

Market Feasibility Analysis

Hartsville Garden Apartments Phase II
780 Tailwind Lane
Hartsville, Darlington County, South Carolina 29550

Prepared For

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Effective Date

March 25, 2015

Job Reference Number

15-269 CR/PB



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2015 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Hartsville Gardens Apartments II	Total # Units:	48
Location:	780 Tailwind Lane, Hartsville, SC 29550	# LIHTC Units:	48
PMA Boundary:	Darlington County line to the north, the western zip code boundaries for 29532 and 29540 to the east, Interstate 20 to the south and Lee State Park Road (State Route 22), Ashland-Stokes Bridge Highway and Family Road to the west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	13.0 miles

RENTAL HOUSING STOCK (found on page H-14)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	647	4	99.4%
Market-Rate Housing	2	120	4	96.7%
Assisted/Subsidized Housing not to include LIHTC	6	326	0	100.0%
LIHTC (All that are stabilized)*	3	201	0	100.0%
Stabilized Comps**	2	112	0	100.0%
Non-stabilized Comps	0	N/A	N/A	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	Two	2.0	950	\$465	\$765	\$0.81	39.22%	\$1,048	\$0.93
16	Two	2.0	950	\$555	\$765	\$0.81	27.45%	\$1,048	\$0.93
8	Three	2.0	1,100	\$530	\$875	\$0.80	39.43%	\$1,338	\$1.04
16	Three	2.0	1,100	\$620	\$875	\$0.80	29.14%	\$1,338	\$1.04
Gross Potential Rent Monthly*				\$26,760	\$39,360		32.01%		

*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-4 & G-5)

	2000		2014		2017	
Renter Households	N/A	N/A	3,576	29.8%	3,570	29.8%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	809	22.6%	797	22.3%
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	-13	-8	-	-	-	-12
Existing Households (Overburd + Substand)	167	141	-	-	-	208
Homeowner conversion (Seniors)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-Qualified Renter HHs	154	133	-	-	-	196

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	10.4%	24.1%	-	-	-	24.5%

ABSORPTION RATE (found on page G-7)

Absorption Period: 4 to 5 Months

2015 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
8	2 BR	\$465	\$3,720	\$765	\$6,120	
16	2 BR	\$555	\$8,880	\$765	\$12,240	
	2 BR		\$0		\$0	
8	3 BR	\$530	\$4,240	\$875	\$7,000	
16	3 BR	\$620	\$9,920	\$875	\$14,000	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	48		\$26,760		\$39,360	32.01%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 48-unit Hartsville Garden Apartments Phase II in Hartsville, South Carolina. The proposed project, which will offer two- and three-bedroom units, will be developed under the Low-Income Housing Tax Credit (LIHTC) program and will target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The proposed collected rents will range from \$465 to \$620, depending upon bedroom type and AMHI level. The project is expected to open in March 2017. Note that Hartsville Garden Apartments (Phase I of the subject project) offers 72 one-, two- and three-bedroom units. According to management, Phase I is 100.0% occupied with approximately 23 households on the waiting list for the next available two- and three-bedroom units. Additional details concerning the subject project are as follows:

- a. Property Location:** 780 Tailwind Lane
Hartsville, South Carolina 29550
(Darlington County)

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

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			Max. Allowable Program Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
8	Two-Br.	2.0	Garden	950	50%	\$465	\$97	\$562	\$608
16	Two-Br.	2.0	Garden	950	60%	\$555	\$97	\$652	\$730
8	Three-Br.	2.0	Garden	1,100	50%	\$530	\$122	\$652	\$703
16	Three-Br.	2.0	Garden	1,100	60%	\$620	\$122	\$742	\$843
48	Total								

Source: Landmark Asset Services, Incorporated
AMHI – Area Median Household Income (Darlington County, South Carolina HUD Metro FMR Area; 2015)

- g. Number Of Stories/Buildings:** Two (2) 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 features (as part of Phase II):

- Laundry Facility
- Exterior Video/Security System
- Gazebo
- Resident Services

Residents will also have access to on-site management, a community building, fitness center, computer center, basketball court, playground and picnic area at Phase I.

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 with 76 spaces 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:

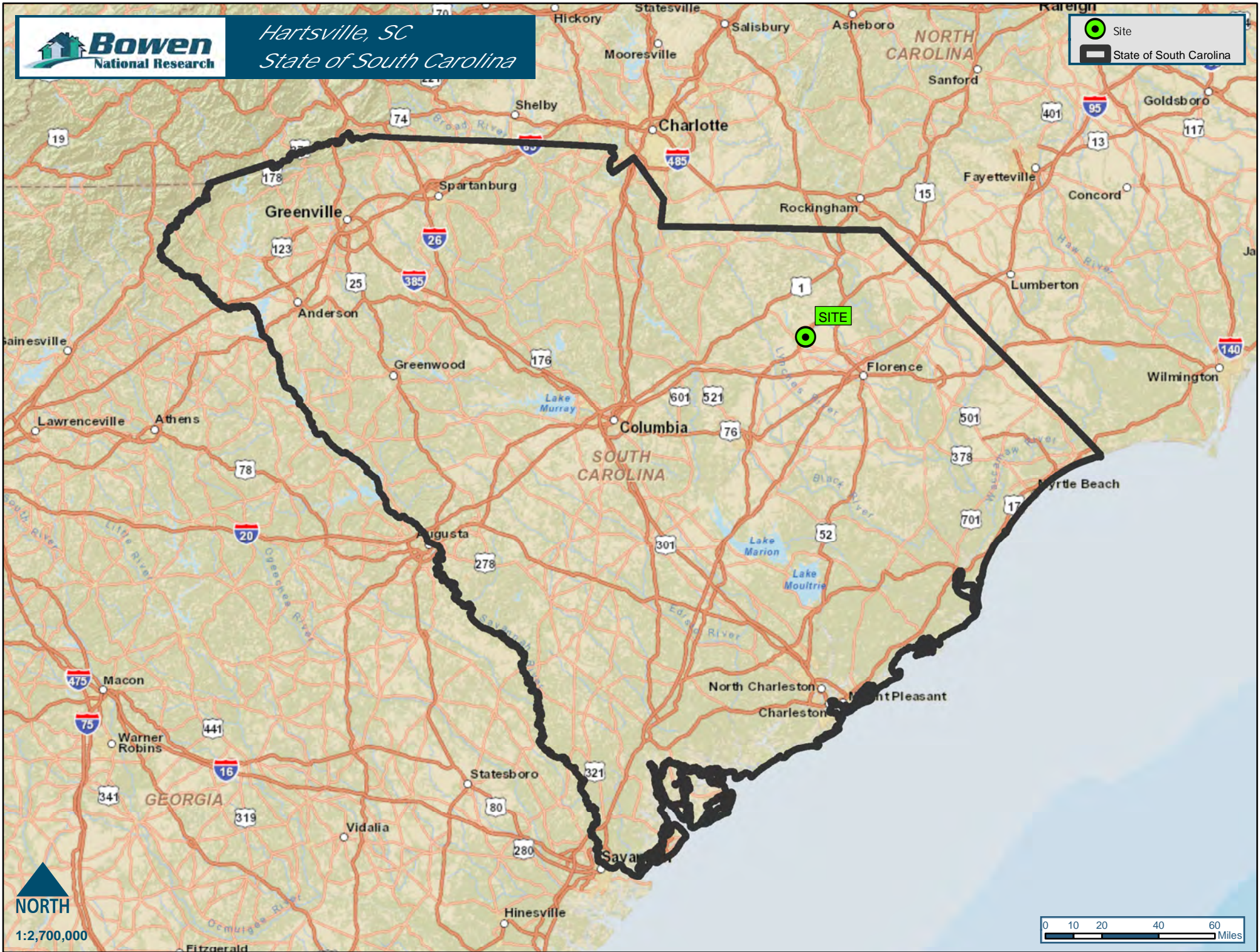
- Electric Heat
- Electric Hot Water
- Electric Cooking
- General Electricity

