

Market Feasibility Analysis

Willow Lake Apartments
211 N. Willow Lake Road
Lancaster, Lancaster County, South Carolina 29720

Prepared For

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Effective Date

March 3, 2014

Job Reference Number

14-218 PB



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

Development Name:	Willow Lake Apartments	Total # Units:	56
Location:	211 North Willow Lake Road, Lancaster, SC 29720	# LIHTC Units:	56
PMA Boundary:	Lancaster County limits to the north, east and west, and 29720 sip codes to the south.		
Development Type:	<input checked="" type="checkbox"/> X_Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	14.0 miles

RENTAL HOUSING STOCK (found on page H-11)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	18	1,013	12	98.8%
Market-Rate Housing	3	209	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	9	535	11	97.9%
LIHTC (All that are stabilized)*	4	180	0	100.0%
Stabilized Comps**	6	371	0	100.0%
Non-stabilized Comps	0	0	0	-

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	One-Br	1.0	750	\$395	\$680	\$0.91	41.91%	\$750	\$0.95
12	One-Br	1.0	750	\$450	\$680	\$0.91	33.82%	\$750	\$0.95
7	Two-Br	2.0	950	\$463	\$770	\$0.81	39.87%	\$770	\$0.83
17	Two-Br	2.0	950	\$500	\$770	\$0.81	35.06%	\$770	\$0.83
3	Three-Br	2.0	1,100	\$522	\$880	\$0.80	40.68%	\$995	\$0.79
13	Three-Br	2.0	1,100	\$600	\$880	\$0.80	31.81%	\$995	\$0.79
Gross Potential Rent Monthly*				\$28,087	\$43,440		35.34%		

*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-1)

	2000		2013		2016	
Renter Households	4,995	33.3%	5,902	33.7%	6,112	33.7%
Income-Qualified Renter HHs (LIHTC)	1,772	35.5%	2,110	35.7%	2,159	35.7%
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	50	41				49
Existing Households (Overburd + Substand)	864	807				998
Homeowner conversion (Seniors)	-	-				-
Other:	-	-				-
Less Comparable/Competitive Supply	12	36				48
Net Income-qualified Renter HHs	902	812				999

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	1.5%	5.2%				5.6%

ABSORPTION RATE (found on page G-6)

Absorption Period	six months
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S-2 RENT CALCULATION WORKSHEET

Project Name: Willow Lake Apartments

# 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	
4	1 BR	\$395	\$1,580	\$680	\$2,720	
12	1 BR	\$450	\$5,400	\$680	\$8,160	
	1 BR		\$0		\$0	
7	2 BR	\$463	\$3,241	\$770	\$5,390	
17	2 BR	\$500	\$8,500	\$770	\$13,090	
	2 BR		\$0		\$0	
3	3 BR	\$522	\$1,566	\$880	\$2,640	
13	3 BR	\$600	\$7,800	\$880	\$11,440	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	56		\$28,087		\$43,440	35.34%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 56-unit Willow Lake Apartments in Lancaster, South Carolina. The proposed project, which will offer one-, two- and three-bedroom units, will be developed under the Low-Income Housing Tax Credit (LIHTC) and HOME programs and will target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The proposed collected rents will be \$395 to \$450 for a one-bedroom unit, \$463 to \$500 for a two-bedroom unit and \$522 to \$600 for a three-bedroom unit. The project is projected to be open in March 2016. Additional details concerning the subject project are as follows:

- a. Property Location:** 211 North Willow Lake Road
Lancaster, South Carolina 29720
(Lancaster 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
4*	One-Br.	1.0	Garden	750	50%	\$395	\$76	\$471	\$478**
12	One-Br.	1.0	Garden	750	60%	\$450	\$76	\$526	\$591
7*	Two-Br.	2.0	Garden	950	50%	\$463	\$101	\$564	\$573**
17	Two-Br.	2.0	Garden	950	60%	\$500	\$101	\$601	\$709
3*	Three-Br.	2.0	Garden	1,100	50%	\$522	\$126	\$648	\$661**
13	Three-Br.	2.0	Garden	1,100	60%	\$600	\$126	\$726	\$819
56	Total								

Source: Landmark Asset Services, Incorporated
 AMHI – Area Median Household Income (Lancaster County, SC; 2014)
 *Units operating under the HOME program
 **HOME Program Limits (Low Home)

- g. Number Of Stories/Buildings:** Three (3) two- and three-story residential walk-up buildings
- k. Project-Based Rental Assistance (Existing or Proposed):** Not applicable



l. Community Amenities:

The subject property will include the following community:

- On-Site Management
- Community Room
- Laundry Facility
- Fitness Center
- Playground
- Computer Center
- Picnic Area
- CCTV

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Microwave Oven
- Garbage Disposal
- Central Air Conditioning
- Carpet
- Window Blinds
- Washer/Dryer Hook-Ups
- Ceiling Fan
- Patio/Balcony

n. Parking:

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

o. Renovations and Current Occupancy:

Not applicable

p. Utility Responsibility:

Water, sewer and trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

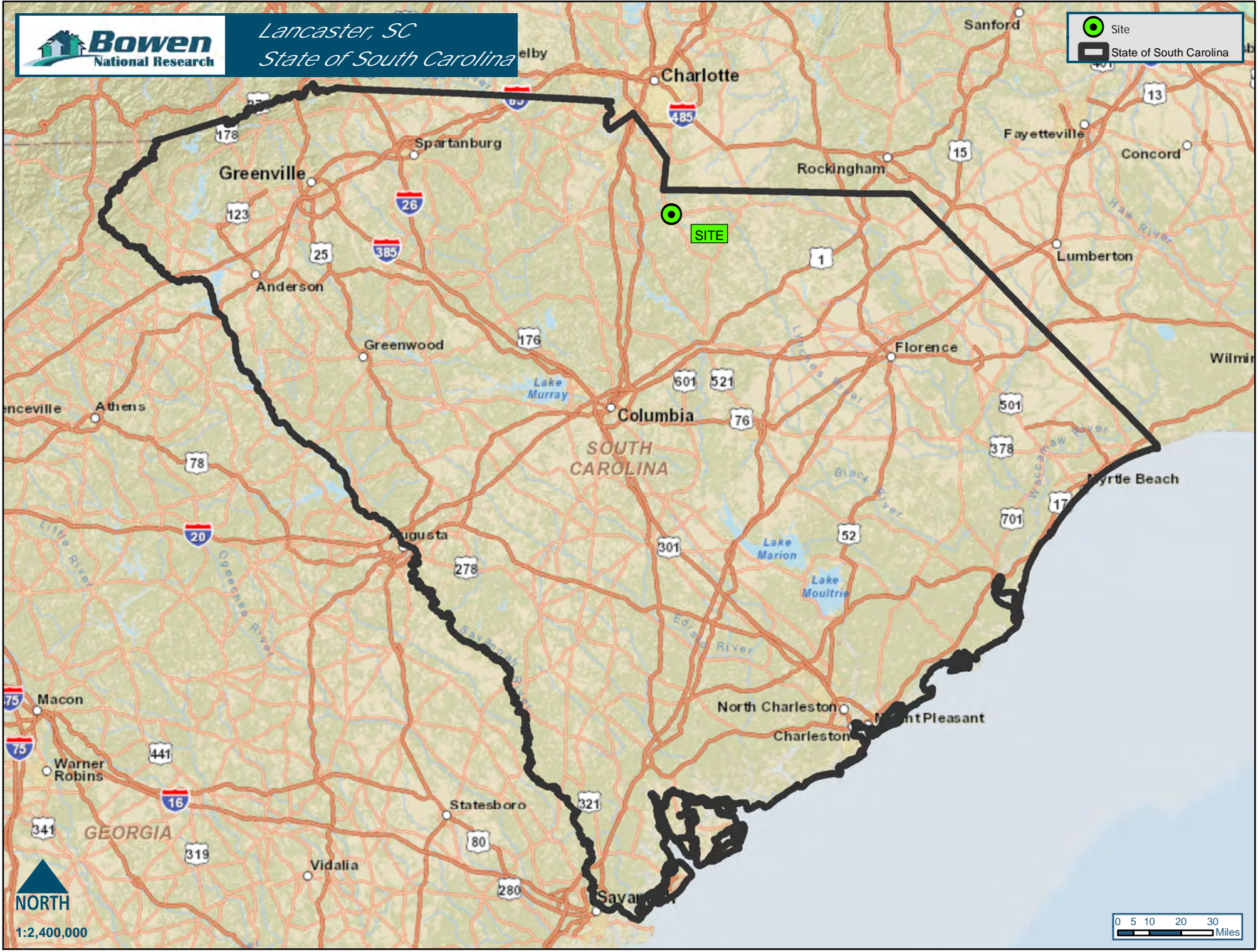
- Electric Heat
- Electric Hot Water
- Electric Cooking
- General Electricity

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



Lancaster, SC
State of South Carolina

● Site
▭ State of South Carolina

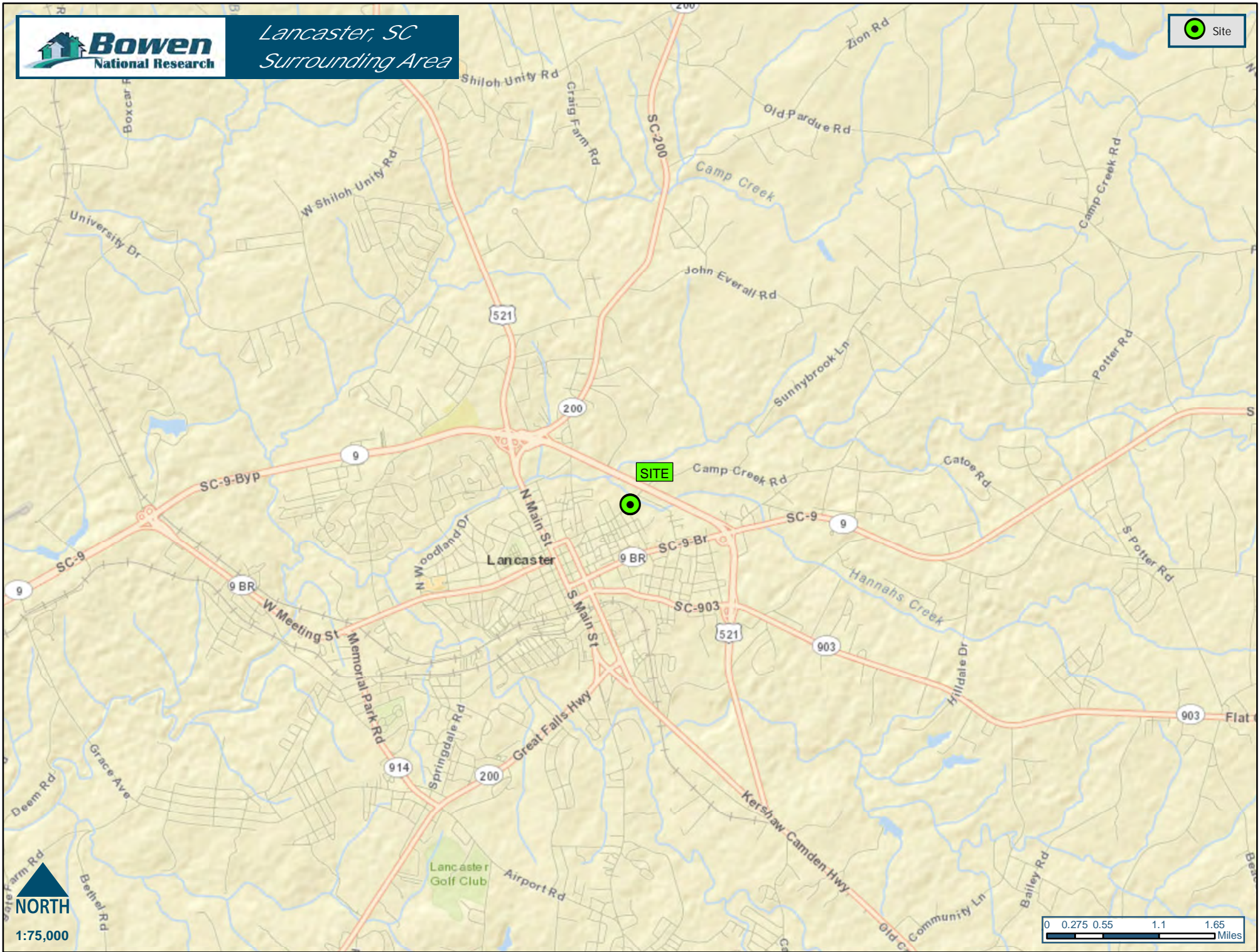


NORTH
1:2,400,000

0 5 10 20 30
Miles



Lancaster, 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 consists of approximately 7.5 acres of wooded located at 211 North Willow Lake Road in Lancaster, South Carolina. Located within Lancaster County, the town of Lancaster is approximately 42.0 miles south of Charlotte, North Carolina and approximately 62.0 miles north of Columbia, South Carolina. Following is a description of surrounding land uses:

North -	East Meeting Street, a well-traveled four-lane road, borders the site to the north. This street provides direct access to U.S. Highway (Bypass) 521/State Route 9 to the east and U.S. Highway 521/State Route 200 to the west. North of East Meeting Street is densely wooded land.
East -	Densely wooded land borders the eastern portion of the subject site. Farther east is the two-lane residential road Pardue Street. Farther east are several small commercial structures located between Pardue Street and US Highway (Bypass) 521/State Route 9. Notable commercial uses in this area include AutoZone, Bi-Lo, and Tractor Supply Company.
South -	East Dunlap Street, a lightly traveled two-lane residential road borders the site to the south. Beyond East Dunlap Street are several older single-family homes that are in fair condition, densely wooded land and the Palmetto Place HUD Section 8 project.
West -	North Willow Lake Road (sometimes referred to as North Willowlake Road), is a two-lane residential road that borders the subject site to the west. Along the west side of North Willow Lake Road are established single-family homes in fair condition that extend for several street blocks west towards the downtown Lancaster area.

The subject site is situated on the south side of East Meeting Street, which is well traveled and provides convenient access to major highways and to the downtown Lancaster area. Additionally, East Meeting Street will also provide the subject site with excellent visibility for passer-by traffic. Although there are

single-family homes and wooded land surrounding the site, there are also a significant number of commercial structures near the site that are within walking distance of the site. This is considered beneficial to the targeted general-occupancy population of the subject site and should contribute to its continued marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	State Route 521	0.2 North
	Highway 200	1.2 West
Public Transportation	N/A	N/A
Major Employers/ Employment Centers	Walmart Supercenter	2.5 West
	Lancaster County School District	1.2 Southwest
Convenience Store	Valero	0.2 North
	Quick Stop	0.4 South
Grocery	Bi-Lo	0.4 North
	Food Lion	1.3 West
	Aldi	1.5 Northwest
Discount Department Store	Dollar General	1.4 Southwest
	Dollar General	1.4 West
	Walmart Supercenter	2.5 West
Schools:		
Elementary	Clinton Elementary School	0.6 West
Middle/Junior High	A. R. Rucker Middle School	2.0 East
Senior High	Lancaster Senior High School	1.3 West
Hospital/Medical Center	Springs Memorial Hospital	1.8 West
	Carolina Urgent and Family Care	2.2 West
Police	Lancaster Police Department	0.7 Southwest
Fire	Lancaster Fire Department	0.7 Southwest
Post Office	U.S. Post Office	1.0 West
Bank	First Palmetto Savings Bank	0.9 West
	First Citizens Bank & Trust	0.9 West
	Branch Trusting & Trust	1.0 West
Gas Station	Valero	0.2 North
	Quick Stop	0.4 South
Pharmacy	Rite Aid	0.8 Southwest
	Medicine Mart Pharmacy	0.8 Southwest
	CVS Pharmacy	0.9 Northwest
Restaurant	KFC	0.2 North
	Akina	0.5 North
	La Chalupa	0.5 Northeast
Day Care	Kidz Day Care	1.6 Northwest
	Burbee Place	1.9 West
Library	Lancaster County Library	1.0 Southwest
College/University	University Of South Carolina - Lancaster Campus	2.3 Northwest
Recreational Facility	Native American Studies Center	0.9 Southwest

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Fitness Center	Curves	0.6 Northeast
	Fitness Revolution Center	1.5 Northwest
Museum	L & C Railroad Museum	1.4 Southwest
Park	Hughes Street Park	0.4 Southwest
	Buckelew Park	0.8 Southeast
	Andrew Jackson State Park	10 Northwest
Church	Greater Frazier AME Zion Church	0.2 Southeast
	Faith Hope & Victory Church	0.2 Southwest
	First Washington Baptist Church	0.2 Northeast

Given that the subject site is in close proximity to U.S Highway 521, the commercial corridor of the Lancaster area, most community services are located within 1.5 mile of the subject site, along U.S. Highway 521. Services along U.S. Highway 521 include Bi-Lo, CVS Pharmacy, Walmart Supercenter, Valero gas station and a convenience store as well as several dining establishments. Note, however, that the closest discount department store is Dollar General, which is located approximately 1.4 miles from the site. While most basic community services are located within driving distance to the subject site, many are accessible within walking distance.

The Lancaster School District serves the subject site as all applicable attendance schools, Clinton Elementary School, A.R. Rucker Middle School, and Lancaster Senior High School are all approximately within 2.0 miles of the subject site. Additionally, all public safety services are provided by the Lancaster Police and Fire Departments which are located within 0.7 miles of the site. The nearest full-service hospital is Springs Memorial located approximately 1.8 miles west of the site while Carolina Urgent and Family Care is located within 2.2 west along State Route 521. Overall, the proximity of most basic community services is considered beneficial to the targeted general-occupancy population of the subject site and should contribute to the marketability of the subject site.

