i>NA</i>	<i>NA</i>	<i>No</i>	
1BR 1Bth	Apt	Mrkt	NA	\$545	\$595	708	833	NA	NA	No	
2BR Summary			<i>NA</i>					<i>NA</i>	<i>NA</i>	<i>No</i>	
2BR 2Bth	Apt	Mrkt	NA	\$650	\$695	904	1,029	NA	NA	No	
3BR Summary			<i>NA</i>					<i>NA</i>	<i>NA</i>	<i>No</i>	
3BR 2Bth	Apt	Mrkt	NA	\$770			1,475	NA	NA	No	

Unit Amenities

Yes	A/C - Central				Microwave	Yes	Patio/Balcony
	A/C - Wall Unit				Ceiling Fan		Basement
	A/C - Sleeve Only	Yes			Walk-In Closet		Fireplace
Yes	Garbage Disposal	Yes			Mini-blinds	Yes	Internet
Yes	Dishwasher				Draperies	Yes	Individual Entry

Development Amenities

	Clubhouse (separate building)	Yes	Swimming Pool		Sports Courts
	Community Room		Playground/Tot Lot	Yes	On-Site Management
	Computer Center		Gazebo		Security-Access Gate
	Exercise/Fitness Room		Elevator		Security-Intercom or Camera
	Community Kitchen(ette)		Storage Units		

Laundry Type

Yes	Coin-Op. Laundry				Surface Lot Only (not covered)
Yes	In-Unit Hook-up				Carport
	In-Unit Washer/Dryer				Garage (att.)
	None	Yes			Garage (det.)

Project Name: Westwood Apartments

Address: 1022 W Buford St
 City: Gaffney
 State: SC
 Zip: 29341
 Phone: (864) 487-2167
 Contact Name: Deceka
 Contact Date: 02/17/14
Current Occupancy: 96%



Program: MARKET
Primary Tenancy: Open
Year Built: 1982
 Accept Vouchers: Yes
 # of Vouchers: 4

Included Utilities:
 Heat: No
 Electric: No
 Trash: Yes
 Sewer: No
 Water: No
 Heat Type: ELE

Unit	Type	Target	# of Units	Rental Rate		Sq. Feet		# Vacant	Occ. Rate	Wait List	# Wait List
				Low	High	Low	High				
Total			166					7	96%	No	
1BR Summary			65					NA	NA	No	
1BR 1Bth	Apt	Mrkt	65	\$420		512		NA	NA	No	
2BR Summary			65					NA	NA	No	
2BR 1Bth	Apt	Mrkt	65	\$510		768		NA	NA	No	
3BR Summary			16					NA	NA	No	
3BR 2Bth	Apt	Mrkt	16	\$599		960		NA	NA	No	
0BR Summary			20					NA	NA	No	
0BR 1Bth	Apt	Mrkt	20	\$400		288		NA	NA	No	

Unit Amenities

Yes	A/C - Central			Microwave	Yes	Patio/Balcony
	A/C - Wall Unit			Ceiling Fan		Basement
	A/C - Sleeve Only			Walk-In Closet		Fireplace
Yes	Garbage Disposal	Yes		Mini-blinds	Yes	Internet
Yes	Dishwasher			Draperies	Yes	Individual Entry

Development Amenities

Yes	Clubhouse (separate building)	Yes	Swimming Pool		Sports Courts
	Community Room	Yes	Playground/Tot Lot	Yes	On-Site Management
	Computer Center		Gazebo		Security-Access Gate
	Exercise/Fitness Room		Elevator		Security-Intercom or Camera
Yes	Community Kitchen(ette)		Storage Units		

Laundry Type

Yes	Coin-Op. Laundry
Yes	In-Unit Hook-up
	In-Unit Washer/Dryer
	None

Parking Type

Yes	Surface Lot Only (not covered)
	Carport
	Garage (att.)
	Garage (det.)

Market and Achievable Rent

Market and achievable rents for the subject are illustrated below. These rents were estimated based on competitive positioning of the project in the area. An analysis utilizing both LIHTC and market rents is presented on the following page to help illustrate the competitive positioning of the subject and its positioning as a hypothetical market rate project and in comparison to similar LIHTC projects. Rents are adjusted based on appeal (including location, amenities and unit design), included utilities, unit size and where applicable by maximum allowable gross and a minimum 10 percent market advantage. Site location, condition and appeal scores are relative to the subject (i.e., the subject is always rated as 5). Based on these analyses, the subject’s rents as proposed would be discounted more than 10 percent from market rents and are consistent with estimated achievable LIHTC rents.