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



Hartsville, SC
State of South Carolina

● Site
▭ State of South Carolina

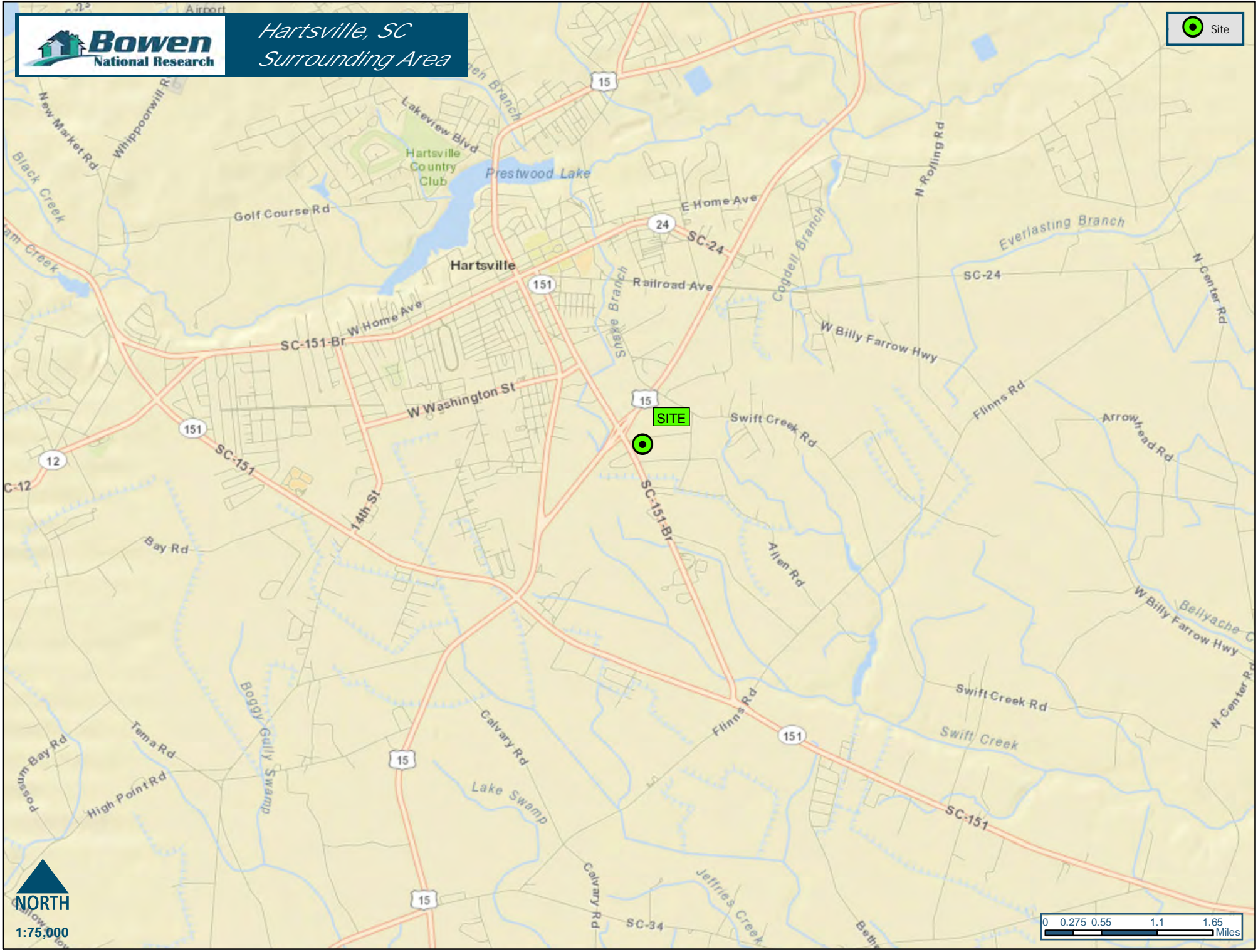


NORTH
1:2,700,000

0 10 20 40 60 Miles



Hartsville, SC
Surrounding Area



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

This is a second update of the original market study completed March 2012 and first updated in February 2014 by Bowen National Research. We revisited the site for this analysis during the week of March 16, 2015. The following is a summary of the surrounding land uses and overall site evaluation based on our most recent evaluation of the subject site.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site is an undeveloped partially wooded parcel of land located at 780 Tailwind Lane in the southeastern portion of Hartsville, South Carolina. Specifically, the site is directly west of the existing Hartsville Garden Apartments (phase one of the subject project). Located within Darlington County, Hartsville is approximately 12.0 miles northwest of the city of Darlington, South Carolina and approximately 10.0 miles south of the 46,000-acre Sand Hills State Forest.

The subject site is located on the periphery of the more developed, established area of Hartsville. The immediate site neighborhood is primarily undeveloped and agricultural in nature, although several business and restaurants are located northwest of the site on South Fourth Street. Following is a description of surrounding land uses:

North -	Farm Bureau Road borders the site to the north. Farther north, a few commercial businesses in average condition and undeveloped wooded land extend 0.2 miles to U.S. Highway 15 (South Marquis Highway). Beyond, undeveloped and agricultural land extends several miles. Walmart Supercenter and several smaller retail businesses and restaurants are 0.4 miles northwest of the site.
East -	Phase one of the subject site, Hartsville Garden Apartments, border the site to the east and are considered to be in good condition, followed by undeveloped wooded and agricultural land which extends 0.25 miles to Farm Lane Drive. Farther east, agricultural land and several scattered single-family homes in average condition extend to Homestead Drive.

South -	Tailwind Lane, a private drive which serves as the entrance to the Hartsville Garden Apartments and the future entrance to the subject property, borders the site to the south. Agricultural land and outbuildings associated with the surrounding agricultural land extend to Coker Farm Road. Beyond, Monsanto Farm and its outbuildings, agricultural land and Cleve Folsom Motors (CFM) extend to Allen Road.
West -	The South Carolina Employment Security Commission building, located along South 4 th Street (State Route 151), borders the site to the west. Several commercial establishments in good condition and single-family homes in average to good condition are also located along South 4 th Street west of the subject site. U.S. Highway 15 (South Marquis Highway) is located farther west of the subject site.

The single-family homes within the site area are generally in average to good condition and will have a positive affect on the marketability of the site. U.S. Highway 15 (South Marquis Highway) is located just 0.2 miles north of the site; visibility and noise from the highway is buffered by undeveloped wooded land and a few commercial businesses. The proximity of Walmart, several restaurants and various retail businesses to the northwest of the site will contribute to the site's marketability, especially when considering the site's convenient accessibility to South 4th Street. The agricultural land to the east and south of the site provides for a generally quiet living environment within the immediate site neighborhood. Overall, the subject property is expected to be consistent with the surrounding residential land uses, including the existing first phase of the subject property, and should benefit from its location along South 4th Street.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 151 (South 4 th Street) U.S. Highway 15 (South Marquis Highway)	Adjacent West 0.2 Northwest
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Walmart Supercenter Hartsville Mall Hartsville School District	0.4 Northwest 1.1 Northwest 1.4 West
Convenience Store	Murphy USA Foxes Corner PM Food Mart	0.4 Northwest 1.1 Northwest 1.2 Northwest
Grocery	Walmart Supercenter Piggly Wiggly	0.4 Northwest 1.0 Northwest
Discount Department Store	Walmart Supercenter Dollar Tree Big Lots Belk Dollar General	0.4 Northwest 0.4 Northwest 0.6 Northwest 1.1 Northwest 1.1 Northwest
Shopping Center/Mall	Hartsville Crossing Shopping Center Hartsville Mall	0.4 Northwest 1.1 Northwest
Schools: Elementary Middle/Junior High High School	Washington Street Elementary (K – 3 rd) West Hartsville Elementary (4 th – 6 th) Hartsville Middle (7 th – 8 th) Hartsville High (9 th – 12 th)	1.6 Northwest 6.2 West 3.5 West 1.4 West
Hospital	Carolina Pines Medical Center	3.8 West
Pharmacy	CareSouthCarolina Community Pharmacy Walmart Supercenter Walgreens Rite Aid	0.3 Northwest 0.4 Northwest 0.9 Northwest 1.0 Northwest
Library	Hartsville Memorial Library	1.9 Northwest
Police	Hartsville Police Department	1.7 Northwest
Fire	Hartsville Fire Department	1.8 Northwest
Post Office	U.S. Post Office	1.3 Northwest
Bank	Carolina Bank & Trust Bank of America Carolina Bank & Trust	0.3 Northwest 1.0 Northwest 1.5 Northwest
Recreational/Fitness Facilities	Fitness World YMCA Hartsville	1.1 Northwest 1.9 Northwest
Gas Station	Murphy USA Foxes Corner Sunoco	0.4 Northwest 1.1 Northwest 1.2 Northwest
Restaurants	Zaxby's Wendy's McDonald's	0.3 Northwest 0.4 Northwest 0.4 Northwest

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Day Care	Kidz Place Children's Center	0.8 Northwest
	Magnolia Child Care Center	1.4 Northwest
	St. Joseph Head Start Center	1.5 Northwest
Community Center	Butler Community Center	1.5 Northwest
Park	Coker Farms National Landmark	0.3 Northwest
	Hartsville Recreation Department	2.3 West
	Byerly Park	2.3 West
Church	Fourth Street Baptist Church	1.0 Northwest
	St. John United Methodist Church	1.3 West
	First Pentecostal Holiness Church	1.4 North

The proximity of the Hartsville Crossing Shopping Center containing anchor stores such as CATO, It's Fashion Metro, Dollar Tree, Hibbett Sports and Walmart Supercenter, 0.4 mile northwest of the site, is considered beneficial to residents of the subject site and will contribute to the marketability of the subject development within the Hartsville area. Additional services including Belk, Goody's, Fitness World and CitiTrends are located within 1.1 miles of the subject site at the Hartsville Mall. The site is approximately 1.5 miles southeast of the central business district of Hartsville, which provides specialty shops, a post office, library, restaurants and various downtown services.

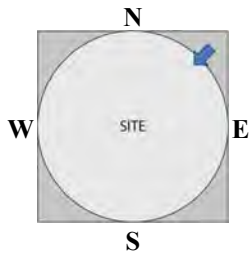
The Darlington County School District serves the subject site with all applicable attendance schools located within 2.5 miles of the site, while higher education opportunities exist at Coker College, which is located within 2.0 miles of the subject site. The Carolina Pines Medical Center is the nearest major medical center and is located 3.8 miles west of the site. Hartsville Police and Fire Departments are the responding emergency service providers and are both located within 1.8 miles of the site.

Overall, the site's proximity to most basic community services and all public safety services are expected to have a positive affect on the marketability of the subject site.

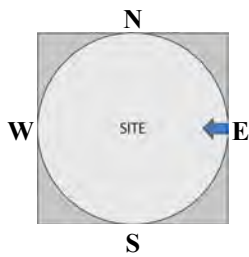
4. **SITE PHOTOGRAPHS**

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

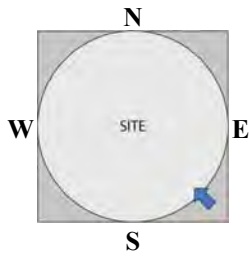
SITE PHOTOGRAPHS



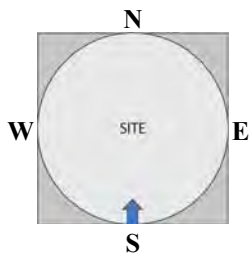
View of site from the northeast



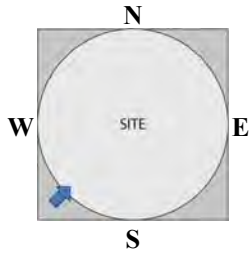
View of site from the east



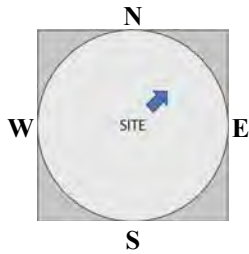
View of site from the southeast



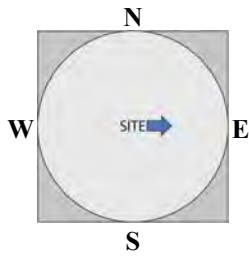
View of site from the south



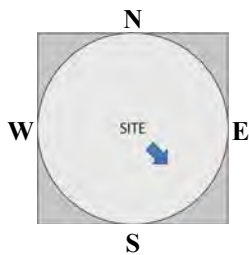
View of site from the southwest



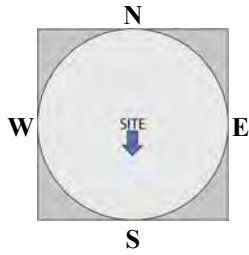
Northeast view from site



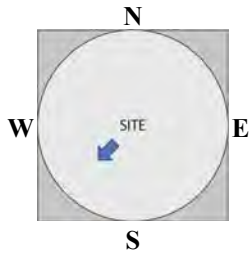
East view from site



Southeast view from site



South view from site



Southwest view from site



Streetscape south view of South 4th Street



Streetscape north view of South 4th Street



Site Entryway (Phase I)