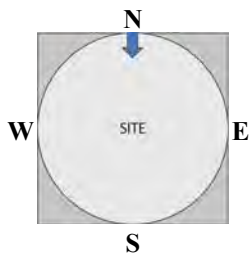
4. SITE PHOTOGRAPHS

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

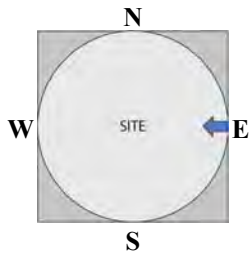
SITE PHOTOGRAPHS



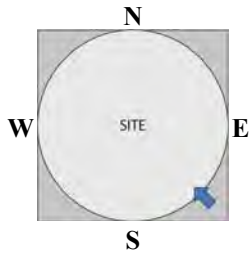
Site Entryway



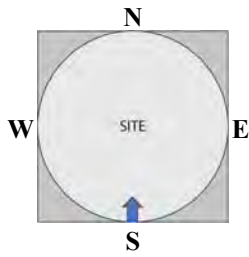
View of site from the north



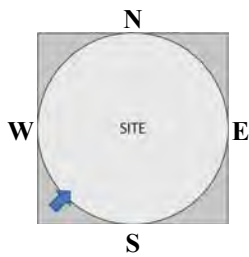
View of site from the east



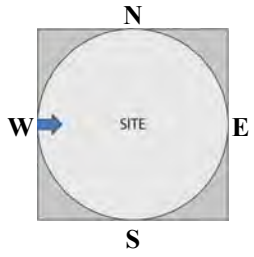
View of site from the southeast



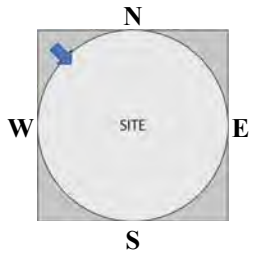
View of site from the south



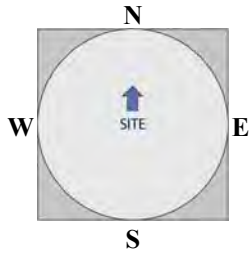
View of site from the southwest



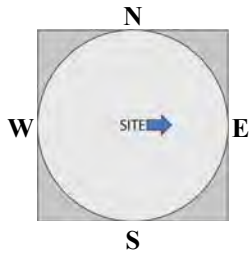
View of site from the west



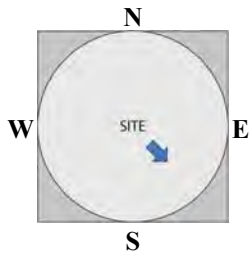
View of site from the northwest



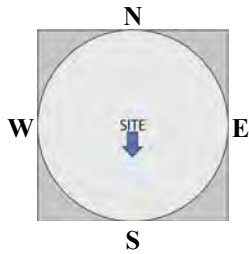
North view from site



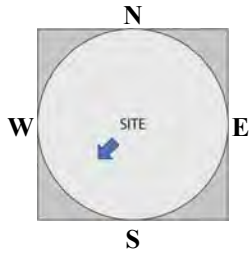
East view from site



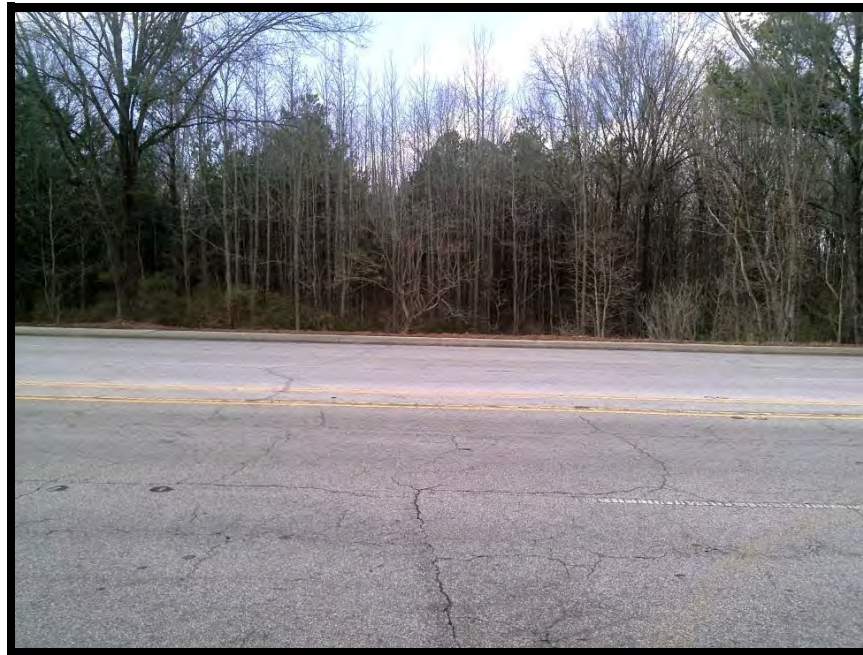
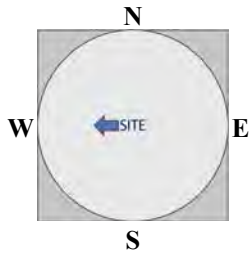
Southeast view from site



South view from site



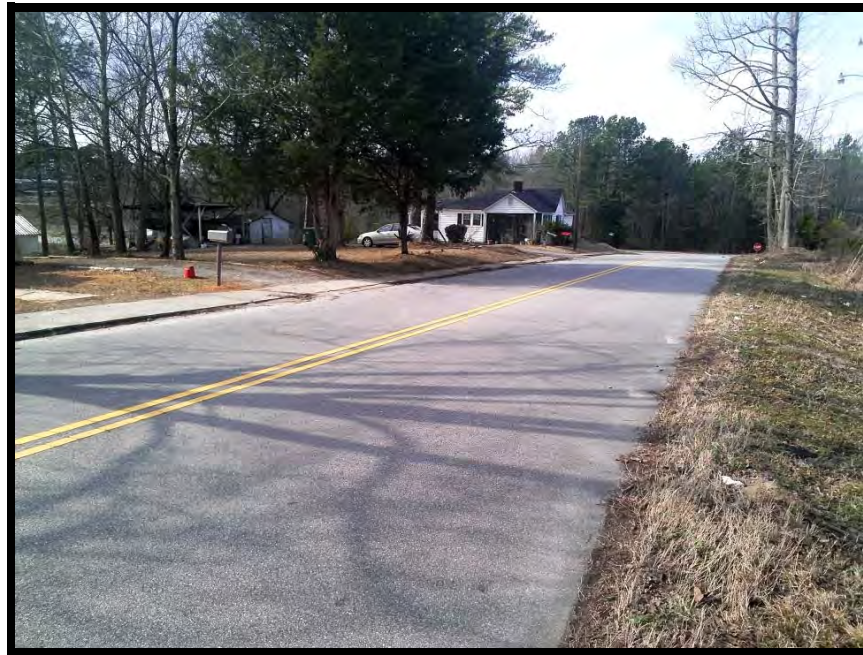
Southwest view from site



West view from site



Northwest view from site



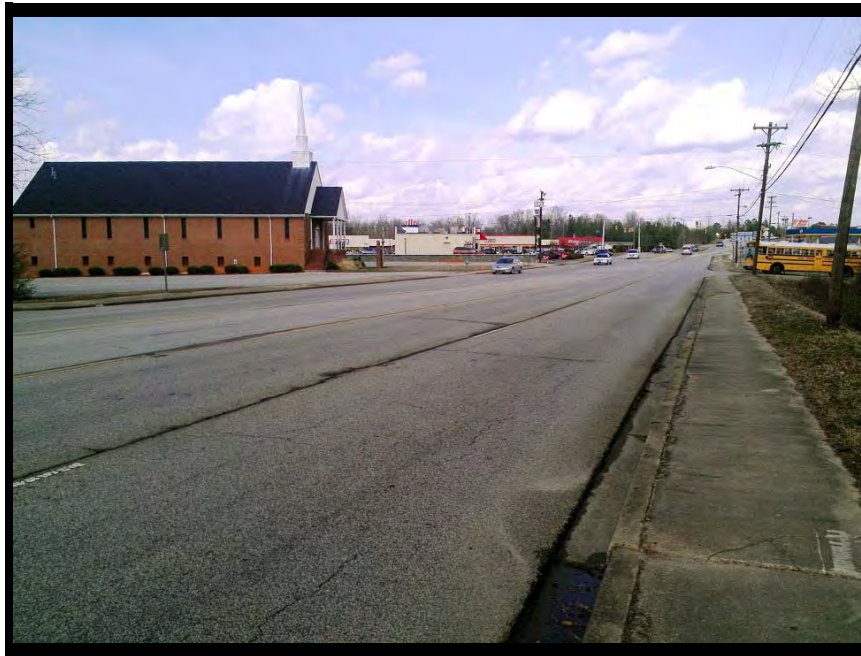
East View Streetscape on North Willow Lake Road



West View Streetscape on North Willow Lake Road



North View Streetscape of East Meeting Street

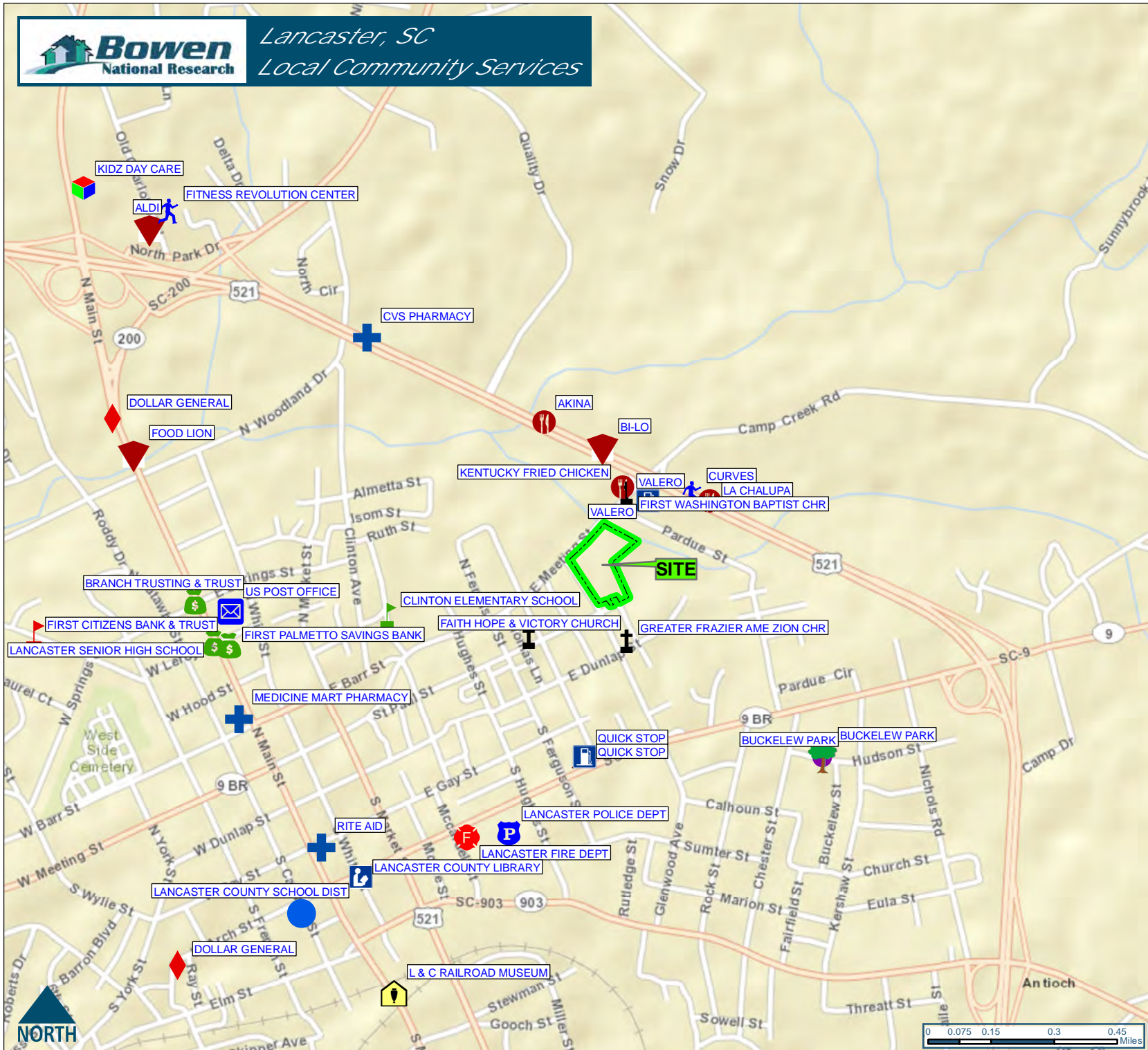


South View Streetscape on East Meeting Street





















5. SITE AND COMMUNITY SERVICES MAPS

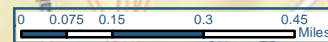
Maps of the subject site and relevant community services follow.



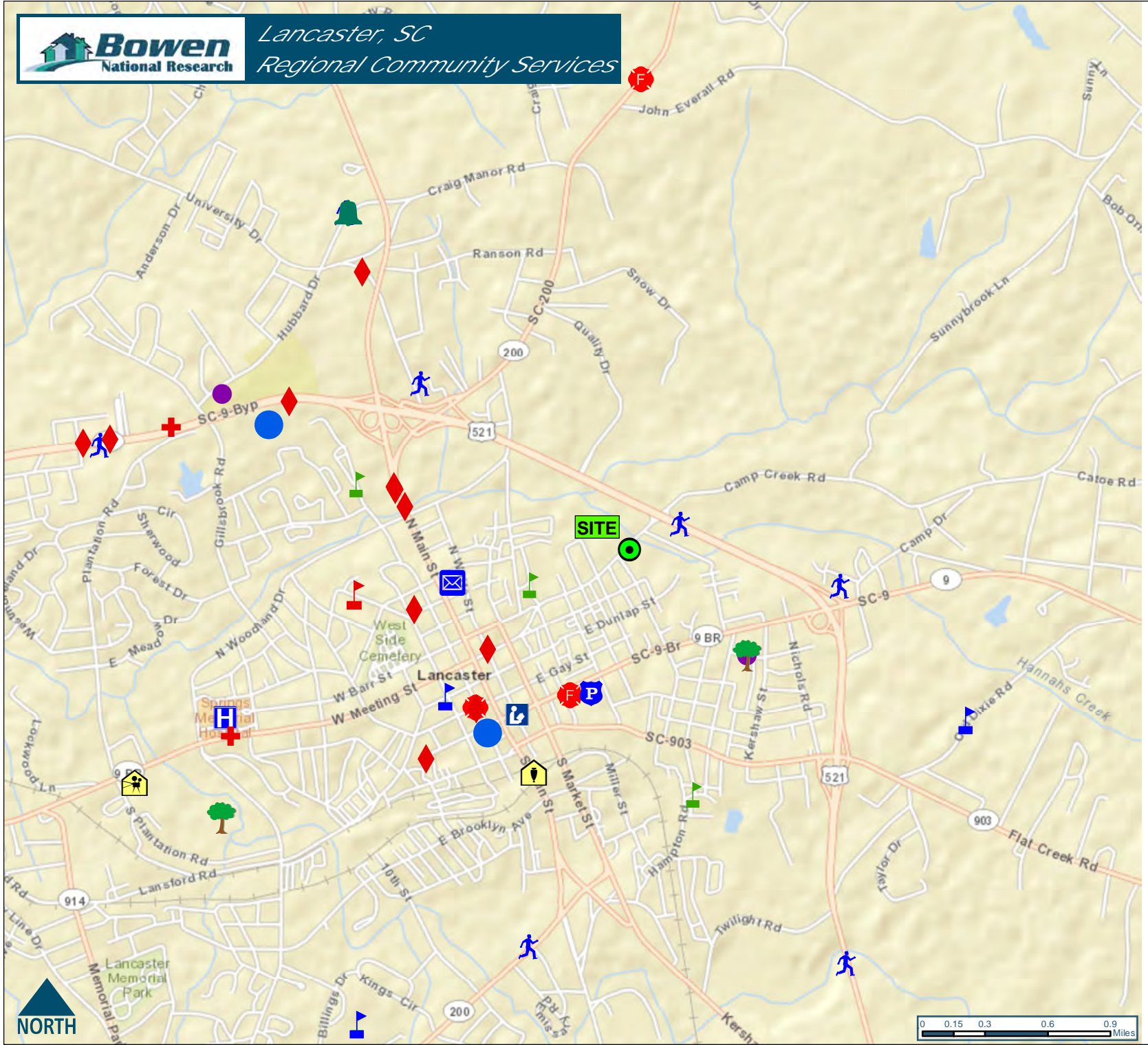


Legend



















-  Site Area
-  bank
-  child care
-  church
-  elementary school
-  fire
-  fitness center
-  gas
-  grocery
-  high school
-  library
-  museum
-  park
-  pharmacy
-  police
-  post office
-  recreation center
-  restaurant
-  shopping
-  employers_1000_5000



1:20,000



Legend

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



1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is adjacent to North Willow Lake Road and East Meeting Street. 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 (117) for the Site PMA is above the national average with an overall personal crime index of 144 and a property crime index of 113. Total crime risk (108) for Lancaster County is above the national average with indexes for personal and property crime of 134 and 102, respectively.