Estimated achievable LIHTC and hypothetical market rent represent an assessment of what a comparable unit is receiving within the market. It is not an endorsement of rent at that level as the project was analyzed considering contract rent. Changes in contract rent will impact absorption, demand statistics and competitive positioning of the proposal and would necessitate additional analysis.

	AMI Target	Contract Rent	Est. Achievable LIHTC Rent	Est. Market Rent	Market Advantage
Summary 2 BR					
2 BR-Apt	50%	\$359	\$413	\$629	43%
2 BR-Apt	60%	\$442	\$531	\$629	30%
Summary 3 BR					
3 BR-Apt	50%	\$425	\$456	\$701	39%
3 BR-Apt	60%	\$524	\$599	\$701	25%

Rent Derivation

Rent Derivation	Subject	Average Estimates	Iveywood Park Apartments 2 Phases		Stonecrest Apartments		Westwood Apartments	
			Data	Adjustments	Data	Adjustments	Data	Adjustments
			LIHTC		MARKET		MARKET	
Program Type	LIHTC		LIHTC		MARKET		MARKET	
Tenancy	Open		Open		Open		Open	
Year Built or Last Rehab	New		1997		2008		1982	
Qualitative Adjustments	Rankings		Rankings		Rankings		Rankings	
Appeal	5		5		5		3	\$20
Location	5		5		5		5	
Condition	5		5		5		4	\$10
Amenities and Features	Included		Included		Included		Included	
A/C - Central	Yes		Yes		Yes		Yes	
Garbage Disposal	Yes		Yes		Yes		Yes	
Dishwasher	Yes		Yes		Yes		Yes	
Microwave	Yes		No	\$1	No	\$1	No	\$1
Patio/Balcony	No		No		Yes	-\$5	Yes	-\$5
Clubhouse	Yes		Yes		No	\$5	Yes	
Community Room	Yes		Yes		No	\$3	No	\$3
Computer Center	Yes		No	\$2	No	\$2	No	\$2
Swimming Pool	No		No		Yes	-\$5	Yes	-\$5
On-Site Management	Yes		Yes		Yes		Yes	
Entry Security	Yes		No	\$3	No	\$3	No	\$3
Coin-Operated Laundry	Yes		Yes		Yes		Yes	
In-Unit Hook-up Only	Yes		Yes		Yes		Yes	
Garage (detached)	No		No		Yes	-\$5	No	
Sum of Amenity Adjustments:				\$8		\$1		\$1
Avg. Square Feet								
Two-Bedroom	1,075		921	\$12	967	\$9	768	\$25
Three-Bedroom	1,225		1,151	\$7	1,475	-\$25	960	\$27
Number of Bathrooms								
Two-Bedroom	2.0		1.5	\$5	2.0		1.0	\$10
Three-Bedroom	2.0		2.0		2.0		2.0	
Included Utilities								
Heat:	No		No		No		No	
Electric:	No		No		No		No	
Trash:	Yes		Yes		Yes		Yes	
Sewer:	No		No		No		No	
Water:	No		No		No		No	
Heat Type:	Ele		ELE		ELE		ELE	
Net Utility Adjustments								
Two-Bedroom								
Three-Bedroom								
Total Adjustments								
Two-Bedroom				\$25		\$10		\$66
Three-Bedroom				\$15		-\$24		\$58
Rent Summary			Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent
Market Rent								
Two-Bedroom	\$629				\$673	\$682	\$510	\$576
Three-Bedroom	\$701				\$770	\$746	\$599	\$657
60% AMI Rent								
Two-Bedroom	\$570		\$545	\$570				
Three-Bedroom	\$610		\$595	\$610				
50% AMI Rent								
Two-Bedroom	\$466		\$441	\$466				
Three-Bedroom	\$456		\$441	\$456				

Section 10: Interviews

Contact: Patterson
Title: Housing Authority Administrator
Agency: Gaffney Housing Authority
Phone Number: 864-489-3193
Area Covered: 4 properties (274 public housing units) - not entire county. Numerous other complexes in Cherokee County and some may be Section 8 but are privately managed.
Number of Vouchers Issued: Not familiar with the voucher program. Don't have a section 8 program but we manage 274 units.
Number of Vouchers in Use: All units are occupied.
Waiting List: Waiting list has been full for 1BR since 2009-10. The list is broken down by #of BR and it varies for each.
Number of Persons on Waiting List: For 1Br, over 200 people, maybe 400 total people on waiting list for all unit sizes.
Opinion regarding the demand for affordable rental housing in area?
Contact did not have an opinion.