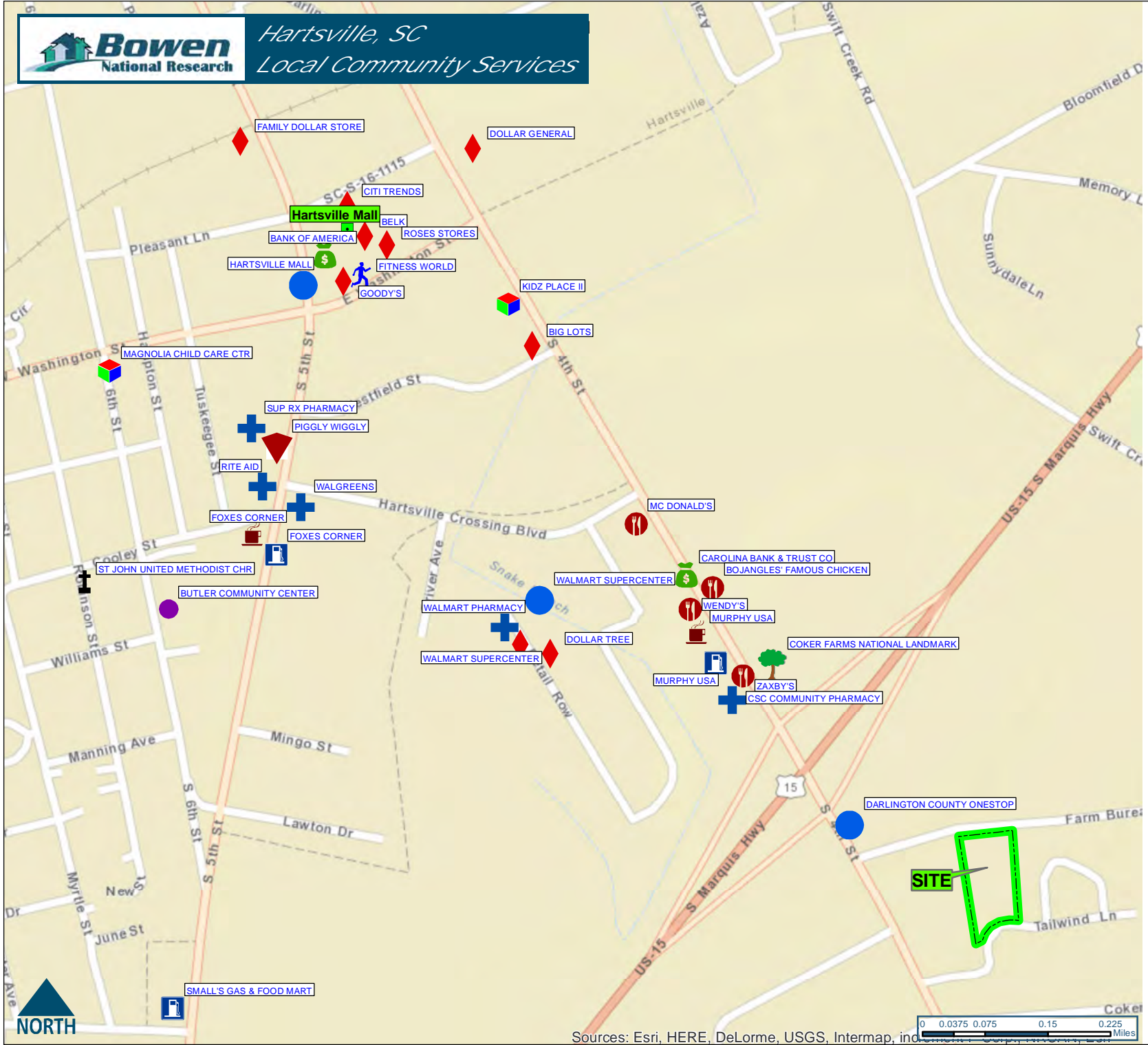
Entryway Signage (Phase I)

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.







Legend

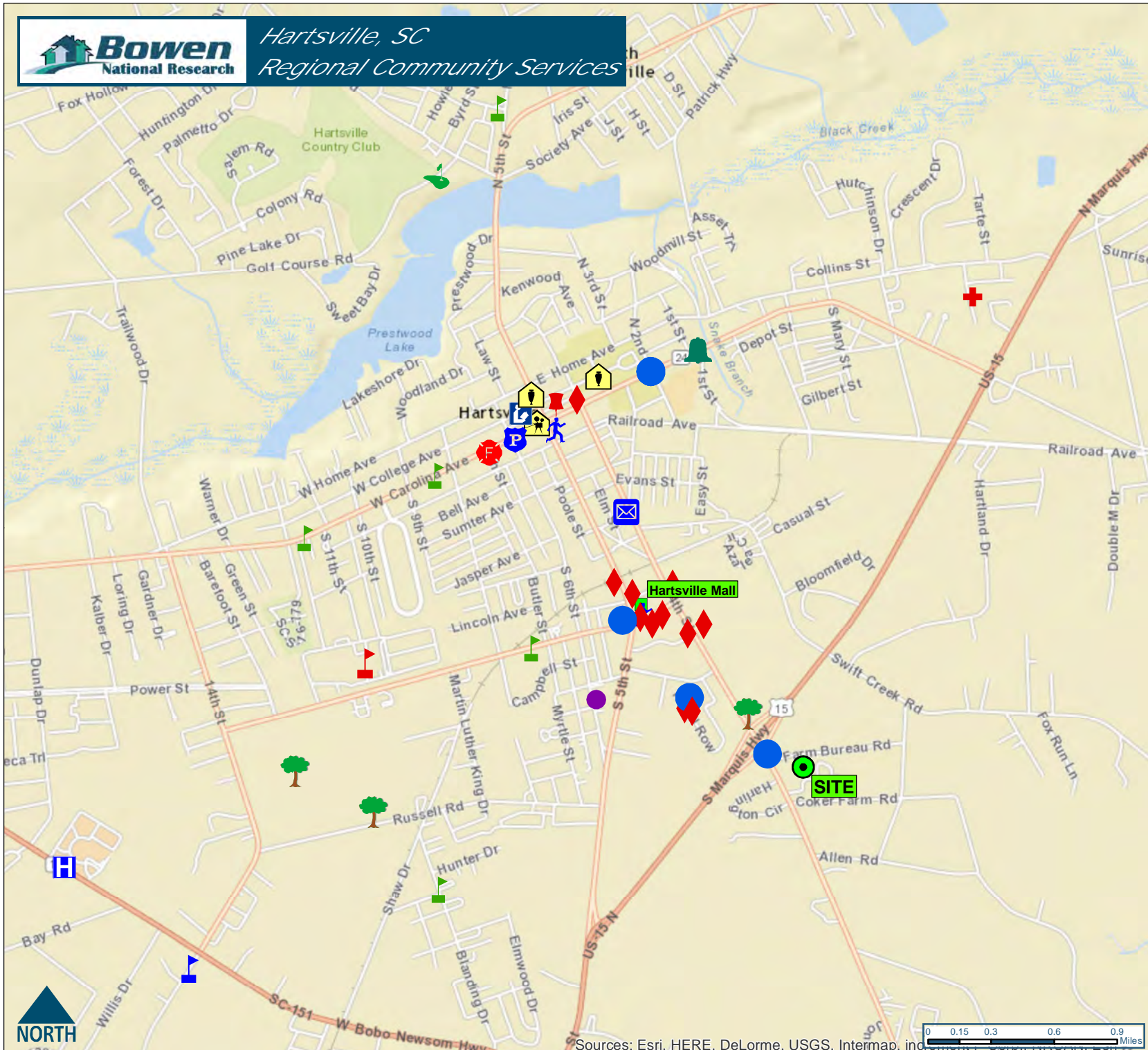
- Site Area
- bank
- child care
- church
- convenience store
- fitness center
- gas
- grocery
- park
- pharmacy
- recreation center
- restaurant
- shopping
- employers_1000_5000

Shopping Center

Gross Leasable Area

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





Legend

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

- Shopping Center
Gross Leasable Area**
- < 500,000 sq. ft.
 - < 1,000,000 sq. ft.
 - < 3,200,000 sq. ft.



1:40,000

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

According to local planning and zoning officials, no significant road construction or infrastructure improvements are planned for the immediate site 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 for the Site PMA is 128 with an overall personal crime index of 164 and a property crime index of 121. Total crime risk for Darlington County is 129 with indexes for personal and property crime of 162 and 123, respectively.

	Crime Risk Index	
	Site PMA	Darlington County
Total Crime	128	129
Personal Crime	164	162
Murder	126	147
Rape	113	125
Robbery	104	86
Assault	227	208
Property Crime	121	123
Burglary	142	151
Larceny	105	110
Motor Vehicle Theft	96	88

Source: Applied Geographic Solutions

As the preceding illustrates, the crime index for the Site PMA is nearly identical to that reported for Darlington County as a whole, though both are above the national average of 100. Regardless, it is also important to note that phase one of the subject site is located directly east of the proposed site and is 100.0% occupied with a 23 household waitlist. This high occupancy rate and waitlist are good indications that the subject site is situated within a safe neighborhood which has a low perception of crime within the Hartsville area and should contribute to the project's overall marketability.

A map illustrating crime risk is on the following page.