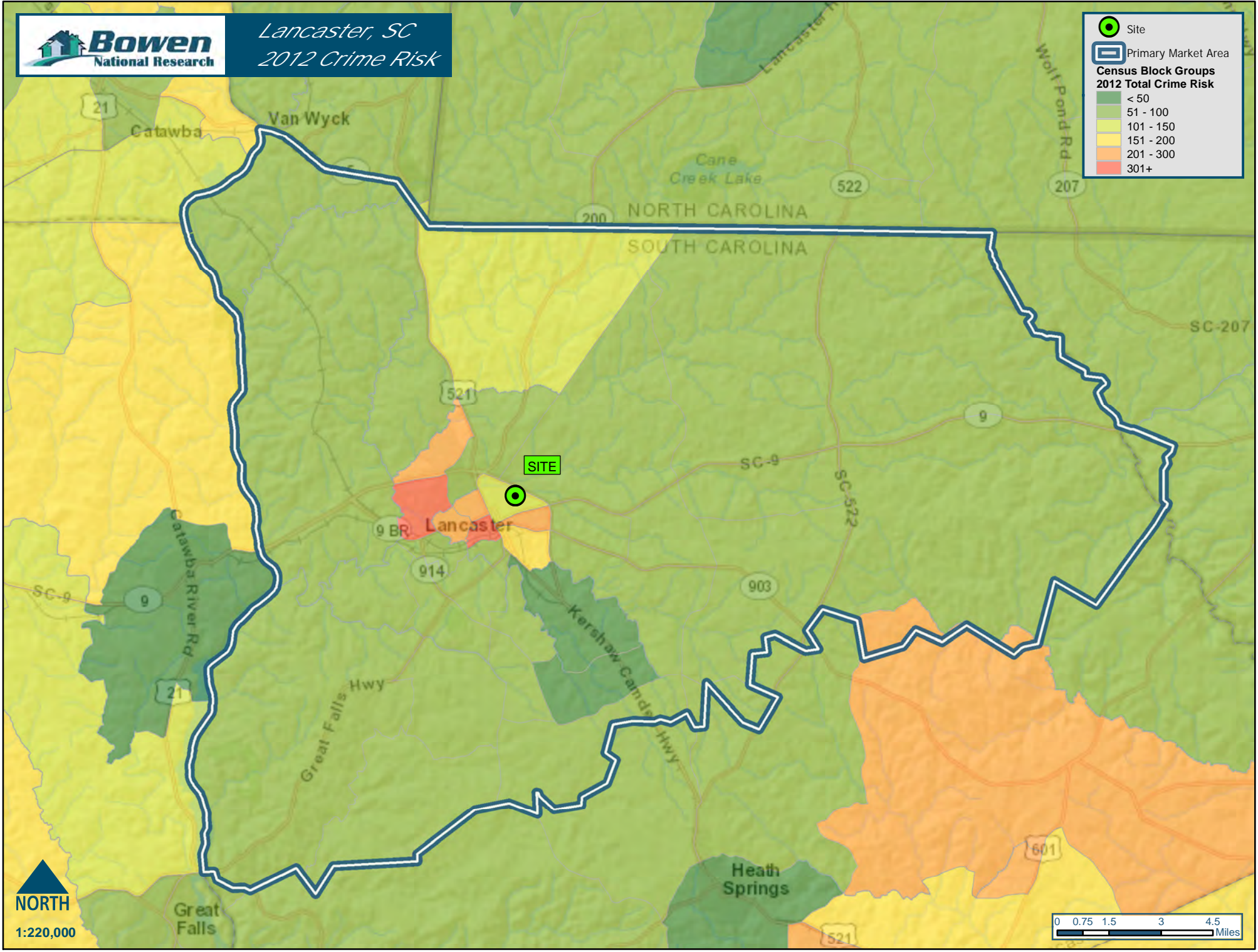
	Crime Risk Index	
	Site PMA	Lancaster County
Total Crime	117	108
Personal Crime	144	134
Murder	111	115
Rape	124	120
Robbery	66	63
Assault	200	172
Property Crime	113	102
Burglary	134	127
Larceny	132	111
Motor Vehicle Theft	55	53


Source: Applied Geographic Solutions

The Site PMA crime index is similar to Lancaster County and national levels and should not have an adverse impact on the proposed subject project's marketability.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Census Block Groups**
- 2012 Total Crime Risk**
-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+




NORTH
1:220,000

0 0.75 1.5 3 4.5
Miles

8. ACCESS AND VISIBILITY

Access to the subject site will be derived primarily from North Willow Lake Road a lightly travelled residential roadway. Ingress and egress are considered easy due to clear lines of sight in both directions of traffic. Overall access to the site is considered good due to its convenient access to U.S. Highway 521 and the proximity to State Route 200 as well as a dial-a-ride service available to all residents of County.

Overall visibility of the site is considered good. Unobstructed views of the site are provided in both directions of traffic along North Willow Lake Road and East Meeting Street. The arterial nature of U.S. Highway 521 increases accessibility for the site.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There are power lines bordering the south and west of the site. It is unlikely that these power lines will have a negative impact on the proposed development's marketability.

10. OVERALL SITE CONCLUSIONS

The subject site is located on Willow Lake Road which is a residential roadway. However, it is less than 0.25 miles from U.S. Highway 521 which is a major arterial and the commercial corridor of the Lancaster area. Although there are single-family homes and wooded land surrounding the site, there significant number of commercial structures near the site and therefore most basic community services are within walking distance of the site. This is considered beneficial to low-income households, such as those targeted at the subject project. The site is within a 1.5 mile of most shopping, employment, recreation, entertainment and education opportunities. Social services and public safety services are all within 0.8 miles, and the site has convenient access to major highways. Moreover, the subject project fits in well with surrounding land uses. Visibility and access are considered good. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

The Site Primary Market Area (PMA) is the geographical area from which comparable properties are located and potential renters for the proposed subject project will originate. It is also the geographic area expected to generate the most demographic support for the subject development. The Lancaster Site PMA was determined through interviews with local property managers, government officials, economic development representatives 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.

Lancaster is the county seat of Lancaster County and has a population of approximately 10,000 according to the 2010 Census. The relatively large size of Lancaster versus surrounding rural towns and its convenient location between two major metropolitan areas makes it an attractive choice for many families. As a result, the proposed subject project should be able to draw support from most of the county.

The Lancaster PMA includes Lancaster, Lancaster Mill, Irwin, Springdale, Elgin and unincorporated areas of Lancaster County. Specifically the boundaries of the Site PMA include Rock Hill Highway 5 and the North Carolina State border to the north; the Lancaster County border to the east; the southern border of zip code 29720 to the south; and the Lancaster County border to the west.

The Site PMA is comprised of the following Census Tracts:

101	102	103	104	105
106	107	108	109	110.01
110.02	111	112.02	-	-

Jan Sanger, Property Manager of Northwest Apartments and Old Hickory Apartments (R.D. 515 projects), stated that the majority of her residents come from the city of Lancaster and from within Lancaster County. She stated that because Lancaster is the largest municipality in the county, county residents are willing to move to Lancaster City because it offers the widest range of community services. Lastly, she stated that she does not get much support from the Rock Hill area. She has had only one person in the last year come from Rock Hill between her two properties.

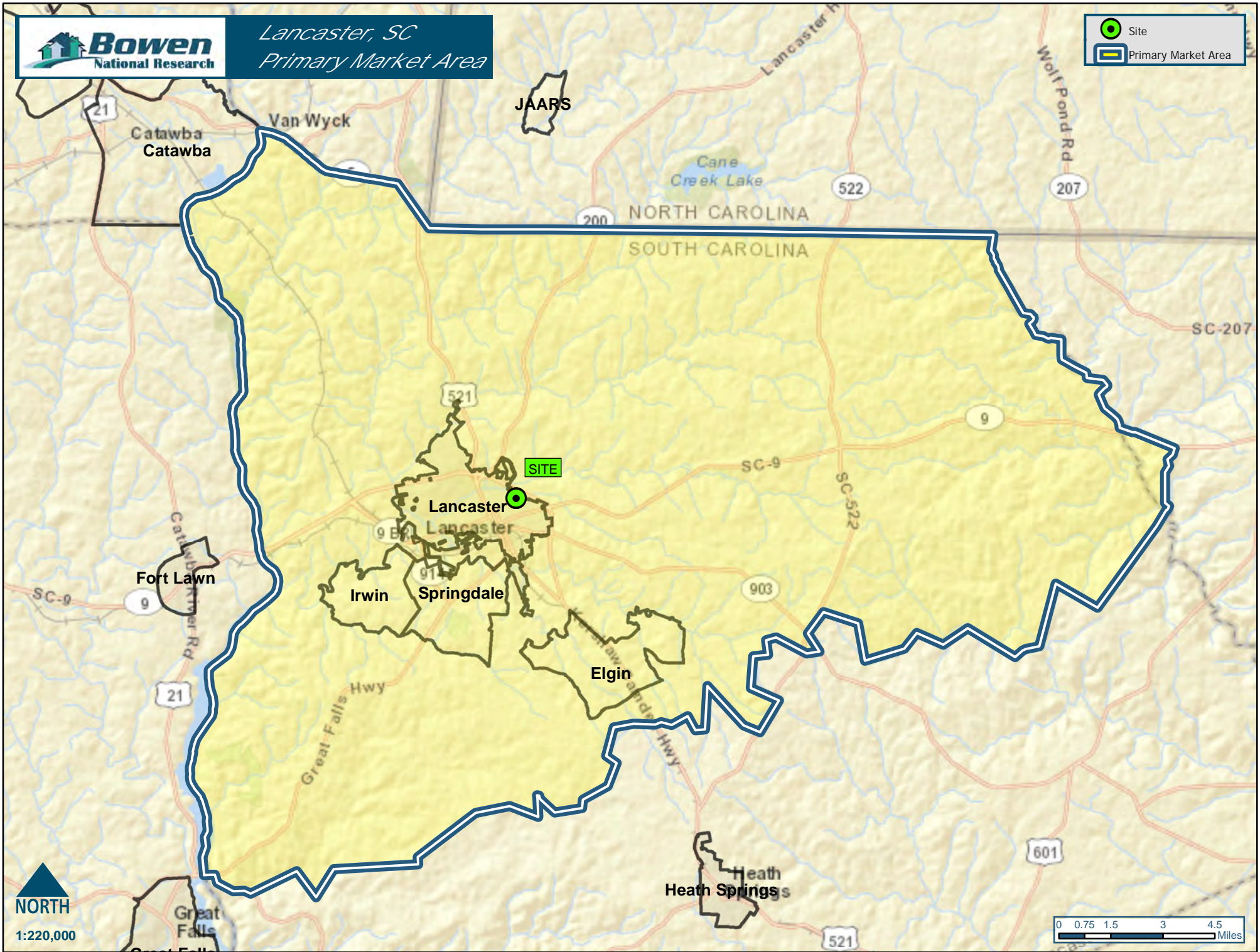
Marie Johnson, Assistant Property Manager at Palmetto Place (HUD Section 8 project), stated that most of her residents originated from Lancaster city limits and the rest of her residents are from the Lancaster County area. She believes that the Rock Hill area is saturated with affordable options and believes residents of Lancaster County, specifically in the northwest portion of the county, are more apt to move to Rock Hill over Lancaster because it is closer and Rock Hill is more of an affluent municipality.

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



Lancaster, SC
Primary Market Area

● Site
▭ Primary Market Area



E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

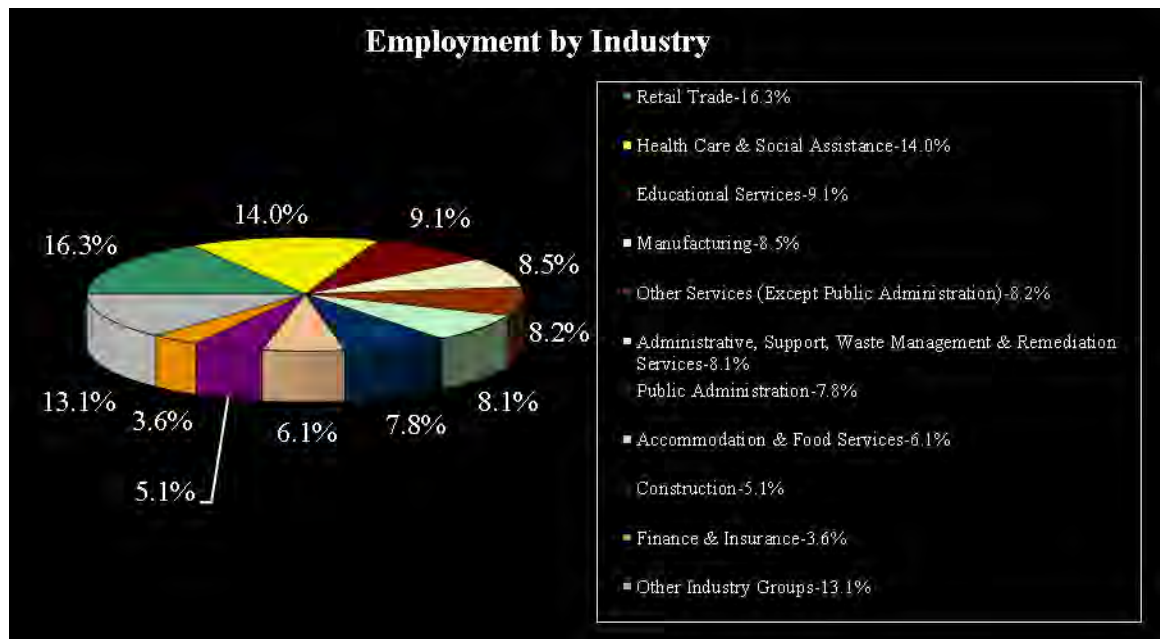
The labor force within the Lancaster Site PMA is based primarily in two sectors. Retail Trade (which comprises 16.3%) and Health Care & Social Assistance comprise over 30% of the Site PMA labor force. Employment in the Lancaster Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	38	1.9%	60	0.5%	1.6
Mining	0	0.0%	0	0.0%	0.0
Utilities	3	0.1%	77	0.6%	25.7
Construction	206	10.3%	652	5.1%	3.2
Manufacturing	71	3.5%	1,085	8.5%	15.3
Wholesale Trade	54	2.7%	245	1.9%	4.5
Retail Trade	256	12.8%	2,075	16.3%	8.1
Transportation & Warehousing	62	3.1%	269	2.1%	4.3
Information	21	1.0%	258	2.0%	12.3
Finance & Insurance	73	3.6%	457	3.6%	6.3
Real Estate & Rental & Leasing	66	3.3%	185	1.5%	2.8
Professional, Scientific & Technical Services	141	7.0%	421	3.3%	3.0
Management of Companies & Enterprises	3	0.1%	6	0.0%	2.0
Administrative, Support, Waste Management & Remediation Services	302	15.1%	1,029	8.1%	3.4
Educational Services	37	1.8%	1,158	9.1%	31.3
Health Care & Social Assistance	127	6.3%	1,778	14.0%	14.0
Arts, Entertainment & Recreation	32	1.6%	140	1.1%	4.4
Accommodation & Food Services	89	4.4%	772	6.1%	8.7
Other Services (Except Public Administration)	364	18.2%	1,037	8.2%	2.8
Public Administration	57	2.8%	994	7.8%	17.4
Total	2,002	100.0%	12,698	100.0%	6.3

*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 Upper Savannah South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Upper Savannah South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$89,000	\$93,820
Business and Financial Occupations	\$54,060	\$58,660
Computer and Mathematical Occupations	\$63,240	\$63,670
Architecture and Engineering Occupations	\$70,310	\$72,610
Community and Social Service Occupations	\$35,290	\$38,950
Art, Design, Entertainment and Sports Medicine Occupations	\$37,180	\$41,300
Healthcare Practitioners and Technical Occupations	\$61,600	\$64,670
Healthcare Support Occupations	\$23,620	\$25,010
Protective Service Occupations	\$33,560	\$33,430
Food Preparation and Serving Related Occupations	\$19,800	\$19,610
Building and Grounds Cleaning and Maintenance Occupations	\$22,750	\$22,080
Personal Care and Service Occupations	\$21,400	\$22,420
Sales and Related Occupations	\$26,740	\$30,660
Office and Administrative Support Occupations	\$29,820	\$31,280
Construction and Extraction Occupations	\$35,290	\$35,900
Installation, Maintenance and Repair Occupations	\$38,800	\$40,140
Production Occupations	\$34,540	\$34,750
Transportation and Moving Occupations	\$29,060	\$29,620

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

Most annual blue-collar salaries range from \$19,800 to \$38,800 within the Upper Savannah South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$67,642. 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 10 largest employers within Lancaster County comprise over 7,400 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Red Ventures	Internet Sales & Marketing	1,600
Lancaster County School District	Education	1,550
Lancaster County Government	Government	837
Cardinal Health	Medical, Manufacturing & Distribution	800
Springs Memorial Hospital	Medical	700
Continental Tire the Americas, LLC	Headquarters	430
Proctor & Gamble	Manufacturing	405
URS Washington Group	Nuclear Energy	400
Honeywell	Manufacturer of Data Collection Hardware	460
Thomas & Betts Corp.	Manufacturer of Electrical and Utility Products	300
Total		7,482

Source: Lancaster County Economic Development Corporation (January 2014)

Interviews with local economic development representatives indicated that the major employers within Lancaster County are stable and growing. The county has experienced growing interest in the town of Indian Land, which has experienced significant population in the past several years. The following is a list of positive employment announcements:

- In January 2014, Red Ventures, the area's largest employer, announced that the company will expand its workforce at the Indian Land and Charlotte locations by 200 people over the next two months. The company states that it will undergo significant growth over the next three to six months and has already added 700 jobs in 2013. The company will open a 180,000 square-foot expansion at its Indian Land location in May 2014.
- Six Mile Commons, a shopping center located in Indian Land (Lancaster County) opened in 2012. A second phase of this center was announced in January 2014 and the only confirmed tenant is Mattress Firm. The first phase includes small retail stores and a dental office. This center is part of an outparcel development next to a Walmart Supercenter that opened in 2010.

- In December 2013, Keer Group, a Chinese-based textile company, announced that it will establish U.S. operations in Indian Land. The company will construct a \$230 million manufacturing facility that will create 501 permanent jobs over the next five years.
- Electrolux, an appliance manufacturer in nearby Charlotte, North Carolina, announced plans in December 2013 to build an \$85 million expansion that will provide 810 additional jobs by the end of 2,017.
- In March 2013, Thomas & Betts, one of the area's largest employers, announced plans for a \$3 million expansion to its Lancaster location, adding 80 new jobs. This expansion is complete. The company started with just 76 employees in 2009 and has since grown to 300.

Other 2013 economic highlights for Lancaster County include the following:

- Cardinal expansion, investment confidential, 150 jobs
- Accutrex, \$2.5 million expansion, 15 jobs
- Maverick Funding, \$1 expansion, 50 jobs
- DLS Tire, \$2.7 million plant, 53 jobs
- Commercial Tire Retreating, \$250,000 expansion, 5 jobs
- Van Can, \$4 million expansion, 15 jobs
- Nutramax, \$13 million expansion, 50 jobs
- Radco/Surefin, \$2.5 million investment, 20 jobs
- Fancy Pokkett, \$13 million bakery, 68 jobs
- Rebound Behavioral Health, \$6 million investment, 90 jobs
- Duracell expansion, investment confidential, 34 new jobs
- IMS, \$4.5 million expansion, 19 jobs
- Fab Fours, \$1.2 million expansion, 10 jobs

According to the South Carolina Department of Employment and Workforce (SC Works) website, there have been no WARN notices reported for Lancaster since January 2013. According to a representative with Lancaster County Economic Development Corporation, the only job losses within Lancaster County were the result of Humana Insurance cutting 50 job in 2013 and 100 jobs lost due to the closure of Titanium Solutions (a call center) in Indian Land in 2013.