Contact: Sheila Teague (Tony Lavender, Zoning Administrator was unavailable)
Title: Administrative Assistant to Zoning Administrator
Phone Number: 864.487.8500
Location: 201 North Limestone Street
Gaffney, SC 29340
Any multi family rental development under construction or in the pipeline?
Refurbishing an old apartment complex off Chandler Drive

Opinion regarding the demand for affordable rental housing in area?
Demand appears to be moderate

Section 11: Recommendations and Conclusions

Based on the analysis within this report, the proposal will be successful as is; no changes are deemed necessary. The market study supports that the subject will fill a housing void for affordable housing within the market. High demand for comparable housing as well as demand statistics offer support for the proposal. The proposal will offer units targeting households at 50 and 60 percent AMI. The site is located near existing residential, demonstrating the site's viability for residential housing. Amenities and employment opportunities are located in close proximity. Local economic conditions deteriorated along with the turmoil in the national economy in 2008 but are showing signs of recovery in terms of year over year employed and positive net jobs in the past four quarters. Additionally, the subject is slated to enter the market after 2014 at which point it is expected that the economy will have entered a more normal growth phase. Households have contracted very modestly in the past decade in the PMA, but are forecasted to increase through 2019. Stabilization in the local economy is evident, which should stabilize or reverse recent contractions in households. Additionally, derived demand statistics based on demographic data suggest sufficient demand to absorb the proposal. Demand statistics also suggest an additional approximately 70 similarly positioned units could enter the market before increasing capture rates above threshold levels; however, absorption would become problematic. Furthermore, supply side data indicates rents for the subject will be competitively positioned in the area and the subject will be well positioned in the market and competitive with comparable projects. As a result, the development of the proposal to more adequately serve the PMA's population is appropriate.

Section 12: Qualifications of the Market Analyst

CHRIS VANCE

EDUCATION:

Michigan State University

Master of Arts, Economics

- Concentration in Industrial Organization
- Doctorate level curriculum

Oakland University

Bachelor of Science, Economics

- Concentrations in Finance and Computer Science
- Graduated with Honors

EMPLOYMENT HISTORY:

MARKET ANALYST PROFESSIONALS, LLC, a real estate market research company

Founder (12/03 to Present)

- Founder
- Custom report development.

COMMUNITY RESEARCH GROUP, LLC, a real estate market research company.

Market Analyst/Consultant (2/00 to 12/03)

- Prepared real estate market feasibility studies considering site characteristics, economic and demographic trends, market forecasts and project guidelines.
- Developed analytical tools and improved methodologies.
- Provided project recommendations based on analysis of market area.
- Gathered information utilizing secondary market research and through personal interviews.

J.D. POWER AND ASSOCIATES, an automotive marketing information firm.

Analyst-Economic Analysis in Forecasting Group (6/98 to 9/99)

Senior Analyst-Economic Analysis in Forecasting Group (9/99 to 2/00)

- Wrote detailed analysis of economic, political and automotive market conditions of global economies for monthly, quarterly and annual reports.
- Developed forecasting models and analytical tools to enhance forecasting capabilities using computer, data collection and analysis skills.
- Analyzed the impact of automotive market dynamics on automotive sales and competition, including pricing and profitability analysis.
- Forecasted economic growth and automotive sales for North and South America and Asia.
- Traveled to Asia and Europe as needed to participate in the company's strategic growth and product positioning decisions.

Section 13: Signed Statement Requirements

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 (SCSHFDA) programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.



Chris Vance

Market Analyst Professionals, LLC

Date: March 7, 2014

2013 Approved Market Study Provider

Acknowledgment, Release and Waiver of Liability

In consideration for being an approved market study provider, I acknowledge and agree to the following:

1. I, Chris Vance, am a duly authorized representative of Market Analyst Professionals. As an approved Market Study Provider for the Low Income Housing Tax Credit Program as administered by the South Carolina State Housing Finance and Development Authority (the "Authority"), my organization may prepare market studies on behalf of developers to be submitted as part of their application for Low Income Housing Tax Credits.
2. I understand and agree that any market study and applicable attachments submitted to the Authority are subject to a request for disclosure and I expressly consent to such disclosure on behalf of my organization.
3. I understand and agree that the Authority may upload any market study and applicable attachments to its website and I expressly consent to such disclosure on behalf of my organization.
4. On behalf of my organization, I agree to release, waive, discharge and covenant not to sue the Authority and its officers, agents, or employees from any and all liability, claims, demands and causes of action whatsoever arising out of or related to the Authority's use or disclosure of any market study and applicable attachments.



Signature: _____

Date: March 7, 2014

Bibliography

1990/2000/2010 U.S. Census of Population and Housing, U.S. Census Bureau

2019 Demographic Forecasts, Nielsen

American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development

Economic information – Bureau of Labor and Statistics

Local roadway maps—Microsoft Streets and Trips 2010

Interviews with local officials, managers and leasing specialists of local rental developments