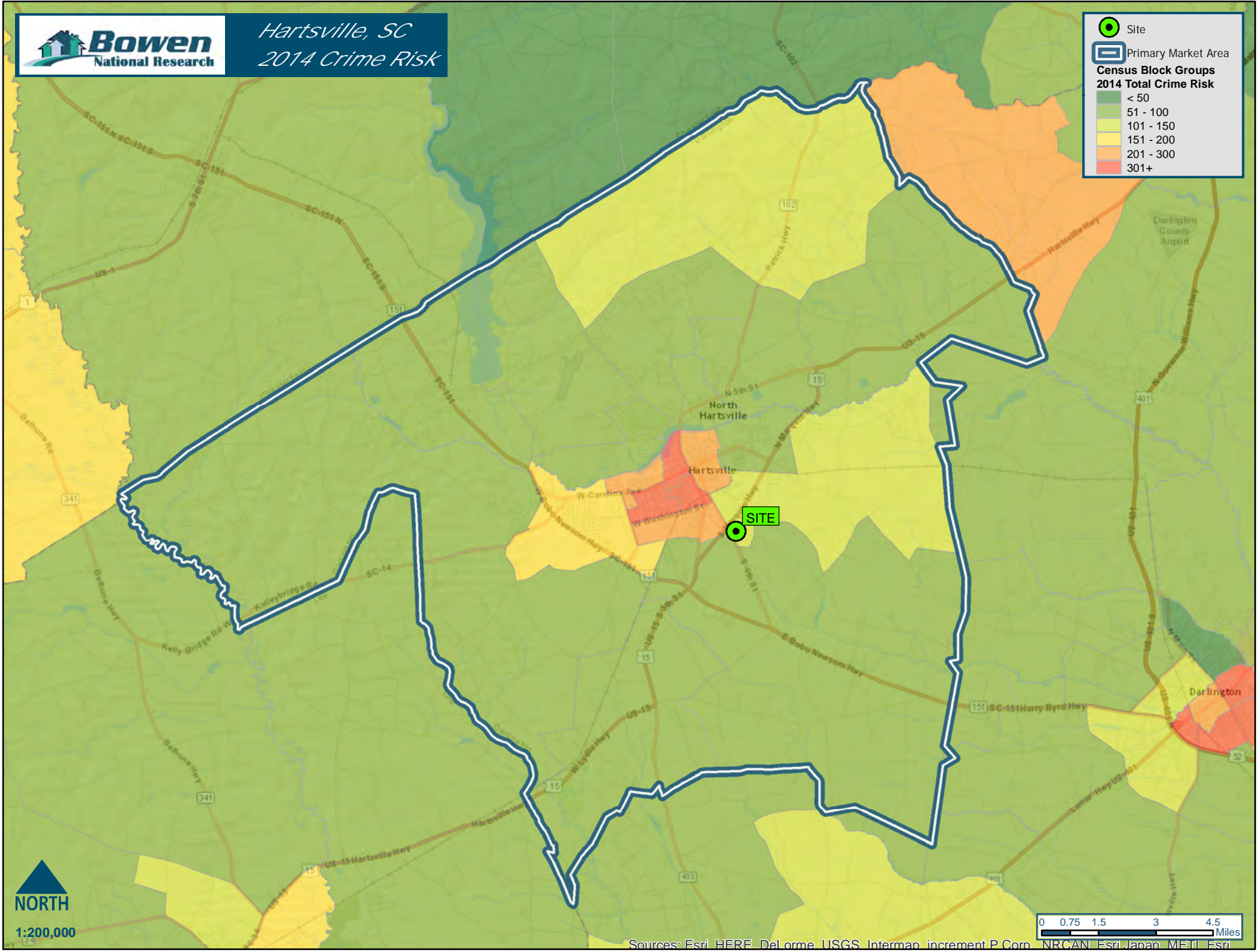
Hartsville, SC
2014 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



NORTH
1:200,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

8. ACCESS AND VISIBILITY

The subject site is located 0.2 miles southeast of the U.S. Highway 15 (South Marquis Highway) and South 4th Street (State Route 151) interchange, which allows for convenient access to the subject site neighborhood. The site will be accessed from Tailwind Lane, a private drive which borders the site to the south and provides direct access to and from South 4th Street. Notably, South 4th Street is a primary arterial providing convenient access throughout the Hartsville area, including the downtown portion of Hartsville. South 4th Street was generally observed to experience light vehicular traffic patterns within the immediate site neighborhood, as most of the surrounding land uses south of the site consist of undeveloped and agricultural land. Due to the site's proximity to U.S. Highway 15 and the light vehicular traffic patterns along South 4th Street, access to the subject site from Tailwind Lane is considered excellent and should contribute to the project's overall marketability.

Visibility of the subject site is partially obstructed by the existing structures and wooded land directly north and west of the subject site. However, the subject site will be provided proper signage along and is clearly visible from South 4th Street upon ingress and egress. Therefore, visibility of the subject site is considered good and should contribute to the project's marketability within the Hartsville market. It is also important to note that the subject project will be the second phase to the existing Hartsville Garden Apartments which are located directly east of the subject site and are 100.0% occupied. The subject's association with this well-performing existing community will likely enhance awareness of the subject project and contribute to the project's overall marketability.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There are no visible or environmental issues near the subject site.

10. OVERALL SITE CONCLUSIONS

The subject project is expected to be consistent with the existing first phase of the subject project (Hartsville Garden Apartments) and is also expected to benefit from the relatively quiet living environment provided by the wooded and agricultural land surrounding much of the subject site. The subject site and site signage for phase one of the subject site is clearly visible from South 4th Street (State Route 151) which is located directly west of the site and provides direct access to Tailwind Lane, a private roadway providing access to the subject site and existing first phase. It is also of note that South 4th Street provides access to U.S. Highway 15, which is located just 0.2 miles northwest of the site. Vehicular traffic along South 4th Street was observed to be light and will allow

for convenient unimpeded ingress and egress of the subject site. Further, the proximity of a Walmart Supercenter, several restaurants and various retail businesses to the northwest of the site will also contribute to the site's marketability and are conveniently accessible from South 4th Street. Overall, the subject site is expected to be consistent with the surrounding land uses and will benefit from its proximity to most basic community services and multiple arterial roadways, including South 4th Street which is located directly west of the site and provides access throughout the Hartsville area. It is also important to reiterate that phase one of the subject site is located directly east of the site and is currently 100.0% occupied with a wait list, a good indication that the subject site's location will be well-received within the market. The subject's association with this well-performing existing property will also likely contribute to the project's marketability within the Hartsville market.

D. PRIMARY MARKET AREA DELINEATION

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

Ron Briggs, Property Manager of Hartsville Garden Apartments (phase one of the subject project), stated that a majority of the residents (approximately 90%) that live in phase one originated from within Hartsville, with the remaining 10% of the residents relocating from other areas of South Carolina or outside of the state. Mr. Briggs went on to say that the property does not receive many applications from households in the Darlington area, which is considered more of a bedroom community to Florence.

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

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

102.00	103.00	104.00
105.00	106.00*	107.00
108.00	109.00	

*Site location

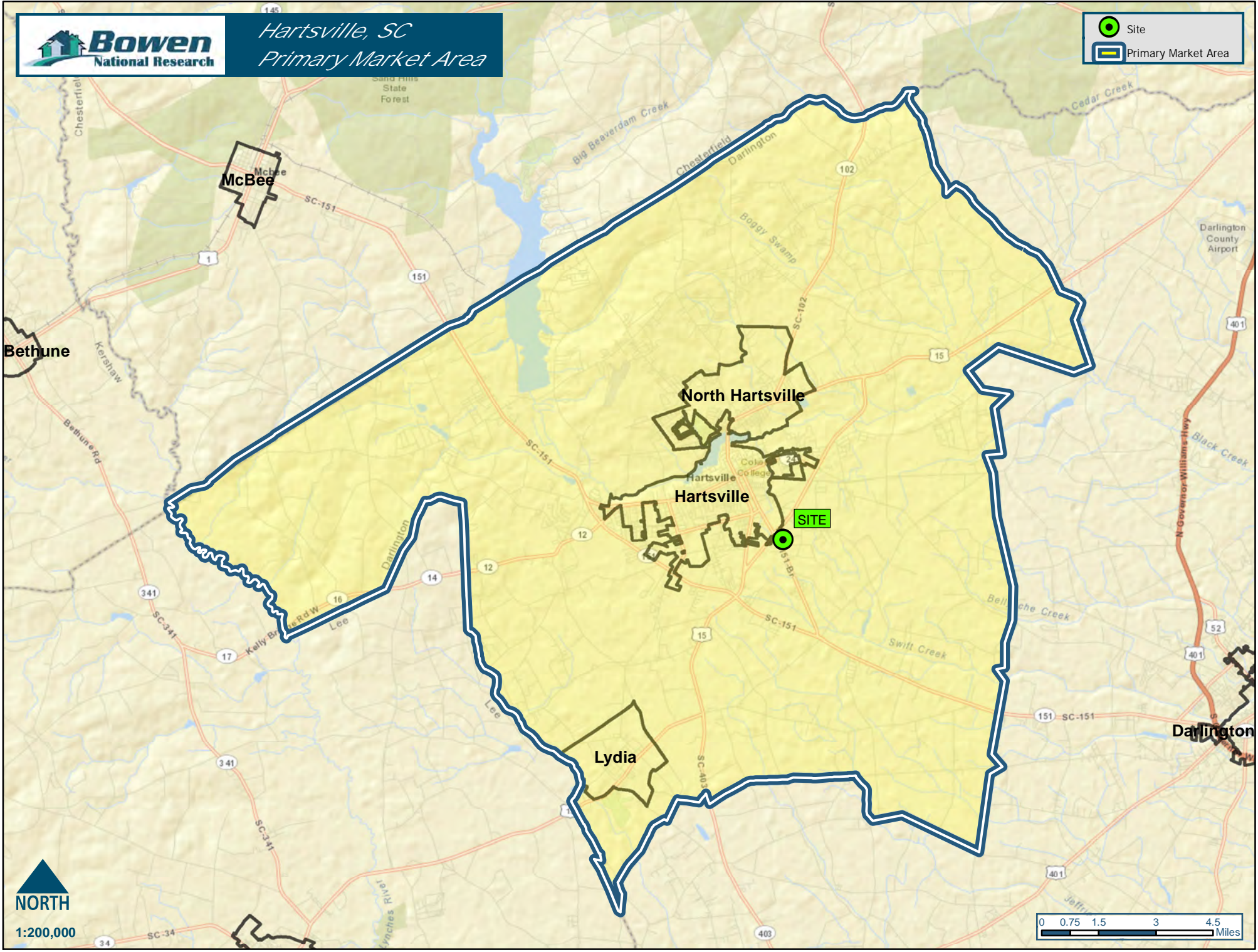
A modest portion of support may originate from some of the outlying communities in the area; we have not, however, considered any secondary market area in this report.