4. EMPLOYMENT TRENDS

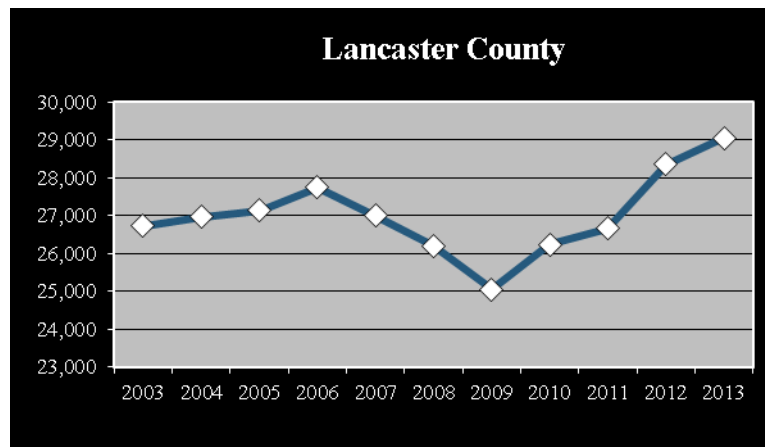
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2013, the employment base has increased by 8.2% over the past five years in Lancaster County, while the state of South Carolina declined by 1.4%. Total employment reflects the number of employed persons who live within the county.

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

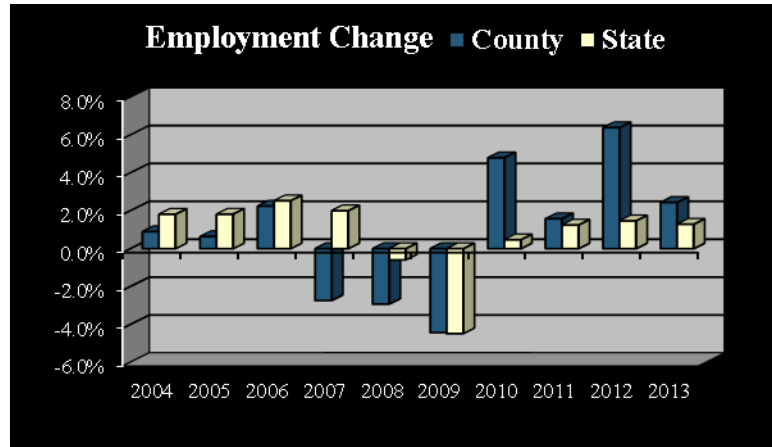
Year	Total Employment					
	Lancaster County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	26,732	-	1,854,419	-	137,936,674	-
2004	26,972	0.9%	1,888,050	1.8%	138,386,944	0.3%
2005	27,144	0.6%	1,922,367	1.8%	139,988,842	1.2%
2006	27,753	2.2%	1,970,912	2.5%	142,328,023	1.7%
2007	26,995	-2.7%	2,010,252	2.0%	144,990,053	1.9%
2008	26,206	-2.9%	1,998,368	-0.6%	146,397,529	1.0%
2009	25,046	-4.4%	1,908,839	-4.5%	146,068,824	-0.2%
2010	26,247	4.8%	1,917,747	0.5%	140,721,369	-3.7%
2011	26,661	1.6%	1,941,654	1.2%	140,483,185	-0.2%
2012	28,363	6.4%	1,970,112	1.5%	141,748,955	0.9%
2013*	29,055	2.4%	1,995,454	1.3%	141,772,241	0.0%

Source: Department of Labor; Bureau of Labor Statistics
*Through December



Lancaster County experienced a decline in its employment base starting in 2007 and was exacerbated by the national recession, as evidenced by the 4.4% decline in the County in 2009. However, the economy began a rapid recovery, starting with an increase in the employment base of 4.8% in 2010. The employment base has expanded each of the past four years and now has more persons employed than the period prior to the pre-recession downturn.

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



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

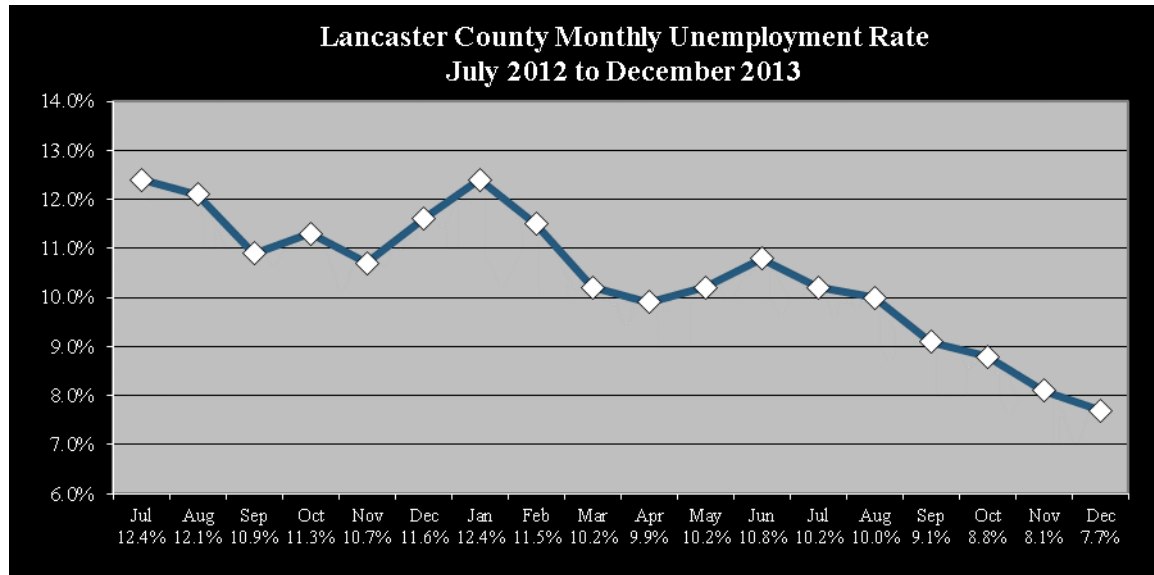
Year	Total Unemployed					
	Lancaster County		South Carolina		United States	
	Number	Percentage	Number	Percentage	Number	Percentage
2003	2,610	8.9%	133,257	6.7%	8,896,479	5.8%
2004	2,619	8.9%	138,430	6.8%	8,261,839	6.0%
2005	2,496	8.4%	139,983	6.8%	7,756,938	5.6%
2006	2,717	8.9%	134,123	6.4%	7,118,073	5.2%
2007	2,828	9.5%	119,068	5.6%	7,187,820	4.7%
2008	3,378	11.4%	144,925	6.8%	9,048,051	4.7%
2009	5,375	17.7%	246,945	11.5%	14,430,152	5.8%
2010	4,941	15.8%	241,452	11.2%	15,068,608	9.3%
2011	4,403	14.2%	225,657	10.4%	14,029,475	9.7%
2012	3,777	11.8%	197,083	9.1%	12,688,718	9.0%
2013*	3,197	9.9%	168,885	7.8%	13,012,624	8.7%

Source: Department of Labor, Bureau of Labor Statistics

*Through December

After reaching a 10-year high of 17.7% in 2009, the Lancaster County unemployment rate has declined each of the past four years.

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



The unemployment rate in Lancaster County has generally declined over the past 18 months.

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 Lancaster County.

In-Place Employment Lancaster County			
Year	Employment	Change	Percent Change
2003	17,580	-	-
2004	17,507	-73	-0.4%
2005	17,369	-138	-0.8%
2006	17,488	119	0.7%
2007	16,619	-869	-5.0%
2008	15,787	-832	-5.0%
2009	14,979	-808	-5.1%
2010	15,765	786	5.2%
2011	16,212	447	2.8%
2012	17,781	1,569	9.7%
2013*	19,186	1,405	7.9%

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 Lancaster County to be 62.7% of the total Lancaster County employment. This means that Lancaster County has a large number of people who live and work in the county.

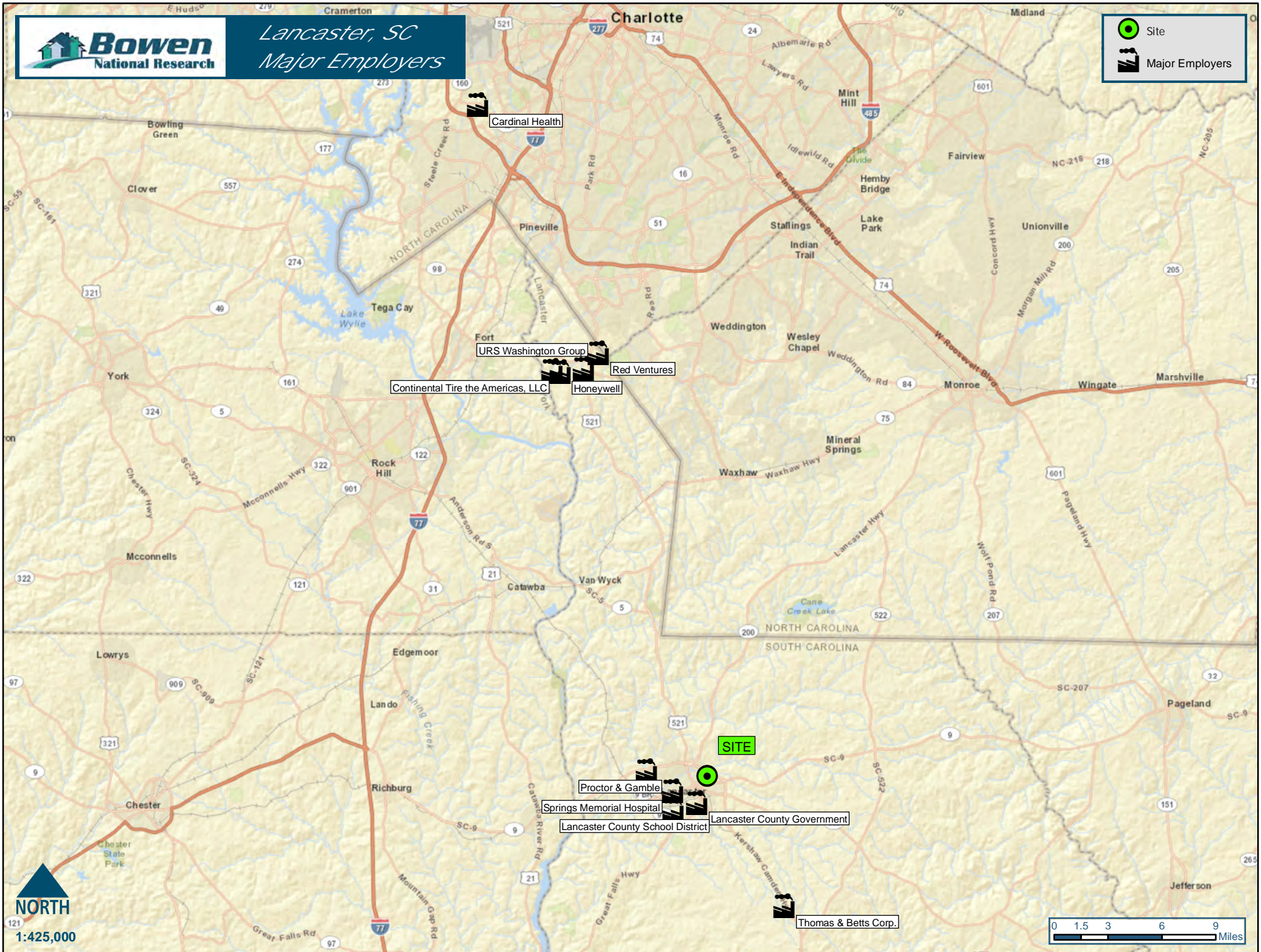
5. **EMPLOYMENT CENTERS MAP**

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



Lancaster, SC Major Employers

 Site
 Major Employers



NORTH
1:425,000

0 1.5 3 6 9
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	14,164	82.6%
Carpooled	2,269	13.2%
Public Transit	9	0.1%
Walked	131	0.8%
Other Means	328	1.9%
Worked at Home	256	1.5%
Total	17,156	100.0%

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

Nearly 83% of all workers drove alone, 13.2% carpoled 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	4,604	26.8%
15 to 29 Minutes	5,795	33.8%
30 to 44 Minutes	2,749	16.0%
45 to 59 Minutes	2,089	12.2%
60 or More Minutes	1,664	9.7%
Worked at Home	256	1.5%
Total	17,156	100.0%

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

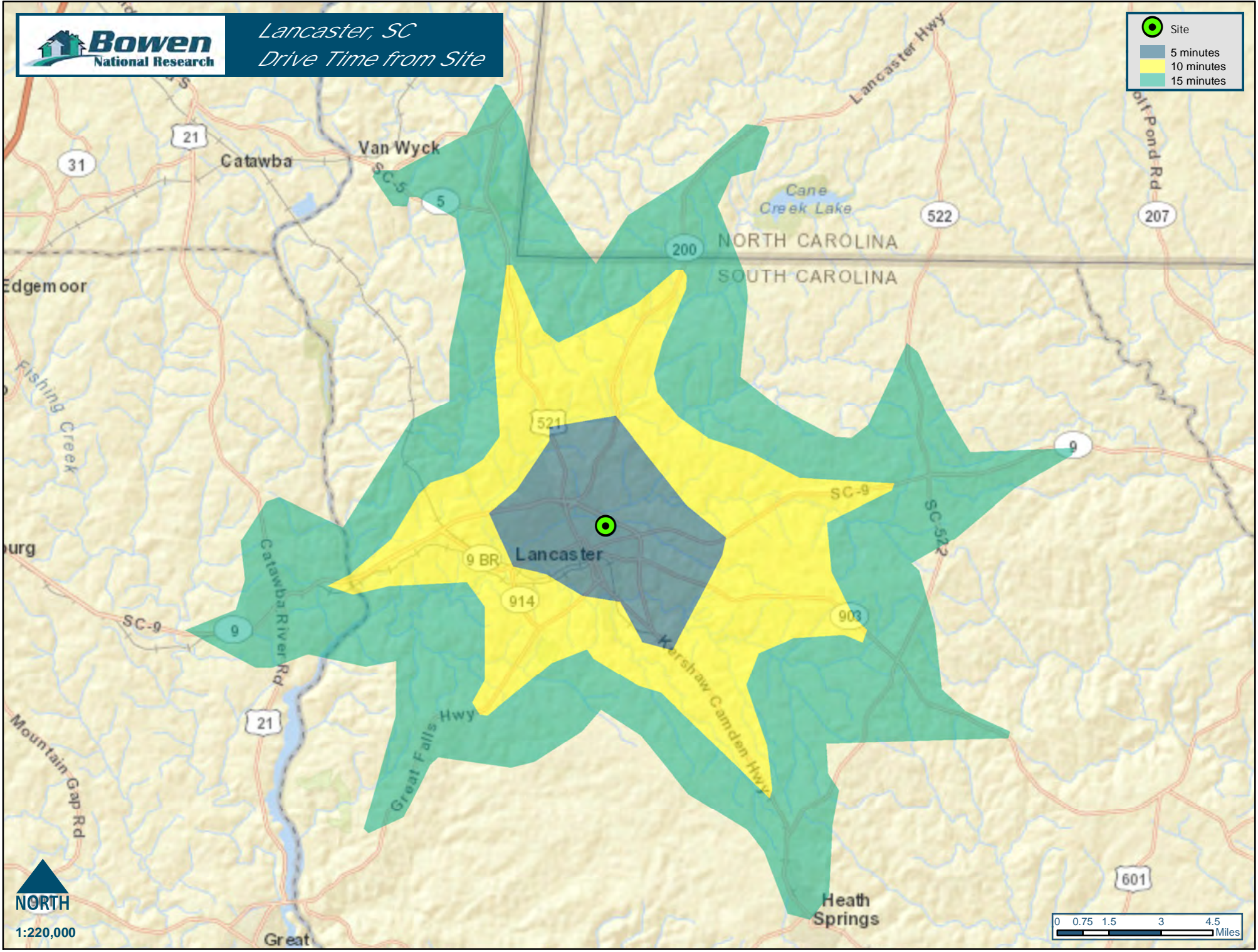
The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



Lancaster, SC
Drive Time from Site

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:220,000

0 0.75 1.5 3 4.5 Miles

7. ELDERLY EMPLOYMENT OPPORTUNITIES

The subject project will not be age-restricted; therefore, an analysis of employment opportunities for seniors is not required for this report.

8. ECONOMIC FORECAST AND HOUSING IMPACT

The Lancaster County is relatively balanced, with no single industry dominating the market. The County was adversely impacted by the national recession, when the area employment base declined by more than 10% between 2006 and 2010 and the unemployment reached a 10-year high of 17.7% in 2009. However, the County's economic recovery has been rapid, with job growth occurring at a rapid annual rate and unemployment rates declining each of the past four years. With several job expansions planned for the area, we anticipate that the area will continue to experience positive growth over the foreseeable future. Regardless, with the latest (2013) annual unemployment rate of near 10%, the economy still remains fragile and the large base of unemployed people indicate the there remains a significant need for affordable housing within the market.

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	42,244	43,971	44,914	46,354
Population Change	-	1,727	943	1,440
Percent Change	-	4.1%	2.1%	3.2%

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

The Lancaster Site PMA population base increased by 1,727 between 2000 and 2010. This represents a 4.1% increase over the 2000 population, or an annual rate of 0.4%. Between 2010 and 2013, the population increased by 943, or 2.1%. It is projected that the population will increase by 1,440, or 3.2%, between 2013 and 2016.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.3% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	565	1.3%
Population not in Group Quarters	43,406	98.7%
Total Population	43,971	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	11,962	27.2%	11,662	26.0%	11,864	25.6%	202	1.7%
20 to 24	2,743	6.2%	2,865	6.4%	2,699	5.8%	-166	-5.8%
25 to 34	5,065	11.5%	5,496	12.2%	5,827	12.6%	331	6.0%
35 to 44	5,952	13.5%	5,726	12.7%	5,657	12.2%	-69	-1.2%
45 to 54	6,280	14.3%	6,295	14.0%	6,294	13.6%	-1	0.0%
55 to 64	5,639	12.8%	5,915	13.2%	6,175	13.3%	260	4.4%
65 to 74	3,620	8.2%	4,080	9.1%	4,667	10.1%	587	14.4%
75 & Over	2,711	6.2%	2,875	6.4%	3,171	6.8%	296	10.3%
Total	43,972	100.0%	44,914	100.0%	46,354	100.0%	1,440	3.2%

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

As the preceding table illustrates, over 52% of the population is expected to be between 25 and 64 years old in 2013. This age group is the prime 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 person 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 Lancaster Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2016 (Projected)
Households	16,265	17,082	17,523	18,106
Household Change	-	817	441	583
Percent Change	-	5.0%	2.6%	3.3%
Household Size	2.60	2.57	2.53	2.53

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

Within the Lancaster Site PMA, households increased by 817 (5.0%) between 2000 and 2010. Between 2010 and 2013, households increased by 441 or 2.6%. By 2016, there will be 18,106 households, an increase of 583 households, or 3.3% over 2013 levels. This is an increase of approximately 194 households annually over the next two years.

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	11,696	68.5%	11,621	66.3%	11,995	66.2%
Renter-Occupied	5,386	31.5%	5,902	33.7%	6,111	33.8%
Total	17,082	100.0%	17,523	100.0%	18,106	100.0%

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

In 2013, homeowners occupied 66.3% of all occupied housing units, while the remaining 33.7% were occupied by renters. The share of renters is relatively high and the 5,902 renters 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 Lancaster Site PMA is summarized as follows:

Household Income	2010 (Census)		2013 (Estimated)		2016 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,348	13.7%	3,102	17.7%	3,409	18.8%
\$10,000 to \$19,999	2,446	14.3%	3,057	17.4%	3,283	18.1%
\$20,000 to \$29,999	2,651	15.5%	3,273	18.7%	3,562	19.7%
\$30,000 to \$39,999	2,232	13.1%	2,199	12.6%	2,167	12.0%
\$40,000 to \$49,999	1,649	9.7%	1,433	8.2%	1,563	8.6%
\$50,000 to \$59,999	1,468	8.6%	1,480	8.4%	1,409	7.8%
\$60,000 to \$74,999	1,641	9.6%	1,265	7.2%	1,155	6.4%
\$75,000 to \$99,999	1,423	8.3%	1,045	6.0%	968	5.3%
\$100,000 to \$124,999	711	4.2%	395	2.3%	350	1.9%
\$125,000 to \$149,999	219	1.3%	110	0.6%	99	0.5%
\$150,000 to \$199,999	166	1.0%	121	0.7%	103	0.6%
\$200,000 & Over	131	0.8%	42	0.2%	39	0.2%
Total	17,082	100.0%	17,523	100.0%	18,106	100.0%
Median Income	\$34,917		\$27,951		\$26,629	

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

In 2010, the median household income was \$34,917. This declined by 20.0% to \$27,951 in 2013. By 2016, it is projected that the median household income will be \$26,629, a decline of 4.7% 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 Lancaster Site PMA:

Renter Households	2000 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	524	199	43	223	124	1,113
\$10,000 to \$19,999	459	227	99	41	134	960
\$20,000 to \$29,999	193	257	384	169	132	1,136
\$30,000 to \$39,999	161	187	172	67	61	649
\$40,000 to \$49,999	43	112	18	16	35	224
\$50,000 to \$59,999	70	60	87	95	55	367
\$60,000 to \$74,999	6	110	125	36	-6	271
\$75,000 to \$99,999	21	30	13	39	47	150
\$100,000 to \$124,999	25	25	-20	-1	26	55
\$125,000 to \$149,999	5	9	-4	9	6	25
\$150,000 to \$199,999	-2	14	2	7	-2	19
\$200,000 & Over	-2	11	1	8	8	26
Total	1,504	1,241	920	708	622	4,995

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	649	223	77	262	107	1,317
\$10,000 to \$19,999	461	241	89	68	156	1,015
\$20,000 to \$29,999	201	290	360	142	156	1,148
\$30,000 to \$39,999	137	176	153	67	49	581
\$40,000 to \$49,999	64	133	99	18	24	338
\$50,000 to \$59,999	68	58	58	87	35	306
\$60,000 to \$74,999	19	116	118	43	18	314
\$75,000 to \$99,999	39	37	13	29	60	179
\$100,000 to \$124,999	27	23	8	5	15	77
\$125,000 to \$149,999	34	5	2	2	4	47
\$150,000 to \$199,999	8	10	7	5	7	35
\$200,000 & Over	8	8	7	4	4	29
Total	1,713	1,318	990	731	633	5,386

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	833	299	111	300	134	1,676
\$10,000 to \$19,999	547	309	124	75	182	1,237
\$20,000 to \$29,999	243	343	463	177	157	1,383
\$30,000 to \$39,999	146	163	142	56	44	551
\$40,000 to \$49,999	44	127	84	23	29	306
\$50,000 to \$59,999	47	57	69	89	43	305
\$60,000 to \$74,999	10	97	85	30	11	232
\$75,000 to \$99,999	17	24	9	23	43	115
\$100,000 to \$124,999	13	13	1	4	17	48
\$125,000 to \$149,999	9	4	1	4	3	21
\$150,000 to \$199,999	3	4	2	4	1	15
\$200,000 & Over	1	3	1	3	3	12
Total	1,913	1,443	1,091	789	667	5,902

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	908	323	127	318	136	1,813
\$10,000 to \$19,999	567	329	129	84	193	1,303
\$20,000 to \$29,999	255	363	482	179	163	1,441
\$30,000 to \$39,999	142	157	134	53	40	525
\$40,000 to \$49,999	44	130	100	24	28	326
\$50,000 to \$59,999	41	56	64	87	40	288
\$60,000 to \$74,999	10	93	74	29	15	221
\$75,000 to \$99,999	16	22	7	18	42	106
\$100,000 to \$124,999	10	10	6	6	15	46
\$125,000 to \$149,999	9	3	2	3	3	21
\$150,000 to \$199,999	5	2	2	4	2	14
\$200,000 & Over	2	1	1	2	2	8
Total	2,009	1,489	1,130	806	676	6,111

Source: Ribbon Demographics; ESRI; Urban Decision Group

The population and household growth within the Site PMA between 2000 and 2013 has been very rapid. These trends are projected to increase by 1,440, or 3.2%, between 2013 and 2016. At the same time, the number of households will increase by 583, or 3.3% over 2013 levels. This is an increase of approximately 194 households annually over the next two years. The 2013 base of renter households of 5,902 represents a large base of potential support in the market for the subject development. This base is projected to grow through at least 2016, increasing the demand for rental housing in the market. This will have a positive impact on the demand for all rental housing, including affordable rental housing.

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 Lancaster County, South Carolina, which is a non-metropolitan statistical area. The Lancaster County four-person median household income is \$52,600. The subject property will be restricted to households with incomes of 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 \$471 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,652. 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 \$16,150.

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)	\$16,150	\$28,350
Tax Credit (Limited To 60% Of AMHI)	\$18,035	\$34,020
Overall Project	\$15,910	\$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 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

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

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 34.6% to 43.7% (depending upon the targeted income level) of senior 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, 8.4% 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.*

The subject project is not age-restricted, therefore, this demand component does not apply to the subject project.

- 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 2012 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2012 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, we identified four general occupancy LIHTC properties. Of these properties, however, only one (Cottages of Azalea) was funded and/or built during the projection period (2013 to current). This project is expected to compete with the subject. It should be noted that this project is fully occupied and management maintains a wait list of five households for the next available unit. We did not identify any projects that were placed in service prior to 2013 that have not reached a stabilized occupancy. The unit mix for the Cottages at Azalea is summarized as follows:

Map I.D.	Project Name	Year Built	LIHTC Units	Units At Targeted AMHI	
				50% AMHI	60% AMHI
5	Cottages at Azalea	2013	48	1-Br. = 2 2-Br. = 6 3-Br. = 4	1-Br. = 6 2-Br. = 18 3-Br. = 12

The units by bedroom type and AMHI level are included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component (Households Age 55+)	Percent Of Median Household Income		
	50% AMHI (\$16,150-\$28,350)	60% AMHI (\$18,035-\$34,020)	Overall (\$16,150-\$34,020)
Demand From New Renter Households (Age- And Income-Appropriate)	1,710 - 1,660 = 50	1,918 - 1,877 = 41	2,159 - 2,110 = 49
+			
Demand From Existing Households (Rent Overburdened)	1,660 X 43.7% = 725	1,877 X 34.6% = 649	2,110 X 38.9% = 821
+			
Demand From Existing Households (Renters In Substandard Housing)	1,660 X 8.4% = 139	1,877 X 8.4% = 158	2,110 X 8.4% = 177
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	914	848	1,047
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2013)	12	36	48
=			
Net Demand	902	812	999
Proposed Units	14	42	56
Proposed Units/ Net Demand	14 / 902	42 / 812	56 / 999
Capture Rate	= 1.5%	= 5.2%	= 5.6%

The capture rates by income level are low, ranging from 1.5% to 5.2%. The overall capture rate of 5.6% is also low and indicates that there is sufficient support for the proposed 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	25%
Two-Bedroom	50%
Three-Bedroom	25%
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 (914 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 (25%)	229	2	227	4	1.7%
Two-Bedroom (50%)	457	6	451	7	1.6%
Three-Bedroom (25%)	229	4	225	3	1.3%

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

Units Targeting 60% Of AMHI (848 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 (25%)	212	6	206	12	5.8%
Two-Bedroom (50%)	424	18	406	17	4.2%
Three-Bedroom (25%)	212	12	200	13	6.5%

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

The capture rates by bedroom type range from 1.3% to 6.5%. These capture rates indicate that sufficient support exists for the 56 proposed subject units at each targeted level of AMHI and by bedroom type.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the 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.

It is our opinion that the proposed 56 LIHTC units at the subject site will reach a stabilized occupancy of 93.0% within six months of opening. This absorption period is based on an average monthly absorption rate of 10 units. Our absorption projections assume that household growth will continue rapidly and that no other large projects targeting a similar income group are developed during the projection period.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

The subject project will include one- to three-bedroom units and will target households with incomes of up to 50% and 60% of AMHI. We identified four LIHTC projects within the Site PMA that are considered comparable to the subject development because they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Willow Lake Apartments	2016	56	-	-	-	Families; 50% & 60% AMHI
5	Cottages at Azalea	2013	48	100.0%	1.4 Miles	5 H.H.	Families; 50% & 60% AMHI
7	Miller Grove	2007	48	100.0%	1.5 Miles	7 H.H.	Families; 50% & 60% AMHI
8	Millers Ridge Apts.	2001	56*	100.0%	1.4 Miles	35 H.H.	Families; 50% & 60% AMHI
15	Sycamore Run	2003	48	100.0%	1.5 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households
*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 100.0%. Three of the four projects maintain wait lists of up to 35 households. We consider 100% occupancy rates and wait lists as strong indications of the pent up demand for affordable housing in the market. The newest LIHTC project, Cottages at Azalea (Map ID 5), opened in August of 2013 and reached a 100% occupancy rate by October of 2013. Assuming the project began preleasing units at least one month prior to opening yields a monthly absorption rate of 12 units. This is a good absorption rate and indicates that the market has responded well to affordable housing.

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
5	Cottages at Azalea	48**	N/A	-
7	Miller Grove	48	3	6.3%
8	Millers Ridge Apts.	56*	4	7.1%
15	Sycamore Run	48	6	12.5%
Total		152	13	8.6%

*Tax Credit units only

**Units not included in total

N/A – Number not available

As the preceding table illustrates, there are a total of approximately 13 voucher holders residing at the comparable properties within the market. This comprises 8.6% of the 152 total non-subsidized LIHTC units. Given that these projects are 100% occupied, it can be concluded that the gross rents at these properties are achievable and serve as a good base of comparison for the proposed subject project. According to a representative with the Housing Authority of Lancaster, there are approximately 220 Housing Choice Voucher holders within the housing authority’s jurisdiction, and it is unknown as to how many people are currently on the waiting list for additional Vouchers. This reflects the continuing need for Housing Choice Voucher assistance.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Willow Lake Apartments	\$471/50% (4) \$526/60% (12)	\$564/50% (7) \$601/60% (17)	\$648/50% (3) \$726/60% (13)	-
5	Cottages at Azalea	\$496/50% (2/0) \$511/60% (6/0)	\$593/50% (6/0) \$613/60% (18/0)	\$689/50% (4/0) \$709/60% (12/0)	None
7	Miller Grove	\$482/50% (4/0) \$482/60% (4/0)	\$576/50% (15/0) \$642/60% (15/0)	\$713/50% (5/0) \$783/60% (5/0)	None
8	Millers Ridge Apts.	-	\$602/50% (16/0) \$692/60% (24/0)	\$803/60% (16/0)	None
15	Sycamore Run	-	\$617/50% (14/0) \$657/60% (18/0)	\$708/50% (6/0) \$768/60% (10/0)	None

The proposed subject gross rents, \$471 to \$526 for a one-bedroom unit, \$564 to \$601 for a two-bedroom unit and \$648 to \$726 for a three-bedroom unit, will be very competitively priced with the other LIHTC units in the market.

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

8 Millers Ridge Apts.

1.4 miles to site



Address	1000 Miller Ridge Ln. Lancaster, SC 29720		
Phone	(803) 313-5980	Contact	Tina
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2001	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	35 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Market-rate (16 units); 50% & 60% AMHI (56 units); HCV (4 units)		



Features and Utilities

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

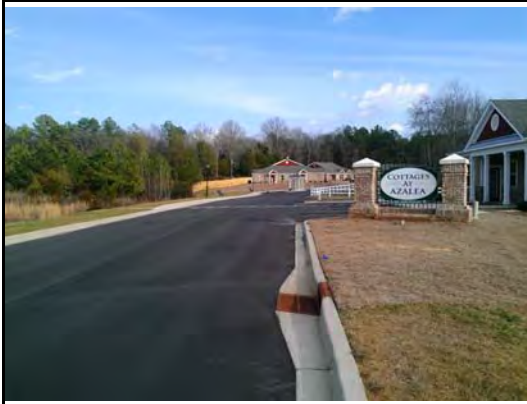
Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	16	0	905	\$0.46	\$420	50%
2	2	G	16	0	905	\$0.68	\$615	
2	2	G	24	0	905	\$0.56	\$510	60%
3	2	G	16	0	1070	\$0.54	\$580	60%

5

Cottages at Azalea

1.4 miles to site



Address 100 Pond Ridge Ln.
Lancaster, SC 29720

Phone (803) 283-6160 **Contact** Mary

Total Units 48 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2013 **Floors** 1

Concessions No Rent Specials

Parking Surface Parking

Waiting List 5 households

Quality Rating A **Neighborhood Rating** B

Remarks 50% & 60% AMHI; Accepts HCV; Opened 8/2013, 100% occupied 10/2013

Features and Utilities

Utilities Landlord pays Water, Sewer, Trash

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

Project Amenities On-site Management, Laundry Facility, Club House, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area, CCTV

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	891	\$0.48	\$425	60%
1	1	G	2	0	891	\$0.46	\$410	50%
2	2	G	18	0	1101	\$0.45	\$500	60%
2	2	G	6	0	1101	\$0.44	\$480	50%
3	2	G	12	0	1307	\$0.43	\$568	60%
3	2	G	4	0	1307	\$0.42	\$548	50%

7 Miller Grove

1.5 miles to site



Address	2017 Miller St. Lancaster, SC 29720		
Phone	(803) 283-3498	Contact	Gloria
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	7 households		
Quality Rating	B+	Neighborhood Rating	C
Remarks	50% & 60% AMHI; HCV (3 units); Unit mix estimated		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, 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, Playground, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	700	\$0.49	\$340	60%
1	1	G	4	0	700	\$0.49	\$340	50%
2	2	G	15	0	908	\$0.51	\$460	60%
2	2	G	15	0	908	\$0.43	\$394	50%
3	2	G	5	0	1046	\$0.54	\$560	60%
3	2	G	5	0	1046	\$0.47	\$490	50%

15 Sycamore Run

1.5 miles to site



Address	3038 Miller St. Lancaster, SC 29720		
Phone	(803) 285-4850	Contact	Crystal
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2003	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B-
Remarks	50% & 60% AMHI; HCV (6 units)		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	18	0	915	\$0.52	\$475	60%
2	2	G	14	0	915	\$0.48	\$435	50%
3	2	G	10	0	1100	\$0.50	\$545	60%
3	2	G	6	0	1100	\$0.44	\$485	50%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Willow Lake Apartments	750	950	1,100
5	Cottages at Azalea	891	1,101	1,307
7	Miller Grove	700	908	1,046
8	Millers Ridge Apts.	-	905	1,070
15	Sycamore Run	-	915	1,100

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Willow Lake Apartments	1.0	2.0	2.0
5	Cottages at Azalea	1.0	2.0	2.0
7	Miller Grove	1.0	2.0	2.0
8	Millers Ridge Apts.	-	1.0 - 2.0	2.0
15	Sycamore Run	-	2.0	2.0

The proposed units sizes (square feet) and number of bathrooms for the proposed one- to three-bedroom units are appropriate for the target market. Additionally, the proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered.

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



COMPARABLE PROPERTIES AMENITIES - LANCASTER, SOUTH CAROLINA

MAP ID	APPLIANCES						UNIT AMENITIES											OTHER		
	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
SITE	X	X		X	X	X	X		C		X	X	X				B		S	
8	X	X		X	S		X		C		X	X	S				B		S	Storage
5	X	X		X			X		C		X	X	X				B		S	Exterior Storage
7	X	X		X	X	X	X		C		X	X	X				B		S	Storage
15	X	X		X			X		C		X	X	X				B		S	Exterior Storage

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				CCTV
8		X	X		A		X							X		X				
5		X	X	X	X	X	X							X		X				CCTV
7		X	X				X							X		X				
15		X	X		A		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

The proposed units and project amenities at the subject development will be comprehensive and should appeal to the targeted low-income family market. As such, the amenity packages included at the subject development will be very competitive with those of the competing low-income projects. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Tax Credit project.

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, it is our opinion that the subject development will be competitive with these properties.