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



Hartsville, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:200,000



E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

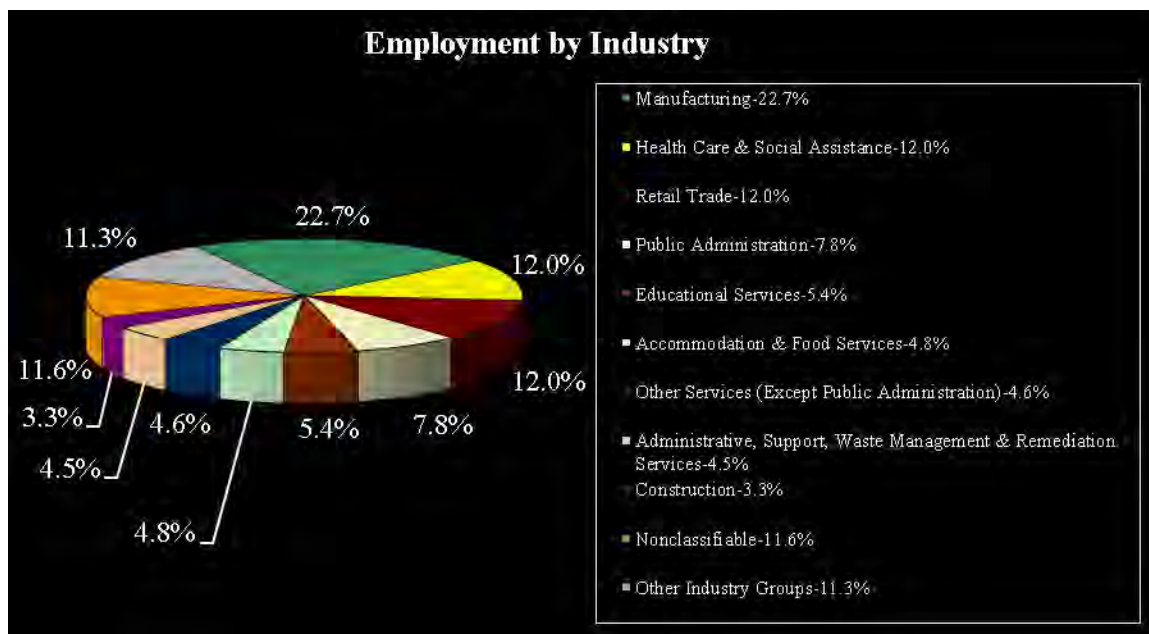
The labor force within the Hartsville Site PMA is based primarily in three sectors. Manufacturing (which comprises 22.7%), Health Care & Social Assistance and Retail Trade comprise nearly 47% of the Site PMA labor force. Non-classifiable jobs comprised over 12% of the labor force. Employment in the Hartsville Site PMA, as of 2014, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	47	3.2%	94	0.7%	2.0
Mining	1	0.1%	1	0.0%	1.0
Utilities	7	0.5%	106	0.8%	15.1
Construction	125	8.5%	463	3.3%	3.7
Manufacturing	41	2.8%	3,175	22.7%	77.4
Wholesale Trade	53	3.6%	223	1.6%	4.2
Retail Trade	216	14.7%	1,673	12.0%	7.7
Transportation & Warehousing	50	3.4%	186	1.3%	3.7
Information	12	0.8%	80	0.6%	6.7
Finance & Insurance	66	4.5%	229	1.6%	3.5
Real Estate & Rental & Leasing	58	4.0%	183	1.3%	3.2
Professional, Scientific & Technical Services	95	6.5%	374	2.7%	3.9
Management of Companies & Enterprises	4	0.3%	8	0.1%	2.0
Administrative, Support, Waste Management & Remediation Services	195	13.3%	634	4.5%	3.3
Educational Services	33	2.3%	761	5.4%	23.1
Health Care & Social Assistance	130	8.9%	1,676	12.0%	12.9
Arts, Entertainment & Recreation	23	1.6%	101	0.7%	4.4
Accommodation & Food Services	67	4.6%	674	4.8%	10.1
Other Services (Except Public Administration)	217	14.8%	649	4.6%	3.0
Public Administration	26	1.8%	1,091	7.8%	42.0
Nonclassifiable	0	0.0%	1,618	11.6%	0.0
Total	1,466	100.0%	13,999	100.0%	9.5

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Florence MSA	South Carolina
Management Occupations	\$94,300	\$94,400
Business and Financial Occupations	\$52,290	\$59,050
Computer and Mathematical Occupations	\$58,760	\$64,430
Architecture and Engineering Occupations	\$68,840	\$73,510
Community and Social Service Occupations	\$33,160	\$38,260
Art, Design, Entertainment and Sports Medicine Occupations	\$39,750	\$41,730
Healthcare Practitioners and Technical Occupations	\$67,010	\$66,190
Healthcare Support Occupations	\$21,640	\$25,350
Protective Service Occupations	\$30,940	\$33,200
Food Preparation and Serving Related Occupations	\$18,710	\$19,650
Building and Grounds Cleaning and Maintenance Occupations	\$20,340	\$22,470
Personal Care and Service Occupations	\$21,980	\$22,220
Sales and Related Occupations	\$28,780	\$30,800
Office and Administrative Support Occupations	\$31,050	\$31,460
Construction and Extraction Occupations	\$33,840	\$37,050
Installation, Maintenance and Repair Occupations	\$38,660	\$40,660
Production Occupations	\$35,310	\$34,720
Transportation and Moving Occupations	\$30,850	\$30,290

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

Most annual blue-collar salaries range from \$18,710 to \$39,750 within the Florence MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$68,240. It is important to note that most occupational types within the Florence MSA have lower typical wages than the State of South Carolina's typical wages. Regardless, the proposed project will generally target households with incomes between \$19,000 and \$35,000. As such, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

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

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

Source: Darlington County Economic Development Partnership-October 2013 (Most current as of 3/19/15)

According to a representative with the Darlington County Economic Development Partnership the area economy is improving, as many existing businesses in the area are expanding and hiring new employees. The following are summaries of some recent economic activity announcements within the area.

- Sonoco, a paper manufacturer, brought their new \$100 million biomass boiler online in late 2014. This new boiler replaced two outdated coal-fired boilers that have been in use at the Hartsville manufacturing complex for more than 60 years. This will allow Sonoco to reduce its reliance on coal energy and reduce the plant's carbon footprint. Additionally, the new system will produce about 16 megawatts of green energy that will be consumed by the manufacturing complex, as well as steam that is used in the paper making process. Sonoco also announced the launch of a new,

responsive corporate website that provides better access to visitors on tablets and mobile phones. Currently, over 15% of Sonoco's website visitors are on mobile devices.

- In October 2014 Darlington County Officials broke ground on the county's first industrial park, near the Interstate 20 and State Route 340 interchange. The 160 acre site was purchased by the county in 2008 but the funds to move forward with this project were unavailable until \$750,000 was received from the state of South Carolina in 2014. In total, this project is expected to involve an investment of \$1.3 million and has an anticipated completion date of May 2015.
- Birdsong Peanuts relocated from Suffolk, Virginia to Darlington County in September 2014. The company's initial investment is \$8 million but they expect to invest \$49 million and will create 55 new jobs over the next five years. The company received job development tax credits and a \$500,000 rural infrastructure grant for site and building improvements, among other incentives.

While these announcements likely represent a small portion of the economic expansions expected for the region, they provide clear indications as to the interest in investment and job expansions for the area. Such investment and job expansions will add to the continued growth expected for the area for the foreseeable future.

WARN (layoff notices):

According to the South Carolina Works website, there have been no WARN notices reported for Darlington County since 2013. This lack of WARN notices along with the multiple announcements of business expansion/relocation within the Darlington County area are good indications of the strength and stability of the local economy.

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.

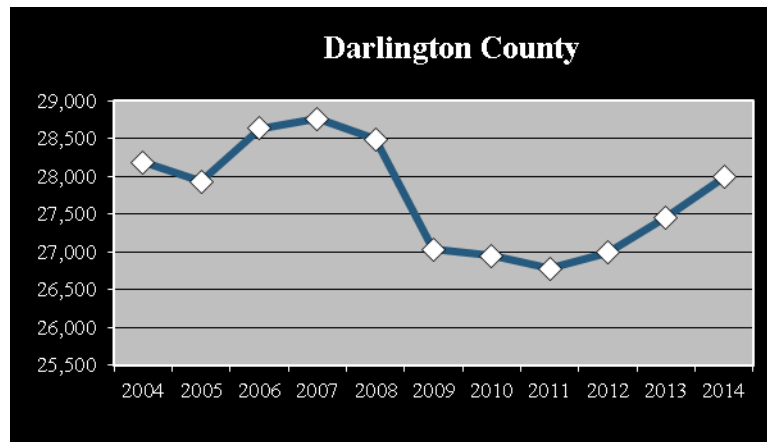
Excluding 2014, the employment base has increased by 1.6% over the past five years in Darlington County, less than the South Carolina state increase of 5.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Darlington County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	28,190	-	1,894,141	-	139,967,126	-
2005	27,930	-0.9%	1,929,233	1.9%	142,299,506	1.7%
2006	28,639	2.5%	1,973,337	2.3%	145,000,043	1.9%
2007	28,762	0.4%	2,005,686	1.6%	146,388,369	1.0%
2008	28,493	-0.9%	1,996,409	-0.5%	146,047,748	-0.2%
2009	27,033	-5.1%	1,910,670	-4.3%	140,696,560	-3.7%
2010	26,950	-0.3%	1,915,045	0.2%	140,457,589	-0.2%
2011	26,781	-0.6%	1,942,109	1.4%	141,727,933	0.9%
2012	26,993	0.8%	1,978,328	1.9%	143,566,680	1.3%
2013	27,459	1.7%	2,013,452	1.8%	144,950,662	1.0%
2014*	27,995	2.0%	2,056,136	2.1%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through December