2. **COMPARABLE TAX CREDIT PROPERTIES MAP**

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



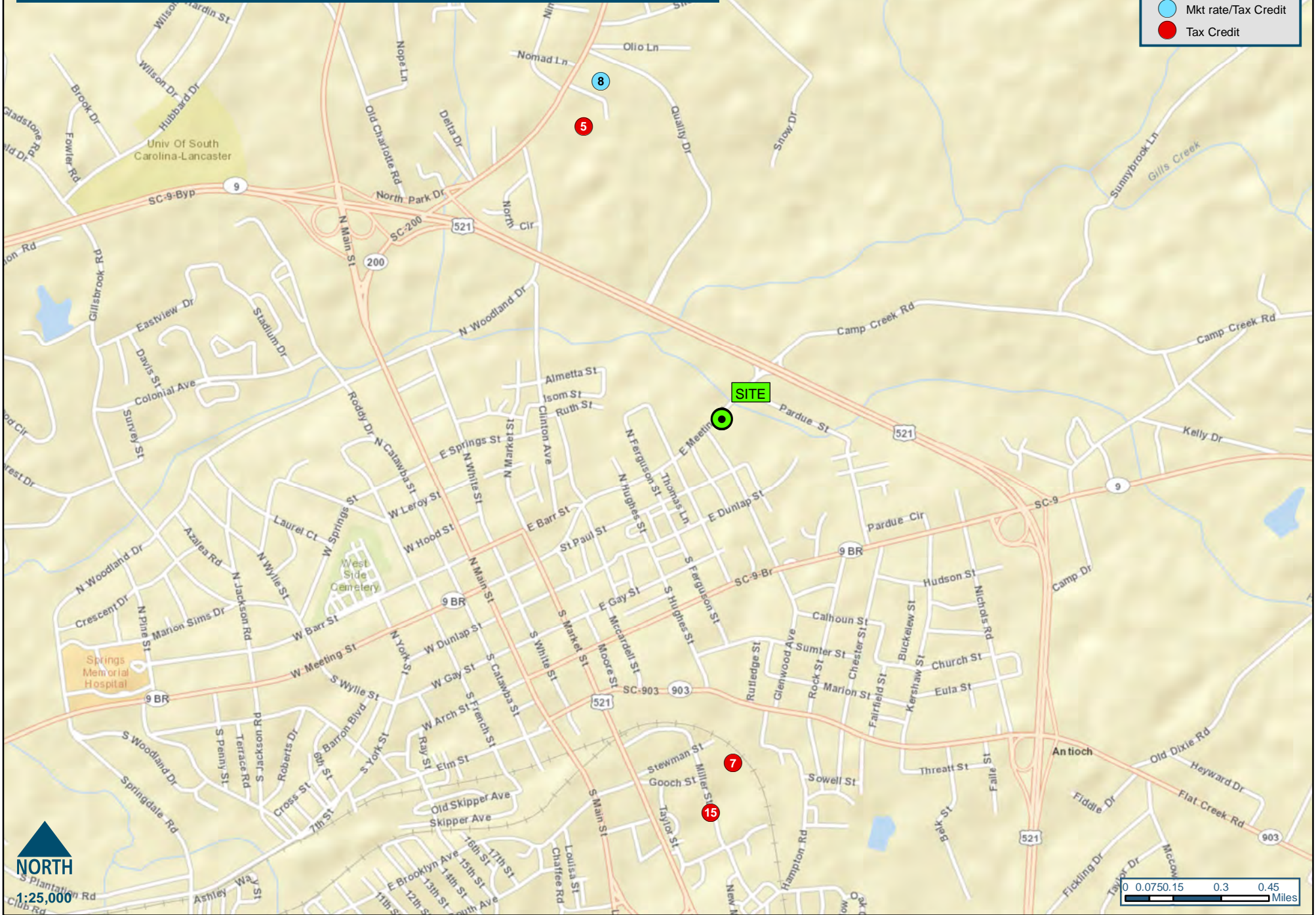
Lancaster, SC

Comparable LIHTC Property Locations

Site

Apartments Type

- Mkt rate/Tax Credit
- Tax Credit



3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Lancaster 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	17,082	91.0%	17,523	90.7%
Owner-Occupied	11,696	68.5%	11,621	66.3%
Renter-Occupied	5,386	31.5%	5,902	33.7%
Vacant	1,697	9.0%	1,794	9.3%
Total	18,779	100.0%	19,317	100.0%

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

Based on a 2013 update of the 2010 Census, of the 19,317 total housing units in the market, 9.3% were vacant. In 2013, it was estimated that homeowners occupied 66.3% of all occupied housing units, while the remaining 33.7% were occupied by renters. The share of renters is considered high and the 5,902 renter households represent a large base of potential support in the market for the subject development.

We identified and personally surveyed 18 conventional housing projects containing a total of 1,013 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 98.8%, a very high rate for rental housing. Among these projects, nine are non-subsidized (market-rate and Tax Credit) projects containing 478 units. These non-subsidized units are 99.8% occupied. There are no additional units under construction in the Site PMA. The remaining nine projects contain 535 government-subsidized units, which are 97.9% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	209	1	99.5%
Market-rate/Tax Credit	2	89	0	100.0%
Tax Credit	4	180	0	100.0%
Tax Credit/Government-Subsidized	4	186	11	94.1%
Government-Subsidized	5	349	0	100.0%
Total	18	1,013	12	98.8%

All of housing segments are performing well, with occupancy rates of 94.1% or higher. With only 12 identified vacancies among the more than 1,000 rental units in the market, there are limited housing options available to prospective renters. There do not appear to be any weaknesses in the rental market.

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	20	8.7%	0	0.0%	\$785
One-Bedroom	1.5	7	3.1%	0	0.0%	\$702
Two-Bedroom	1.0	18	7.9%	0	0.0%	\$777
Two-Bedroom	1.5	79	34.5%	0	0.0%	\$831
Two-Bedroom	2.0	56	24.5%	1	1.8%	\$925
Two-Bedroom	2.5	28	12.2%	0	0.0%	\$838
Three-Bedroom	2.0	2	0.9%	0	0.0%	\$951
Three-Bedroom	2.5	14	6.1%	0	0.0%	\$932
Three-Bedroom	3.0	5	2.2%	0	0.0%	\$1,230
Total Market-rate		229	100.0%	1	0.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	56	22.5%	0	0.0%	\$491
Two-Bedroom	1.0	17	6.8%	0	0.0%	\$602
Two-Bedroom	2.0	118	47.4%	0	0.0%	\$617
Three-Bedroom	2.0	58	23.3%	0	0.0%	\$768
Total Tax Credit		249	100.0%	0	0.0%	-

The market-rate units are 99.6% occupied and the Tax Credit units are 100.0% occupied. The non-subsidized supply is in high demand with limited availability.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	2	141	0.7%
1980 to 1989	1	68	0.0%
1990 to 1999	0	0	0.0%
2000 to 2005	3	137	0.0%
2006	1	36	0.0%
2007	1	48	0.0%
2008	0	0	0.0%
2009	0	0	0.0%
2010	0	0	0.0%
2011	0	0	0.0%
2012	0	0	0.0%
2013	1	48	0.0%
Total	9	478	0.2%

*As of February

Nearly 29% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 0.7%. The more than 250 non-subsidized units added to the market since 2000 are fully occupied. Further, the newest project that was added to the market in 2013 leased all 48 units within four months, yielding an average absorption rate of 12 units per month. This absorption rate and the 100% occupancy rate among modern rentals indicate the market's strong response to new product.

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

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
One-Bedroom	\$476-50%	\$491	\$482 - \$885	83 (100.0%)
	\$531-60%			27 (32.5%)
Two-Bedroom	\$572-50%	\$797	\$573 - \$1,086	316 (100.0%)
	\$609-60%			270 (85.4%)
Three-Bedroom	\$660-50%	\$783	\$689 - \$1,230	79 (100.0%)
	\$738-60%			52 (65.8%)

The proposed 50% AMHI rents will be the lowest among the non-subsidized product. The proposed 60% AMHI rents will be lower than one-third to more than three-fourths of the non-subsidized rents in the market. The appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	68	0.0%
B	1	54	1.9%
B-	3	107	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	48	0.0%
B+	2	84	0.0%
B	1	48	0.0%
B-	2	69	0.0%

Vacancies are low among all quality levels. The proposed subject project is expected to be of good quality, which will contribute to its marketability.

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

4. RENTAL HOUSING INVENTORY MAP

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

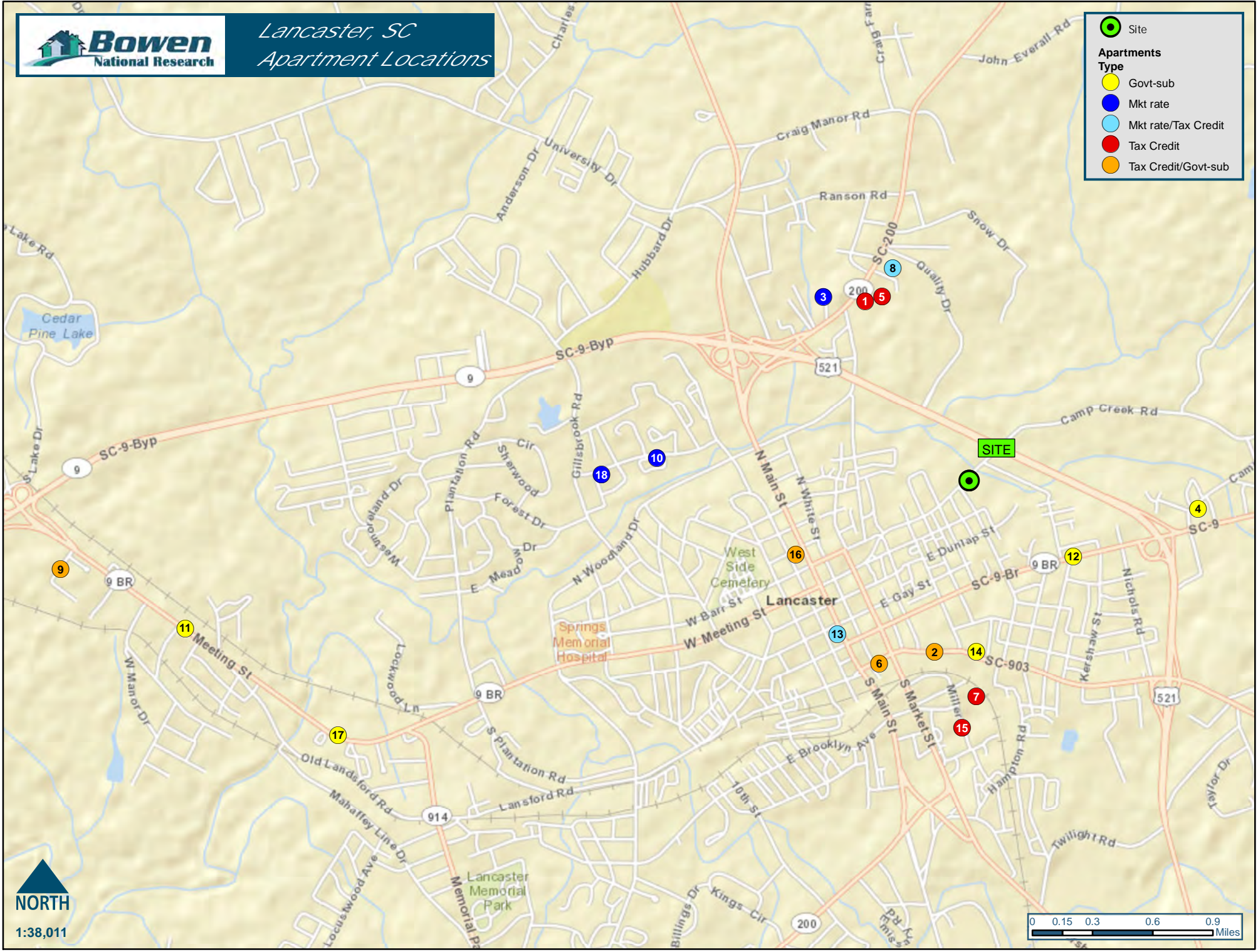


Lancaster, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:38,011



5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

According to the planning and building departments of various municipalities in the Lancaster Site PMA, there is one multifamily apartment project in the development pipeline.

- Construction began in November 2013 on the \$31 million Enclave at Bailes Ridge Apartment Homes in Indian Land, in northern Lancaster County. This 246-unit luxury market-rate project will be located at 1004 Bailes Ridge Avenue and will contain 15 two- and three-story buildings on the 21-acre site, which is next to the 300-acre Bailes Business Park. The one-, two- and three-bedroom apartments are expected to range from \$800 to \$1,404 per month and will offer many amenities, including garages, a clubhouse, fitness center and pool. Construction on the first 24 units and the clubhouse is expected to be complete in May 2014.

This project is not expected to compete with the proposed subject project.

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 four comparable LIHTC projects within the Site PMA that have received Tax Credit funding. In addition, we identified a total of two projects offering market-rate units (may include mixed-income projects) which are located in the Site PMA and are considered both economically and conceptually comparable. Our methodology for identifying conceptual comparability are those projects that target a similar age cohort, are of similar design, and offered similar amenity packages. The six stabilized comparable Tax Credit and market-rate projects identified in the Site PMA are detailed as follows:

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built/ Renovated	Project Type	Total Units	Occupancy Rate
Site	Willow Lake Apartments	2016	TC	56	-
5	Cottages at Azalea	2013	TC	48	100.0%
7	Miller Grove	2007	TC	48	100.0%
8	Millers Ridge Apts.	2001	TC	72*	100.0%
15	Sycamore Run	2003	TC	48	100.0%
3	Dalton Ridge	1976	MR	87	100.0%
10	Oak Haven	1987	MR	68	100.0%
Total				371	100.0%

*Includes market-rate and Tax Credit units

TC – Tax Credit

MR – Market-Rate

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

8. MARKET RENT ADVANTAGE

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

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Willow Lake Apartments	2016	56	-	16 (-)	24 (-)	16 (-)
3	Dalton Ridge	1976	87	100.0%	7 (100.0%)	73 (100.0%)	7 (100.0%)
10	Oak Haven	1987	68	100.0%	18 (100.0%)	40 (100.0%)	10 (100.0%)
903	Brookstone Apts.	2002	348	97.4%	140 (98.6%)	162 (96.9%)	46 (95.7%)
906	Cowan Farms	2003	248	98.0%	104 (100.0%)	104 (99.0%)	40 (90.0%)
907	Cushendall Commons	2001	168	96.4%	66 (95.5%)	96 (96.9%)	6 (100.0%)

Occ. – Occupancy

900 Series Map ID's are located outside the Site PMA

The five selected market-rate projects have a combined total of 919 units with an overall occupancy rate of 97.8%. None of the comparable properties has an occupancy rate below 96.4%.