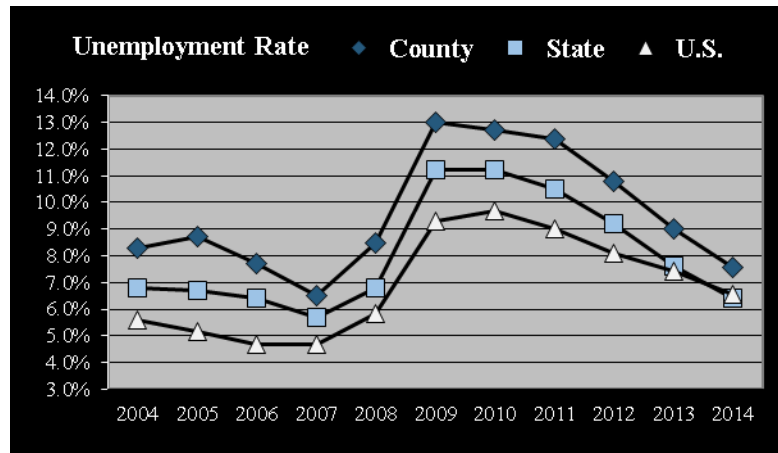
The Darlington County employment base was adversely impacted by the national recession, declining by 1,981 jobs, or 6.9%, between 2007 and 2011. Note however, that the employment base has significantly improved since 2011, by a total of 1,214 jobs, or 4.5%, through December of 2014.

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

Year	Total Unemployment					
	Darlington County		South Carolina		United States	
	Number	Percent	Number	Percent	Number	Percent
2004	2,537	8.3%	139,169	6.8%	8,261,839	5.6%
2005	2,658	8.7%	139,366	6.7%	7,756,938	5.2%
2006	2,381	7.7%	135,760	6.4%	7,118,073	4.7%
2007	2,008	6.5%	120,205	5.7%	7,187,820	4.7%
2008	2,650	8.5%	145,823	6.8%	9,048,051	5.8%
2009	4,035	13.0%	242,075	11.2%	14,430,156	9.3%
2010	3,909	12.7%	240,623	11.2%	15,068,747	9.7%
2011	3,804	12.4%	228,937	10.5%	14,029,523	9.0%
2012	3,268	10.8%	199,830	9.2%	12,688,021	8.1%
2013	2,721	9.0%	166,641	7.6%	11,629,596	7.4%
2014*	2,287	7.6%	141,451	6.4%	10,261,373	6.5%

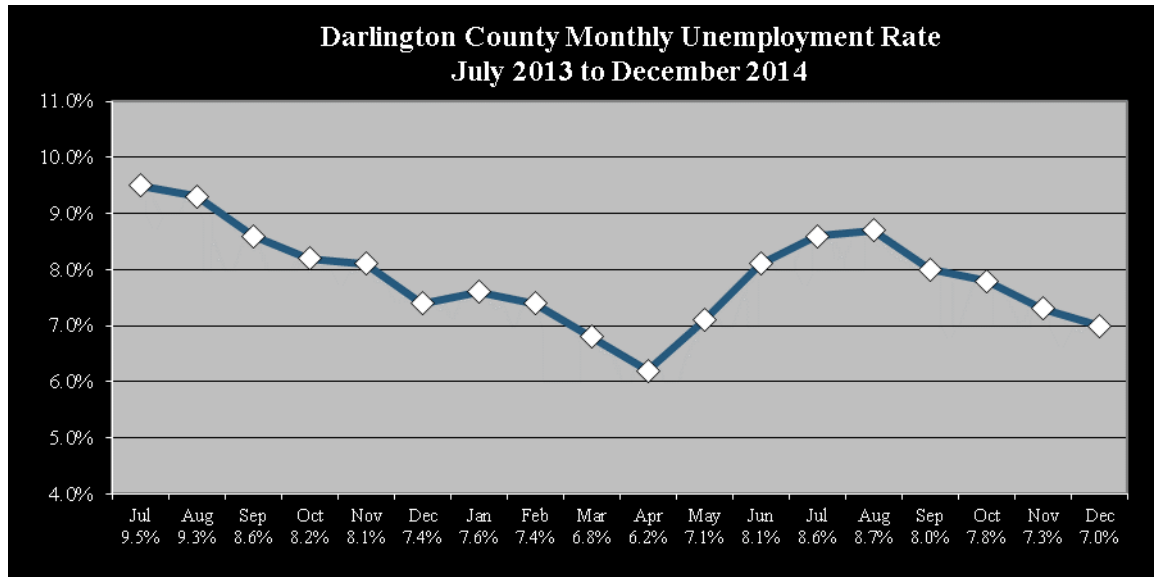
Source: Department of Labor; Bureau of Labor Statistics

*Through December



The unemployment rate was also adversely impacted by the national recession between 2007 and 2009, increasing from 6.5% to 13.0% during this time period. However, similar to employment base trends, the unemployment rate has steadily improved since the impact of the national recession, declining by more than five full percentage points since 2009, through December of 2014. Although higher than the unemployment rate reported in 2007, it is of note that the unemployment rate reported through December of 2014 is lower than those reported prior to 2007.

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



Despite a sizeable increase between April of 2014 and August of 2014, the unemployment rate has declined by more than two full percentage points over the past 18-month period. Also note that since the aforementioned increase, the unemployment rate has declined from 8.7% in August of 2014 to 7.0% in December of 2014.

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

In-Place Employment Darlington County			
Year	Employment	Change	Percent Change
2004	20,899	-	-
2005	20,961	62	0.3%
2006	20,983	22	0.1%
2007	20,675	-308	-1.5%
2008	20,342	-333	-1.6%
2009	18,406	-1,936	-9.5%
2010	18,168	-238	-1.3%
2011	18,382	214	1.2%
2012	18,621	239	1.3%
2013	19,479	858	4.6%
2014*	19,442	-37	-0.2%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2013, the most recent year that year-end figures are available, indicates in-place employment in Darlington County to be 70.9% of the total Darlington County employment. This means that many residents both live and work in Darlington County. This share of in-place employment will likely contribute to the marketability of the subject project, as many residents will likely have relatively short commute times to their respective place of employment. This is especially true when considering the subject project's proximity to multiple arterial roadways, including U.S. Highway 15.

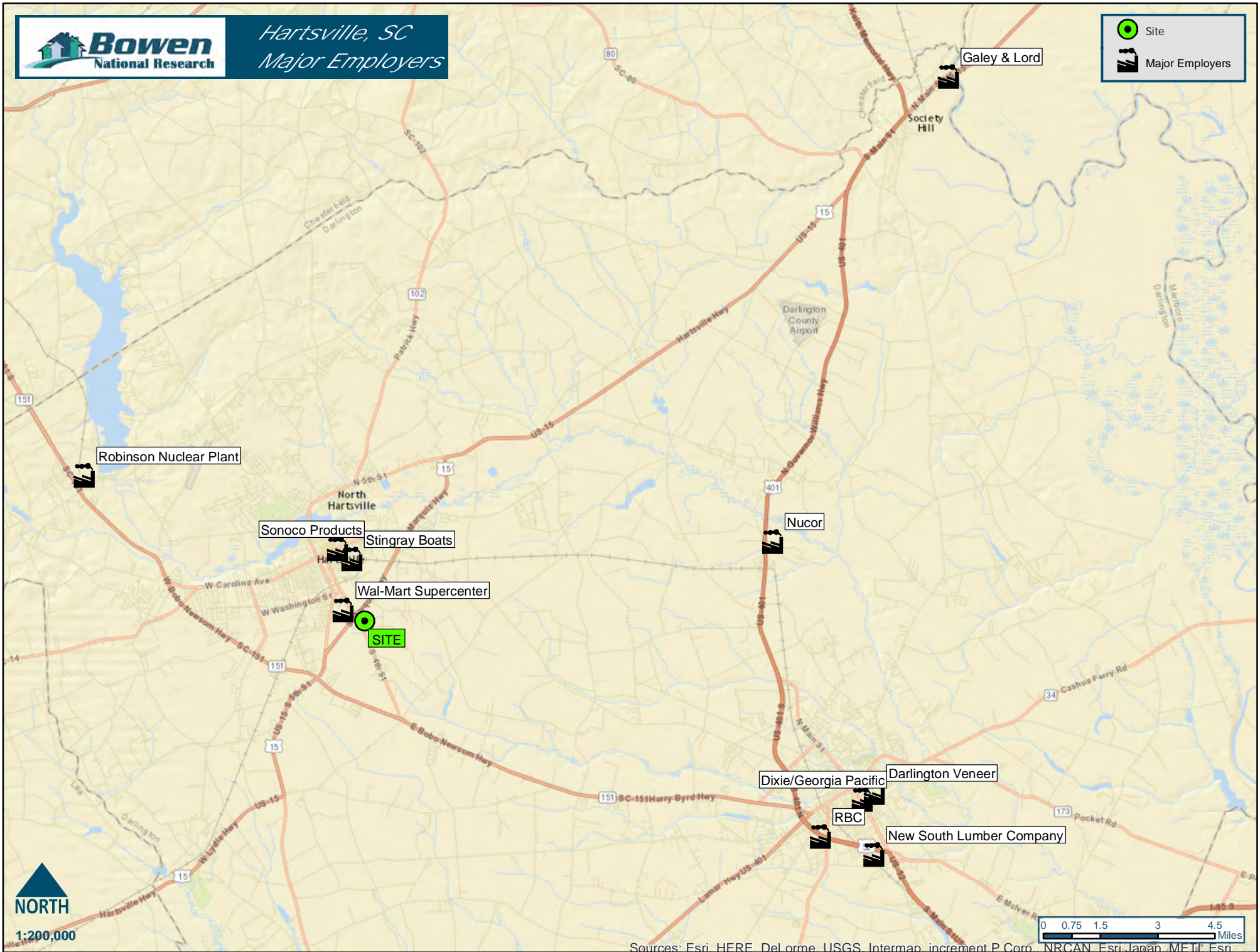
5. EMPLOYMENT CENTERS MAP

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



Hartsville, SC Major Employers

- Site
- Major Employers



NORTH
1:200,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

6. COMMUTING PATTERNS

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

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

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

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

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

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

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

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. 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.