The Rent Comparability Grids on the following pages shows 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 →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Willow Lake Apartments		Dalton Ridge		Oak Haven		Brookstone Apts.		Cowan Farms		Cushendall Commons	
201 North Willow Lake Rd.		581 Dalton Ridge Dr.		456 Colonial Ave.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.	
Lancaster, SC		Lancaster, SC		Lancaster, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$560		\$630		\$750		\$645		\$665	
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	100%		100%		99%		100%		95%	
5	Effective Rent & Rent/ sq. ft	\$560	0.62	\$630	0.90	\$750	0.95	\$645	0.86	\$665	0.79
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/2		WU/2,3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2016		1976	\$40	1987	\$29	2002	\$14	2003	\$13
8	Condition /Street Appeal	E		G	\$15	E		G	\$15	E	
9	Neighborhood	F		G	(\$10)	G	(\$10)	E	(\$20)	G	(\$10)
10	Same Market?			Yes		Yes		No	(\$75)	No	(\$65)
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1.5	(\$15)	1		1		1	
13	Unit Interior Sq. Ft.	750		900	(\$31)	700	\$10	790	(\$8)	750	
14	Balcony/ Patio	Y		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		N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5
18	Washer/Dryer	HU/L		HU	\$5	HU/L		HU/L	\$5	HU	\$5
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	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		N	\$5	Y		Y	
D Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate/Cameras	Y		N	\$5	N	\$5	N	\$5	N	\$5
27	Clubhouse/ Meeting Rooms	N/Y		Y/N		Y/N		N/N	\$5	N/N	\$5
28	Pool/ Recreation Areas	F		F/S	(\$3)	P/F/T/J	(\$16)	P/F/S	(\$13)	P/F	(\$10)
29	Computer Center	Y		N	\$3	N	\$3	Y		N	\$3
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y		Y		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities	Data	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	Y/Y		N/N	\$56	N/N	\$56	N/N	\$56	N/N	\$56
39	Trash /Recycling	Y/N		Y/N		N/N	\$13	N/N	\$13	Y/N	
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos
40	# Adjustments B to D	6	4	6	2	4	4	8	3	4	4
41	Sum Adjustments B to D	\$73	(\$59)	\$57	(\$26)	\$29	(\$116)	\$54	(\$85)	\$28	(\$115)
42	Sum Utility Adjustments	\$56		\$69		\$69		\$56		\$69	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$70	\$188	\$100	\$152	(\$18)	\$214	\$25	\$195	(\$18)	\$212
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent
44	Adjusted Rent (5+ 43)	\$630		\$730		\$732		\$670		\$647	
45	Adj Rent/Last rent		113%		116%		98%		104%		97%
46	Estimated Market Rent	\$680	\$0.91	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Willow Lake Apartments		Dalton Ridge		Oak Haven		Brookstone Apts.		Cowan Farms		Cushendall Commons	
201 North Willow Lake Rd.		581 Dalton Ridge Dr.		456 Colonial Ave.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.	
Lancaster, SC		Lancaster, SC		Lancaster, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$595		\$730		\$770		\$735		\$760	
Date Surveyed		Feb-14		Feb-14		Feb-14		Feb-14		Feb-14	
Rent Concessions		None		None		None		None		None	
Occupancy for Unit Type		100%		100%		97%		99%		97%	
Effective Rent & Rent/ sq. ft		\$595	0.57	\$730	0.73	\$770	0.83	\$735	0.77	\$760	0.71
B. Design, Location, Condition		Data		Data		Data		Data		Data	
Structure / Stories		WU/2,3		WU/2		WU/2,3		WU/2		WU/3	
Yr. Built/Yr. Renovated		2016		1976	\$40	1987	\$29	2002	\$14	2003	\$13
Condition /Street Appeal		E		G	\$15	E		G	\$15	E	
Neighborhood		F		G	(\$10)	G	(\$10)	E	(\$20)	G	(\$10)
Same Market?				Yes		Yes		No	(\$77)	No	(\$74)
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
# Bedrooms		2		2		2		2		2	
# Baths		2	\$30	2		1	\$30	2		2	
Unit Interior Sq. Ft.		950	(\$18)	1050	(\$9)	1000		933	\$3	960	(\$2)
Balcony/ Patio		Y		Y		Y		Y		Y	
AC: Central/ Wall		C		C		C		C		C	
Range/ refrigerator		R/F		R/F		R/F		R/F		R/F	
Microwave/ Dishwasher		Y/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5	Y/Y	
Washer/Dryer		HU/L	\$5	HU	\$5	HU/L		HU	\$5	HU	\$5
Floor Coverings		C		C		C		C		C	
Window Coverings		B		B		B		B		B	
Intercom/Security System		N/N		N/N		N/N		N/N		N/N	
Garbage Disposal		Y		Y		Y		Y		Y	
Ceiling Fans		Y		Y	\$5	Y		Y		Y	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
Parking (\$ Fee)		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
On-Site Management		Y		Y		Y		Y		Y	
Security Gate/Cameras		Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
Clubhouse/ Meeting Rooms		N/Y		Y/N		Y/N	\$5	N/N	\$5	Y/N	
Pool/ Recreation Areas		F	(\$3)	F/S	(\$3)	P/F/T/J	(\$16)	P/F/S	(\$13)	P/F	(\$10)
Computer Center		Y	\$3	N	\$3	Y		N	\$3	Y	
Picnic Area		Y		Y		Y		Y		Y	
Playground		Y		Y		Y		Y	\$3	N	\$3
Social Services		N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
Heat (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Hot Water (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Other Electric		N		N		N		N		N	
Cold Water/ Sewer		Y/Y	\$69	N/N	\$69	N/N	\$69	N/N	\$69	N/N	\$69
Trash /Recycling		Y/N		Y/N	\$13	N/N	\$13	Y/N		N/N	\$13
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
# Adjustments B to D		7	3	5	3	6	3	8	4	4	4
Sum Adjustments B to D		\$103	(\$31)	\$47	(\$35)	\$62	(\$110)	\$54	(\$96)	\$28	(\$127)
Sum Utility Adjustments		\$69		\$82		\$82		\$69		\$82	
		Net		Gross		Net		Gross		Net	
Net/ Gross Adjmts B to E		\$141	\$203	\$94	\$164	\$34	\$254	\$27	\$219	(\$17)	\$237
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$736		\$824		\$804		\$762		\$743	
Adj Rent/Last rent			124%		113%		104%		104%		98%
Estimated Market Rent		\$770		\$0.81		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Willow Lake Apartments		Dalton Ridge		Oak Haven		Brookstone Apts.		Cowan Farms		Cushendall Commons	
201 North Willow Lake Rd.		581 Dalton Ridge Dr.		456 Colonial Ave.		1800 Marett Blvd.		1310 Cypress Pointe Dr.		819 Arklow Dr.	
Lancaster, SC		Lancaster, SC		Lancaster, SC		Rock Hill, SC		Rock Hill, SC		Rock Hill, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$635		\$830		\$995		\$875		\$875	
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	100%		100%		96%		90%		100%	
5	Effective Rent & Rent/ sq. ft	\$635	0.45	\$830	0.61	\$995	0.79	\$875	0.74	\$875	0.68
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/2		WU/2,3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2016	\$40	1976	\$29	2002	\$14	2003	\$13	2001	\$15
8	Condition /Street Appeal	E	\$15	G	\$15	E		G	\$15	E	
9	Neighborhood	F	(\$10)	G	(\$10)	E	(\$20)	G	(\$10)	E	(\$20)
10	Same Market?	Yes		Yes		No	(\$100)	No	(\$88)	No	(\$88)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2	(\$15)	2.5	(\$15)	2		2		2	
13	Unit Interior Sq. Ft.	1100	(\$49)	1400	(\$41)	1256	(\$25)	1186	(\$14)	1294	(\$31)
14	Balcony/ Patio	Y		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	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$5	HU	\$5	HU/L		HU	\$5	HU	\$5
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	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y	\$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		Y		Y		Y		Y	
26	Security Gate/Cameras	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
27	Clubhouse/ Meeting Rooms	N/Y		Y/N		N/N	\$5	N/N	\$5	Y/N	
28	Pool/ Recreation Areas	F	(\$3)	F/S	(\$3)	P/F/S	(\$13)	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y	\$3	N	\$3	Y		N	\$3	Y	
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y		Y		Y		N	\$3	N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	\$82	N/N	\$82	N/N	\$82	N/N	\$82	N/N	\$82
39	Trash /Recycling	Y/N		Y/N	\$13	N/N	\$13	Y/N		N/N	\$13
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	4	5	4	4	4	8	4	4	4
41	Sum Adjustments B to D	\$73	(\$77)	\$47	(\$82)	\$29	(\$158)	\$54	(\$122)	\$28	(\$149)
42	Sum Utility Adjustments	\$82		\$95		\$95		\$82		\$95	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$78	\$232	\$60	\$224	(\$34)	\$282	\$14	\$258	(\$26)	\$272
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$713		\$890		\$961		\$889		\$849	
45	Adj Rent/Last rent		112%		107%		97%		102%		97%
46	Estimated Market Rent	\$880	\$0.80	← 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 \$680 for a one-bedroom unit, \$770 for a two-bedroom unit and \$880 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
One-Bedroom	\$395 (50%)	\$680	41.91%
	\$450 (60%)		33.82%
Two-Bedroom	\$463 (50%)	\$770	39.87%
	\$500 (60%)		35.06%
Three-Bedroom	\$522 (50%)	\$880	40.68%
	\$600 (60%)		31.81%
Weighted Average			35.34%

The proposed rents represent a 31.81% to 41.91% market rent advantage. The weighted market rent advantage at the subject project is 35.34%.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. As such, we have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties.

8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
- 13.- 23. The subject project will offer a unit amenity package that is comprehensive but generally similar 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 subject project offers a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

As previously noted, four affordable projects will compete with the subject project. The anticipated occupancy rates of the existing non-subsidized Tax Credit developments during the first year of occupancy at the subject project follow:

Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2016
Cottages at Azalea	100.0%	95%-100.0%
Miller Grove	100.0%	95%-100.0%
Millers Ridge Apts.	100.0%	95%-100.0%
Sycamore Run	100.0%	95%-100.0%

Given the 100% occupancy rates and waiting lists at most of these LIHTC projects, and considering the depth of support among low-income households as shown in our capture rate estimates, we believe that the development of the subject project will not have an adverse impact on the occupancy rates of the other affordable housing projects.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$164,270. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$164,270 home is \$1,012, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$164,270
Mortgaged Value = 95% of Median Home Price	\$156,057
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$809
Estimated Taxes and Insurance*	\$202
Estimated Monthly Mortgage Payment	\$1,012

*Estimated at 25% of principal and interest

In comparison, the collected rents for the subject property range from \$395 to \$600 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least more than \$400 higher than the cost of renting at the subject site, depending on unit size. While it is possible that some of the tenants in the market 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 shown earlier in this analysis, with only 12 identified vacancies among the more than 1,000 rental units in the market, there are limited housing options available to prospective renters. A large number of the surveyed projects have wait lists, indicating that there is pent up demand and housing voids in the subject market.

All four of the LIHTC projects are fully occupied and three of the four projects maintain wait lists of up to 35 households. We consider 100% occupancy rates and wait lists as strong indications of the pent up demand for affordable housing in the market. With only a market-rate project in the development pipeline, there will remain a void of housing in the affordable rental housing segment. The development of the subject project will help fill a portion of this void.

I. INTERVIEWS

The following are summaries of interviews conducted with various government and private sector individuals:

Jan Sanger, Property Manager of Northwest Apartments and Old Hickory Apartments, stated that there is a significant need for affordable multifamily housing in the Lancaster area. She elaborated further by stating that the local economy of Lancaster was struck especially hard by the recession because its largest employer, Springs Global, relocated in 2008 and left a significant number of individuals out of work. **Phone: 803-286-4822**

Marie Johnson, Assistant Property Manager at Palmetto Place, stated there is a need for multifamily affordable housing in Lancaster. Since the recession, Lancaster residents have struggled to afford market-rate rents and therefore are seeking more affordable options. She has more than 40 households on her waiting list, with the majority waiting for one-bedroom apartments. **Phone: 803-283-9906**

Carolyn Lucas, a volunteer with a local service provider known as Helping Other People Effectively (HOPE), stated that the need for affordable housing is “skyrocketing” in the area. Due to the area’s poor economy and lack of employment opportunities, income-based housing is in even greater demand. The current inventory of affordable homes and apartments in the area has not been well maintained, increasing the need for newer, quality housing. **Phone: (803) 286-4673**

According to Deborah Cunningham, Section 8 Coordinator with the Housing Authority of Lancaster, there are approximately 220 Housing Choice Voucher holders within the housing authority’s jurisdiction, and it is unknown as to how many people are currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown as to when it will reopen. Annual turnover of persons in the Voucher program is unknown at this time. This reflects the continuing need for Housing Choice Voucher assistance. **Phone: 803-285-7214**

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 56 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 project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as a significant value in the marketplace. This is demonstrated in Section IV.

Given the 100% occupancy rate and wait list of affordable developments within the Site PMA, the subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with a capture of 5.7% of income-qualified households in the market, there is sufficient support for the subject development. Therefore, it is our opinion that the subject project will have minimal, if any, impact on the existing Tax Credit developments in the Site PMA.

K. SIGNED STATEMENT REQUIREMENT

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

Certified:



Patrick Bowen
President/Market Analyst
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Date: March 3, 2014



Greg Gray
Market Analyst
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Date: March 3, 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.

Kyle Ludlow, Market Analyst, has conducted site-specific analysis in both rural and urban markets throughout the country. He has experience in interviewing property managers and leasing agents to collect specific property data, is familiar with multiple rental housing programs and is specialized in the collection of detailed data on housing conditions in a variety of markets. A graduate of The Ohio State University, Mr. Ludlow holds a Bachelor of Arts in History.

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

LANCASTER, 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.

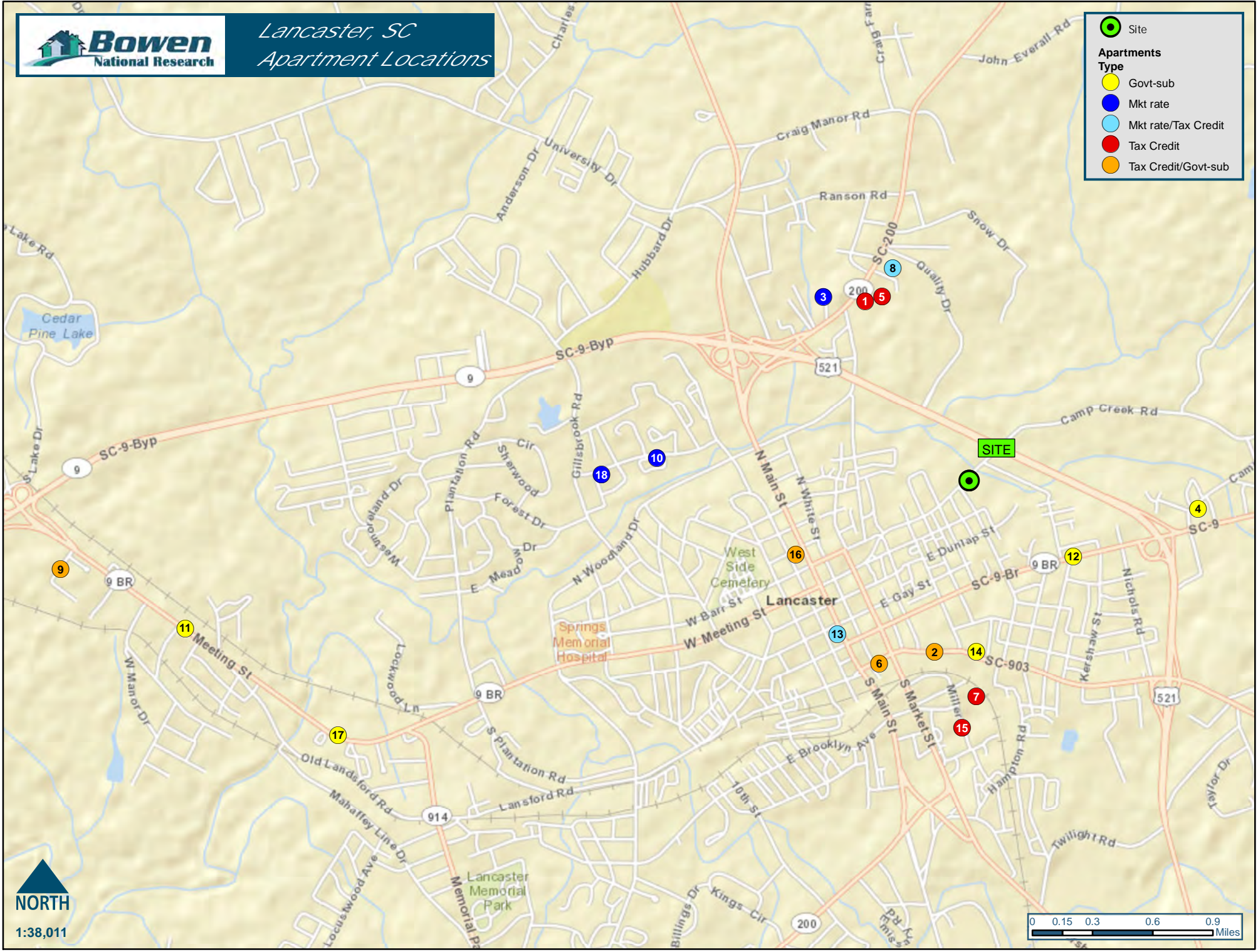


Lancaster, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:38,011



MAP IDENTIFICATION LIST - LANCASTER, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Azalea Gardens	TAX	B+	2006	36	0	100.0%	1.2
◆ 2	Chesterfield Villas of Lancaster	TGS	C+	1991	32	0	100.0%	1.0
3	Dalton Ridge	MRR	B-	1976	87	0	100.0%	1.3
4	Knollwood Apts. I & II	GSS	B-	1983	88	0	100.0%	1.3
5	Cottages at Azalea	TAX	A	2013	48	0	100.0%	1.4
◆ 6	Lancaster Manor	TGS	B	1983	66	0	100.0%	1.1
7	Miller Grove	TAX	B+	2007	48	0	100.0%	1.5
8	Millers Ridge Apts.	MRT	B-	2001	72	0	100.0%	1.4
9	Northwest Apts.	TGS	C+	1978	72	11	84.7%	4.3
10	Oak Haven	MRR	A	1987	68	0	100.0%	1.7
11	Old Hickory Apts.	GSS	C+	1989	32	0	100.0%	3.7
12	Palmetto Place	GSS	C	1973	165	0	100.0%	0.7
◆ 13	Parr Place	MRT	B-	2001	17	0	100.0%	1.0
◆ 14	Rutledge Park Apts.	GSS	C+	1981	8	0	100.0%	0.9
15	Sycamore Run	TAX	B	2003	48	0	100.0%	1.5
◆ 16	Manor	TGS	B	1986	16	0	100.0%	0.9
17	Woodcreek Apts.	GSS	C+	1979	56	0	100.0%	2.9
18	Woodhaven Apts.	MRR	B	1975	54	1	98.1%	2.0

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	3	209	1	99.5%	0
MRT	2	89	0	100.0%	0
TAX	4	180	0	100.0%	0
TGS	4	186	11	94.1%	0
GSS	5	349	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

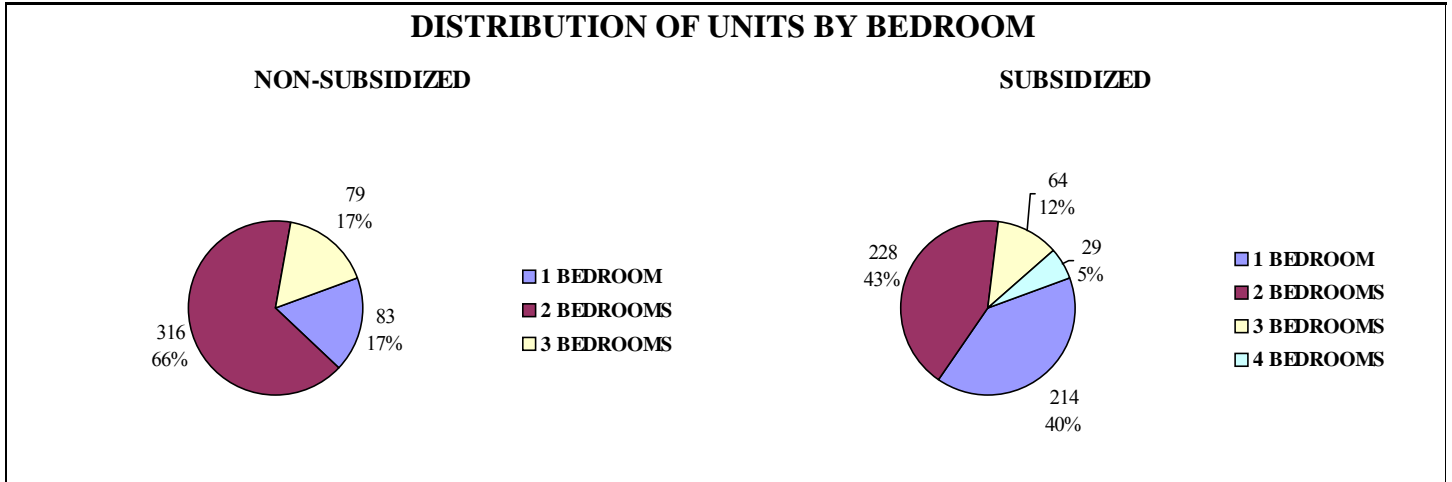
* - Drive Distance (Miles)