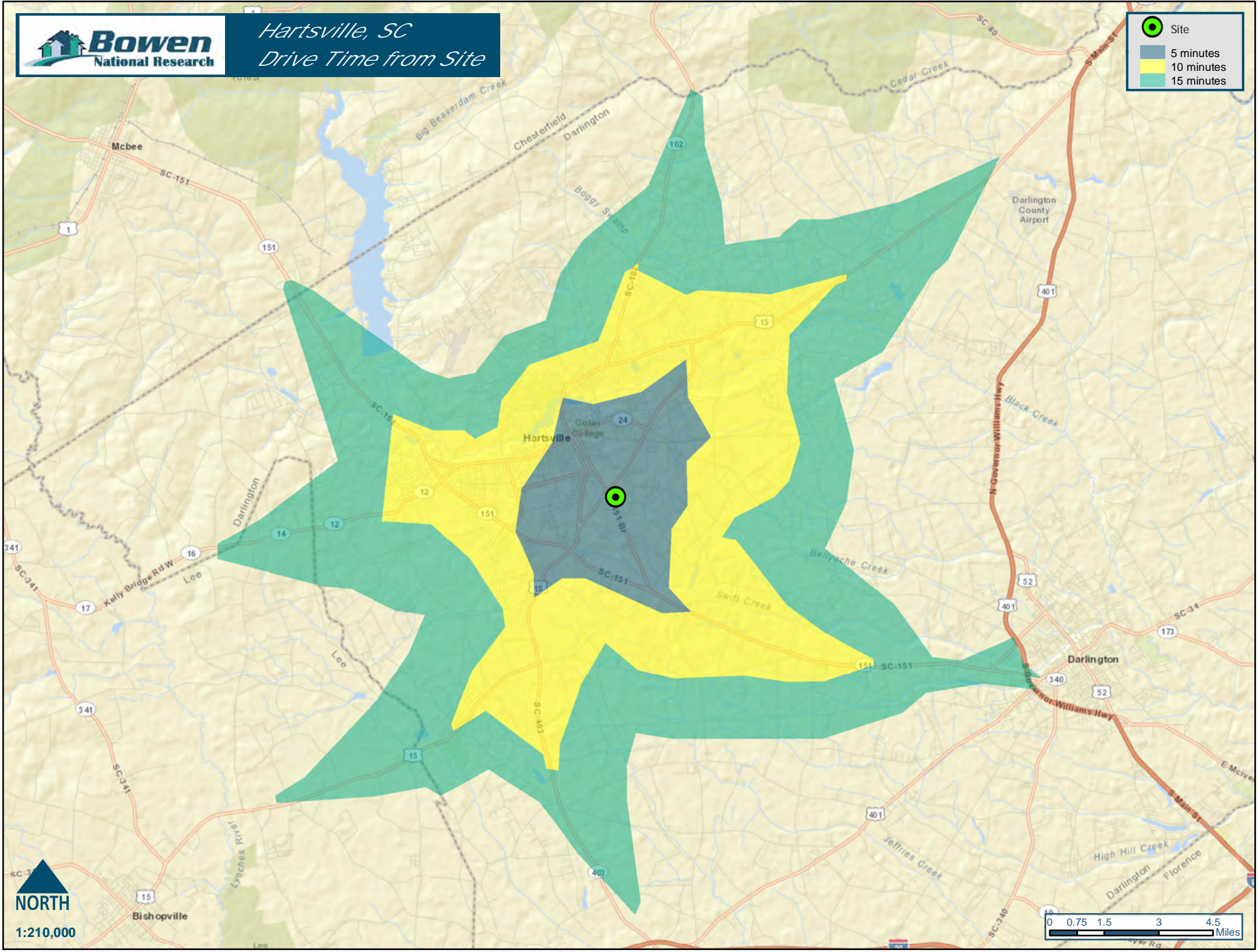


Hartsville, SC

Drive Time from Site

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:210,000



7. ECONOMIC FORECAST AND HOUSING IMPACT

The Darlington County economy was severely impacted by the national recession, as the employment base declined by nearly 2,000 jobs (6.9%) between 2007 and 2011, while the unemployment rate doubled from 6.5% in 2007 to 13.0% in 2009. However, both the employment base and unemployment rate have improved since the impact of the national recession. Specifically, the employment base has increased by more than 1,200 jobs since 2011, and the unemployment rate has declined to a seven year low of 7.6% through December 2014. These recent economic trends, along with the lack of WARN notices (large-scale layoffs/closures) and recent economic development activity within the Darlington County area as indicated by a representative with the Darlington County Economic Development Partnership, are good indications of the strength and stability of the local economy. Based on the preceding factors, we expect the Darlington County economy will continue to improve for the foreseeable future. However, it is also important to note that nearly 69.0% of all renter households within the Site PMA are projected to earn below \$30,000 in 2017 as indicated in Section F. Therefore, we expect demand for affordable rental housing will remain high within the Hartsville Site PMA during this economic recovery period.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2017 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2017 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2014 (estimated) and 2017 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Population	29,749	30,399	30,481	30,447
Population Change	-	650	82	-34
Percent Change	-	2.2%	0.3%	-0.1%

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

The Hartsville Site PMA population base increased by 650 between 2000 and 2010. This represents a 2.2% increase over the 2000 population, or an annual rate of 0.2%. Between 2010 and 2014, the population increased by 82, or 0.3%. It is projected that the population will decline by 34, or 0.1%, between 2014 and 2017. Although the population is projected to decline between 2014 and 2017, it will do so at a slow annual rate of approximately 11 persons during this time period, which is not expected to have a significant (if any) impact on housing within the Site PMA.

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

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

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2014 (Estimated)		2017 (Projected)		Change 2014-2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,352	27.5%	7,788	25.6%	7,639	25.1%	-149	-1.9%
20 to 24	1,868	6.1%	2,030	6.7%	1,877	6.2%	-153	-7.5%
25 to 34	3,179	10.5%	3,401	11.2%	3,525	11.6%	124	3.7%
35 to 44	3,960	13.0%	3,716	12.2%	3,540	11.6%	-176	-4.7%
45 to 54	4,440	14.6%	4,229	13.9%	4,080	13.4%	-149	-3.5%
55 to 64	4,217	13.9%	4,265	14.0%	4,242	13.9%	-23	-0.5%
65 to 74	2,561	8.4%	3,179	10.4%	3,477	11.4%	298	9.4%
75 & Over	1,823	6.0%	1,873	6.1%	2,068	6.8%	195	10.4%
Total	30,400	100.0%	30,481	100.0%	30,447	100.0%	-34	-0.1%

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

As the preceding table illustrates, over 51% of the population was estimated to be between 25 and 64 years old in 2014. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants. Although this primary age group is projected to experience population decline between 2014 and 2017, it is also of note that this age cohort will still comprise nearly 51% of the total population in 2017.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

e. Minority Concentrations

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	52.5%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	49.7%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.4%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.7%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	1.7%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site is not located within a Census Tract that dominated by the minority population, when considering all minority population segments combined. However, Black or African American persons comprise 49.7% of the population within the site Census Tract, which is slightly above the SCSHFDA minority share of 47.9%. Based on Table B25074 of the American Community Survey (ACS) 2009-2013 5-year estimates, nearly 54% of low-income households earning below \$35,000 and residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable developments within the market are 100.0% occupied, with wait lists, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The proposed development will be able to provide a high-quality, modern affordable rental housing option that is much needed within the site Census Tract it will be located.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Households	11,533	11,843	11,983	11,977
Household Change	-	310	140	-6
Percent Change	-	2.7%	1.2%	-0.1%
Household Size	2.58	2.57	2.48	2.48

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

Within the Hartsville Site PMA, households increased by 310 (2.7%) between 2000 and 2010. Between 2010 and 2014, households increased by 140 or 1.2%. By 2017, there will be 11,977 households, a decline of 6 households, or 0.1% over 2014 levels. This is a decline of approximately only two households annually over the next three years, which is considered minimal household decline.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	8,521	71.9%	8,407	70.2%	8,407	70.2%
Renter-Occupied	3,322	28.1%	3,576	29.8%	3,570	29.8%
Total	11,843	100.0%	11,983	100.0%	11,977	100.0%

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

In 2014, homeowners occupied 70.2% of all occupied housing units, while the remaining 29.8% were occupied by renters. The share of renters is relatively high and represents a good base of potential renter support in the market for the subject development. Although the number of renter households is projected to decline between 2014 and 2017, they will do so by only six households, or 0.2%, which is considered minimal decline. It is also of note that more than 3,500 renter households will remain in the Site PMA in 2017.

c. Households by Income

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

Household Income	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,284	10.8%	1,718	14.3%	1,882	15.7%
\$10,000 to \$19,999	1,659	14.0%	2,280	19.0%	2,347	19.6%
\$20,000 to \$29,999	1,613	13.6%	1,860	15.5%	1,853	15.5%
\$30,000 to \$39,999	1,259	10.6%	1,133	9.5%	1,200	10.0%
\$40,000 to \$49,999	1,187	10.0%	906	7.6%	926	7.7%
\$50,000 to \$59,999	844	7.1%	1,021	8.5%	989	8.3%
\$60,000 to \$74,999	1,341	11.3%	1,182	9.9%	1,070	8.9%
\$75,000 to \$99,999	1,386	11.7%	941	7.9%	867	7.2%
\$100,000 to \$124,999	452	3.8%	370	3.1%	337	2.8%
\$125,000 to \$149,999	175	1.5%	170	1.4%	154	1.3%
\$150,000 to \$199,999	468	4.0%	301	2.5%	262	2.2%
\$200,000 & Over	174	1.5%	102	0.9%	90	0.8%
Total	11,843	100.0%	11,983	100.0%	11,977	100.0%
Median Income	\$40,892		\$31,186		\$29,497	

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

In 2010, the median household income was \$40,892. This declined by 23.7% to \$31,186 in 2014. By 2017, it is projected that the median household income will be \$29,497, a decline of 5.4% over 2014. This is reflective of the projected growth between 2014 and 2017 among lower income households earning below \$40,000, as illustrated in the preceding table.