Survey Date: February 2014






DISTRIBUTION OF UNITS - LANCASTER, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	20	8.7%	0	0.0%	\$785
1	1.5	7	3.1%	0	0.0%	\$702
2	1	18	7.9%	0	0.0%	\$777
2	1.5	79	34.5%	0	0.0%	\$831
2	2	56	24.5%	1	1.8%	\$925
2	2.5	28	12.2%	0	0.0%	\$838
3	2	2	0.9%	0	0.0%	\$951
3	2.5	14	6.1%	0	0.0%	\$932
3	3	5	2.2%	0	0.0%	\$1,230
TOTAL		229	100.0%	1	0.4%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	56	22.5%	0	0.0%	\$491
2	1	17	6.8%	0	0.0%	\$602
2	2	118	47.4%	0	0.0%	\$617
3	2	58	23.3%	0	0.0%	\$768
TOTAL		249	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	116	62.4%	2	1.7%	N.A.
2	1	56	30.1%	7	12.5%	N.A.
2	2	6	3.2%	0	0.0%	N.A.
3	1.5	8	4.3%	2	25.0%	N.A.
TOTAL		186	100.0%	11	5.9%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	98	28.1%	0	0.0%	N.A.
2	1	122	35.0%	0	0.0%	N.A.
2	1.5	20	5.7%	0	0.0%	N.A.
2	2	24	6.9%	0	0.0%	N.A.
3	1	56	16.0%	0	0.0%	N.A.
4	2	29	8.3%	0	0.0%	N.A.
TOTAL		349	100.0%	0	0.0%	
GRAND TOTAL		1,013	-	12	1.2%	








DISTRIBUTION OF UNITS - LANCASTER, SOUTH CAROLINA



SURVEY OF PROPERTIES - LANCASTER, SOUTH CAROLINA

1 Azalea Gardens			
	Address 200 Monroe Hwy Lancaster, SC 29720	Phone (803) 283-9305 (Contact in person)	Total Units 36
	Year Built 2006 Comments 50% AMHI; HCV (4 units)	Contact Tina	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Senior Restricted (55+) Waiting List 3-4 households
2 Chesterfield Villas of Lancaster			
	Address 411 Chesterfield Ave. Lancaster, SC 29720	Phone (803) 285-4384 (Contact in person)	Total Units 32
	Year Built 1991 Comments 60% AMHI & RD 515, has RA (32 units); Square footage estimated	Contact Rachel	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ Senior Restricted (62+) Waiting List 1 household
3 Dalton Ridge			
	Address 581 Dalton Ridge Dr. Lancaster, SC 29720	Phone (803) 286-9776 (Contact in person)	Total Units 87
	Year Built 1976 Comments Does not accept HCV; Rent range based on floor level; Offers furnished 3-br for additional cost	Contact Dennis	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None
4 Knollwood Apts. I & II			
	Address 265 Knollwood Dr. Lancaster, SC 29720	Phone (803) 285-6782 (Contact in person)	Total Units 88
	Year Built 1983 Comments RD 515, has RA (28 units); HCV (4 units); 2-br units have washer/dryer hookups & patios/balconies	Contact Rachel	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 6 households
5 Cottages at Azalea			
	Address 100 Pond Ridge Ln. Lancaster, SC 29720	Phone (803) 283-6160 (Contact in person)	Total Units 48
	Year Built 2013 Comments 50% & 60% AMHI; Accepts HCV; Opened 8/2013, 100% occupied 10/2013	Contact Mary	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating A Waiting List 5 households

Project Type

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

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SURVEY OF PROPERTIES - LANCASTER, SOUTH CAROLINA





6 Lancaster Manor			
	Address 201 Chesterfield Ave. Lancaster, SC 29720	Phone (803) 286-4453 (Contact in person)	Total Units 66
	Year Built 1983 Renovated 2006 Contact Elizabeth	Comments 50% & 60% AMHI; HUD Section 8; 1-br include ceiling fan	
7 Miller Grove			
	Address 2017 Miller St. Lancaster, SC 29720	Phone (803) 283-3498 (Contact in person)	Total Units 48
	Year Built 2007 Contact Gloria	Comments 50% & 60% AMHI; HCV (3 units); Unit mix estimated	
8 Millers Ridge Apts.			
	Address 1000 Miller Ridge Ln. Lancaster, SC 29720	Phone (803) 313-5980 (Contact in person)	Total Units 72
	Year Built 2001 Contact Tina	Comments Market-rate (16 units); 50% & 60% AMHI (56 units); HCV (4 units)	
9 Northwest Apts.			
	Address 3058 NW Apartment Dr. Lancaster, SC 29720	Phone (803) 286-4822 (Contact in person)	Total Units 72
	Year Built 1978 Renovated 2008 Contact Jan	Comments 60% AMHI, Tax Credit bond; RD 515, has RA (31 units); Accepts HCV (0 currently); Vacancies due to evictions & moving in with family	
10 Oak Haven			
	Address 456 Colonial Ave. Lancaster, SC 29720	Phone (803) 286-2185 (Contact in person)	Total Units 68
	Year Built 1987 Contact Regina	Comments Does not accept HCV; Phase II built in 2001; Shares waitlist & amenities with Woodhaven Apts.; Unit mix estimated	

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 - LANCASTER, SOUTH CAROLINA




11 Old Hickory Apts.			
	Address 1005 Hickory Hill Dr. Lancaster, SC 29720	Phone (803) 286-4822 (Contact in person)	Total Units 32
	Year Built 1989	Contact Jan	Vacancies 0
	Comments RD 515, has RA (13 units); HCV (1 unit); Former Tax Credit property		Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Waiting List None
12 Palmetto Place			
	Address 2901 Pardue St. Lancaster, SC 29720	Phone (803) 283-9906 (Contact in person)	Total Units 165
	Year Built 1973	Contact Keith	Vacancies 0
	Comments 50% & 60% AMHI; HUD Section 8; HOME Funds (33 units); Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating C
			Waiting List 40 households
13 Parr Place			
	Address 205 S. Catawba St. Lancaster, SC 29720	Phone (803) 313-2295 (Contact in person)	Total Units 17
	Year Built 2001	Contact Daguadria	Vacancies 0
	Comments Market-rate (4 units); 50% & 60% AMHI (13 units); HCV (2 units); Adaptive reuse, originally built in 1940		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Senior Restricted (55+) Waiting List 2 households
14 Rutledge Park Apts.			
	Address 362 Rutledge St. Lancaster, SC 29720	Phone (803) 285-4384 (Contact in person)	Total Units 8
	Year Built 1981	Contact Rachel	Vacancies 0
	Comments RD 515, has RA (8 units); Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C+
			Senior Restricted (62+) Waiting List None
15 Sycamore Run			
	Address 3038 Miller St. Lancaster, SC 29720	Phone (803) 285-4850 (Contact in person)	Total Units 48
	Year Built 2003	Contact Crystal	Vacancies 0
	Comments 50% & 60% AMHI; HCV (6 units)		Occupied 100.0%
			Floors 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

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SURVEY OF PROPERTIES - LANCASTER, SOUTH CAROLINA

16 Manor			
	Address 402 N. Catawba St. Lancaster, SC 29720	Phone (803) 285-9889 (Contact in person)	Total Units 16
	Year Built 1986 Renovated 2008 Contact Linda	Comments 50% & 60% AMHI; RD 515, has RA (15 units)	
17 Woodcreek Apts.			
	Address 1017 Woodcreek Dr. Lancaster, SC 29720	Phone (803) 285-4435 (Contact in person)	Total Units 56
	Year Built 1979 Contact Evonne	Comments RD 515, has RA (55 units); Accepts HCV (0 currently); Square footage estimated	
18 Woodhaven Apts.			
	Address 456 Colonial Ave. Lancaster, SC 29720	Phone (803) 286-2185 (Contact in person)	Total Units 54
	Year Built 1975 Contact Regina	Comments Does not accept HCV; 3-br units have washer/dryer hookups; Shares waitlist & amenities with Oak Haven Apts.	

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 - LANCASTER, 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		\$405	\$460						
3		\$560	\$595 to \$610				\$610 to \$635	\$635 to \$685	
5		\$410 to \$425	\$480 to \$500	\$548 to \$568					
7		\$340	\$394 to \$460	\$490 to \$560					
8			\$420 to \$615	\$580					
10		\$630 to \$730	\$730				\$730 to \$870	\$830 to \$970	
◆ 13		\$401 to \$450	\$471 to \$505						
15			\$435 to \$475	\$485 to \$545					
18			\$615	\$715			\$615		

◆	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 - LANCASTER, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Dalton Ridge	1.5	900	\$702	\$0.78
10	Oak Haven	1	700 to 1080	\$785 to \$885	\$0.82 to \$1.12
◆ 13	Parr Place	1	671	\$487 to \$536	\$0.73 to \$0.80
◆ 1	Azalea Gardens	1	706	\$491	\$0.70
5	Cottages at Azalea	1	891	\$496 to \$511	\$0.56 to \$0.57
7	Miller Grove	1	700	\$482	\$0.69
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Dalton Ridge	1	1050 to 1100	\$777 to \$792	\$0.72 to \$0.74
		1.5 to 2.5	1000 to 1100	\$813 to \$838	\$0.76 to \$0.81
10	Oak Haven	1.5	1000 to 1240	\$946 to \$1086	\$0.88 to \$0.95
		2	1000 to 1240	\$925	\$0.75 to \$0.93
18	Woodhaven Apts.	1.5	1000	\$831	\$0.83
		2	1000	\$810	\$0.81
8	Millers Ridge Apts.	1	905	\$602	\$0.67
		2	905	\$692 to \$797	\$0.76 to \$0.88
◆ 13	Parr Place	1	1000	\$584 to \$618	\$0.58 to \$0.62
◆ 1	Azalea Gardens	2	1032	\$573	\$0.56
5	Cottages at Azalea	2	1101	\$593 to \$613	\$0.54 to \$0.56
7	Miller Grove	2	908	\$576 to \$642	\$0.63 to \$0.71
15	Sycamore Run	2	915	\$617 to \$657	\$0.67 to \$0.72
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Dalton Ridge	2.5	1400	\$882 to \$932	\$0.63 to \$0.67
10	Oak Haven	2.5 to 3	1350 to 1780	\$1090 to \$1230	\$0.69 to \$0.81
18	Woodhaven Apts.	2 to 2.5	1250	\$951	\$0.76
8	Millers Ridge Apts.	2	1070	\$803	\$0.75
5	Cottages at Azalea	2	1307	\$689 to \$709	\$0.53 to \$0.54
7	Miller Grove	2	1046	\$713 to \$783	\$0.68 to \$0.75
15	Sycamore Run	2	1100	\$708 to \$768	\$0.64 to \$0.70

◆	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 - LANCASTER, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.91	\$0.81	\$0.76
TOWNHOUSE	\$0.00	\$0.82	\$0.71

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.68	\$0.66	\$0.67
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.76	\$0.72	\$0.67
TOWNHOUSE	\$0.00	\$0.82	\$0.71

TAX CREDIT UNITS - LANCASTER, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
7	Miller Grove	4	700	1	50%	\$340
7	Miller Grove	4	700	1	60%	\$340
◆ 13	Parr Place	10	671	1	50%	\$401
◆ 1	Azalea Gardens	28	706	1	50%	\$405
5	Cottages at Azalea	2	891	1	50%	\$410
◆ 13	Parr Place	2	671	1	60%	\$411
9	Northwest Apts.	8	880	1	60%	\$420 - \$476
5	Cottages at Azalea	6	891	1	60%	\$425
◆ 6	Lancaster Manor	17	570	1	50%	\$454
◆ 2	Chesterfield Villas of Lancaster	32	630	1	60%	\$483 - \$657
◆ 16	Manor	8	659	1	60%	\$544 - \$701
◆ 16	Manor	8	659	1	50%	\$544 - \$701
◆ 6	Lancaster Manor	43	570	1	60%	\$554
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
7	Miller Grove	15	908	2	50%	\$394
8	Millers Ridge Apts.	16	905	1	50%	\$420
9	Northwest Apts.	56	920	1	60%	\$430 - \$486
15	Sycamore Run	14	915	2	50%	\$435
◆ 1	Azalea Gardens	8	1032	2	50%	\$460
7	Miller Grove	15	908	2	60%	\$460
◆ 13	Parr Place	1	1000	1	50%	\$471
15	Sycamore Run	18	915	2	60%	\$475
5	Cottages at Azalea	6	1101	2	50%	\$480
5	Cottages at Azalea	18	1101	2	60%	\$500
8	Millers Ridge Apts.	24	905	2	60%	\$510
◆ 6	Lancaster Manor	6	825	2	60%	\$654
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
9	Northwest Apts.	8	1060	1.5	60%	\$480 - \$536
15	Sycamore Run	6	1100	2	50%	\$485
7	Miller Grove	5	1046	2	50%	\$490
15	Sycamore Run	10	1100	2	60%	\$545
5	Cottages at Azalea	4	1307	2	50%	\$548
7	Miller Grove	5	1046	2	60%	\$560
5	Cottages at Azalea	12	1307	2	60%	\$568
8	Millers Ridge Apts.	16	1070	2	60%	\$580

◆ - Senior Restricted

QUALITY RATING - LANCASTER, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

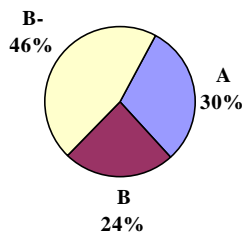
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	68	0.0%		\$785	\$925	\$1,090	
B	1	54	1.9%			\$831	\$951	
B-	3	107	0.0%		\$702	\$813	\$882	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

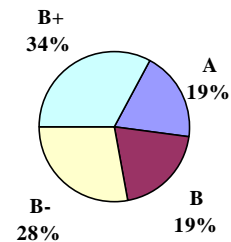
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	48	0.0%		\$511	\$613	\$709	
B+	2	84	0.0%		\$491	\$576	\$713	
B	1	48	0.0%			\$657	\$768	
B-	2	69	0.0%		\$487	\$692	\$803	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - LANCASTER, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	2	141	1	0.7%	141	29.5%
1980 to 1989	1	68	0	0.0%	209	14.2%
1990 to 1999	0	0	0	0.0%	209	0.0%
2000 to 2005	3	137	0	0.0%	346	28.7%
2006	1	36	0	0.0%	382	7.5%
2007	1	48	0	0.0%	430	10.0%
2008	0	0	0	0.0%	430	0.0%
2009	0	0	0	0.0%	430	0.0%
2010	0	0	0	0.0%	430	0.0%
2011	0	0	0	0.0%	430	0.0%
2012	0	0	0	0.0%	430	0.0%
2013	1	48	0	0.0%	478	10.0%
2014**	0	0	0	0.0%	478	0.0%
TOTAL	9	478	1	0.2%	478	100.0 %

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

** As of February 2014

Survey Date: February 2014

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APPLIANCES AND UNIT AMENITIES - LANCASTER, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	9	100.0%	478
REFRIGERATOR	9	100.0%	478
ICEMAKER	3	33.3%	158
DISHWASHER	8	88.9%	461
DISPOSAL	6	66.7%	365
MICROWAVE	2	22.2%	84
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	9	100.0%	478
AC - WINDOW	0	0.0%	
FLOOR COVERING	9	100.0%	478
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	7	77.8%	407
PATIO/DECK/BALCONY	9	100.0%	478
CEILING FAN	7	77.8%	356
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	9	100.0%	478
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	22.2%	53

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

PROJECT AMENITIES - LANCASTER, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	2	22.2%	122
ON-SITE MANAGEMENT	9	100.0%	478
LAUNDRY	8	88.9%	391
CLUB HOUSE	4	44.4%	257
MEETING ROOM	5	55.6%	221
FITNESS CENTER	6	66.7%	310
JACUZZI/SAUNA	1	11.1%	68
PLAYGROUND	7	77.8%	425
COMPUTER LAB	3	33.3%	168
SPORTS COURT	1	11.1%	155
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	1	11.1%	36
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	2	22.2%	122
PICNIC AREA	9	100.0%	478
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - LANCASTER, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	66	6.5%
TENANT			
ELECTRIC	17	947	93.5%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	66	6.5%
TENANT			
ELECTRIC	17	947	93.5%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	66	6.5%
TENANT			
ELECTRIC	17	947	93.5%
			100.0%
ELECTRIC			
LANDLORD	1	66	6.5%
TENANT	17	947	93.5%
			100.0%
WATER			
LANDLORD	6	340	33.6%
TENANT	12	673	66.4%
			100.0%
SEWER			
LANDLORD	6	340	33.6%
TENANT	12	673	66.4%
TRASH PICK-UP			
LANDLORD	16	891	88.0%
TENANT	2	122	12.0%
			100.0%

UTILITY ALLOWANCE - LANCASTER, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$15	\$14		\$6	\$11	\$15	\$14	\$7	\$38	\$20	\$32	\$13	\$20
1	GARDEN	\$17	\$17		\$7	\$12	\$18	\$14	\$8	\$43	\$21	\$35	\$13	\$20
1	TOWNHOUSE	\$40	\$25		\$11	\$12	\$18	\$14	\$8	\$53	\$21	\$35	\$13	\$20
2	GARDEN	\$20	\$22		\$10	\$17	\$25	\$16	\$10	\$56	\$26	\$43	\$13	\$20
2	TOWNHOUSE	\$40	\$31		\$14	\$17	\$25	\$16	\$10	\$68	\$26	\$43	\$13	\$20
3	GARDEN	\$23	\$27		\$12	\$22	\$32	\$17	\$12	\$70	\$30	\$52	\$13	\$20
3	TOWNHOUSE	\$41	\$38		\$17	\$22	\$32	\$17	\$12	\$83	\$30	\$52	\$13	\$20
4	GARDEN	\$25	\$33		\$14	\$25	\$37	\$18	\$14	\$83	\$35	\$61	\$13	\$20
4	TOWNHOUSE	\$41	\$45		\$20	\$25	\$37	\$18	\$14	\$99	\$35	\$61	\$13	\$20

SC-Upstate Region (12/2013)

Survey Date: February 2014

A-20

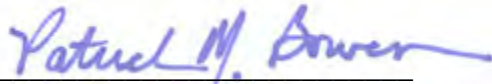


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

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

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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

		Section (s)
OTHER REQUIREMENTS		
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