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 2010, 2014 and 2017 for the Hartsville Site PMA:

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

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2014 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	564	210	107	110	10	1,001
\$10,000 to \$19,999	230	234	206	62	83	815
\$20,000 to \$29,999	157	120	115	70	140	602
\$30,000 to \$39,999	93	63	72	32	34	294
\$40,000 to \$49,999	41	104	24	51	6	226
\$50,000 to \$59,999	55	55	66	34	22	232
\$60,000 to \$74,999	50	82	13	29	34	208
\$75,000 to \$99,999	15	21	4	11	44	95
\$100,000 to \$124,999	15	3	1	19	2	41
\$125,000 to \$149,999	2	4	0	6	5	18
\$150,000 to \$199,999	3	9	4	9	4	29
\$200,000 & Over	5	1	3	2	3	15
Total	1,231	906	616	436	387	3,576

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2017 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	602	229	112	119	10	1,073
\$10,000 to \$19,999	226	224	203	57	85	795
\$20,000 to \$29,999	155	119	105	70	139	589
\$30,000 to \$39,999	86	66	81	32	32	297
\$40,000 to \$49,999	40	105	23	55	8	231
\$50,000 to \$59,999	51	47	64	35	22	219
\$60,000 to \$74,999	40	74	13	25	34	186
\$75,000 to \$99,999	15	20	5	9	41	90
\$100,000 to \$124,999	11	3	0	18	2	33
\$125,000 to \$149,999	3	4	1	6	4	18
\$150,000 to \$199,999	4	10	3	6	3	26
\$200,000 & Over	3	2	2	1	5	13
Total	1,237	902	613	432	385	3,570

Source: Ribbon Demographics; ESRI; Urban Decision Group

Demographic Summary

Between 2014 and 2017 the Hartsville Site PMA is projected to experience both population and household decline. However, this decline is projected to be modest and is not expected to have a significant (if any) impact on housing within the Site PMA. Specifically, the total population is projected to decline by 34 (0.1%), while the total number of households will decline by six (0.1%) during this time period. Similarly, renter households will also decline by six (0.2%) between 2014 and 2017. However, it is important to note that more than 3,500 renter households will remain in the market in 2017, and the number of low-income renter households (earning below \$30,000) is projected to increase by 39 (1.6%) between 2014 and 2017. Further, renter households earning below \$30,000 are projected to comprise nearly 69.0% of all renter households within the Site PMA in 2017. Based on the preceding analysis, there appears to be a large and expanding base of potential income-appropriate renter support for affordable rental housing in the Hartsville market, despite the projected decline in total population and households between 2014 and 2017.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within the Darlington County, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$44,000 for 2015. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$54,100 in 2015. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,950	\$22,740
Two-Person	\$21,650	\$25,980
Three-Person	\$24,350	\$29,220
Four-Person	\$27,050	\$32,460
Five-Person	\$29,200	\$35,040

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households earning up to 60% of AMHI. As such, the maximum allowable income at the subject site is **\$35,040**.

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 \$562 (two-bedroom at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,744. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$19,269.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$19,269	\$29,200
Tax Credit (Limited To 60% Of AMHI)	\$22,354	\$35,040
Overall Project	\$19,269	\$35,040

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 2014 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2017) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 20.1% to 23.9% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

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

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

The subject project is not age-restricted, thus we have not considered elderly homeowner conversion in our demand estimates.

- 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 2014 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2015 which have not reached 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**

As indicated in Section H, Westfield Village received a Tax Credit allocation in 2014. However, according to information provided by planning and building representatives at the time of this report, this project is no longer moving forward with development due to site related issues. As such, no directly comparable supply units have been considered in our demand estimates on the following page, as no other Tax Credit projects have been built and/or funded during the projection period (2014 to present).

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$19,269-\$29,200)	60% AMHI (\$22,354-\$35,040)	Overall (\$19,269-\$35,040)
Demand From New Renter Households (Age- And Income-Appropriate)	600 - 613 = -13	600 - 608 = -8	797 - 809 = -12
+			
Demand From Existing Households (Rent Overburdened)	613 X 23.9% = 147	608 X 20.1% = 122	809 X 22.5% = 182
+			
Demand From Existing Households (Renters In Substandard Housing)	613 X 3.2% = 20	608 X 3.2% = 19	809 X 3.2% = 26
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	154	133	196
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0
=			
Net Demand	154	133	196
Proposed Units	16	32	48
Proposed Units/ Net Demand	16 / 154	32 / 133	48 / 196
Capture Rate	= 10.4%	= 24.1%	= 24.5%

The capture rates for the proposed units targeting households at 50% and 60% of AMHI are 10.4% and 24.1%, respectively, as illustrated in the preceding table. Based on the methodology utilized within this report, the aforementioned capture rates by AMHI level are considered achievable. Similarly, the overall capture rate of 24.5% is also considered achievable and demonstrates a sufficient base of potential income-appropriate renter support for the subject project within the Hartsville Site PMA. This is especially true when considering the 100.0% occupancy rates and waiting lists maintained among the comparable LIHTC properties in the Site PMA, including phase one of the subject project.

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

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

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

Units Targeting 50% Of AMHI (154 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (15%)	23	0	23	0	-
Two-Bedroom (55%)	85	0	85	8	9.4%
Three-Bedroom (30%)	46	0	46	8	17.4%

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

Units Targeting 60% Of AMHI (133 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (15%)	20	0	20	0	-
Two-Bedroom (55%)	73	0	73	16	21.9%
Three-Bedroom (30%)	40	0	40	16	40.0%

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

As the preceding illustrates, the capture rates range from 9.4% to 40.0%, depending upon bedroom type and AMHI level, and are considered achievable within the Hartsville market. These capture rates demonstrate a sufficient base of potential income-appropriate renter support in the market for each of the proposed unit types at the subject project.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow SCSHFDA guidelines that assume a 2017 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2017, though the subject project may have some units complete prior to this date. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer

and/or management will aggressively market the project a few months in advance of its opening throughout the Site PMA and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives. It is also important to reiterate that the subject project will involve the construction of a second phase to the existing Hartsville Garden Apartments I (Map ID 1), which is currently 100.0% occupied and maintains a 23 household wait list. Given the similarity of the proposed units at the subject site as compared to those offered at the existing phase of the subject project, and the lower proposed gross Tax Credit rents at the subject project, we expect a large share of the proposed units will be filled from households currently on the waitlist at phase one of the subject site.

Considering the facts contained in this market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 48 proposed LIHTC units at the subject site will reach a stabilized occupancy of 93.0% within four to five months of opening. This absorption period is based on an absorption rate of approximately 9 to 11 units per month.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer two- and three-bedroom garden-style units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI). We identified and surveyed three conventional rental housing properties that operate under the Low-Income Housing Tax Credit (LIHTC) program within the Site PMA. However, only two of these existing LIHTC properties offer non-subsidized units targeting a similar tenant population as compared to the subject project. These two non-subsidized general-occupancy LIHTC properties have been included in our comparable analysis.

Due to the limited availability of non-subsidized LIHTC product within the Site PMA, it was necessary to identify and survey additional non-subsidized LIHTC product outside of the Site PMA but within the region. We identified three additional non-subsidized general-occupancy LIHTC properties outside of the Site PMA in the nearby town of Darlington. These three properties each offer two- and three-bedroom garden-style units targeting general-occupancy households earning up to 50% and 60% of AMHI similar to the subject project and should therefore offer an accurate base of comparability for the subject project. Note that since these three properties are located outside of the Site PMA, they are not considered directly competitive with the subject project and have been included for comparability purposes only.

The five comparable LIHTC properties and the proposed subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hartsville Garden Apartments II	2017	48	-	-	-	Families; 50% & 60% AMHI
1	Hartsville Garden Apts. I	2011	72	100.0%	0.3 Miles	23 H.H.	Families; 50% & 60% AMHI
4	Middletown Apts.	1997	40	100.0%	2.1 Miles	20 H.H.	Families; 50% & 60% AMHI
901	Autumn Run	2004	40	100.0%	12.4 Miles	3 H.H.	Families; 50% & 60% AMHI
902	Darlington Lofts	2007	28	100.0%	12.9 Miles	5 H.H.	Families; 50% & 60% AMHI
903	Pecan Grove	2007	32	100.0%	14.1 Miles	4 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside of the Site PMA

OCC. – Occupancy

H.H. - Households

The five comparable LIHTC projects have a combined occupancy rate of 100.0% and each of the five properties maintain waiting lists for their next available units. Notably, the two LIHTC properties located in the Site PMA maintain the longest waitlists among the comparable properties, demonstrating significant pent-up demand for additional family-oriented LIHTC product in the market. It is also of note that phase one of the subject project, Hartsville Garden Apartments I (Map ID 1), maintains the longest waitlist (23 households) among the five comparable properties. Given that the subject project will offer similar unit types at similar rent levels as compared to phase one of the subject site, it is likely that many of the subject units will be filled from households currently on the wait list at phase one of the subject site. This has been considered in our absorption projections.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Hartsville Garden Apts. I	72	13	18.1%
4	Middletown Apts.	40	11	27.5%
901	Autumn Run	40	12	30.0%
902	Darlington Lofts	28	4	14.3%
903	Pecan Grove	32	9	28.1%
Total		212	49	23.1%

900 Series Map IDs are located outside of the Site PMA

As the preceding table illustrates, there are a total of approximately 49 voucher holders residing at the comparable properties within the market and region. This comprises 23.1% of the 212 total non-subsidized LIHTC units offered among these properties. It is also of note that only 18.1% of the units offered at phase one of the subject site are currently occupied by voucher holders. Given that nearly 77.0% of all units offered among the comparable properties are currently occupied by non-voucher holders, it can be concluded that the gross rents at these properties are achievable as evidenced by the overall 100.0% occupancy rate.



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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Hartsville Garden Apartments II	-	\$562/50% (8) \$652/60% (16)	\$652/50% (8) \$742/60% (16)	-
1	Hartsville Garden Apts. I	\$490-\$513/50% (4/0) \$610/60% (12/0)	\$593-\$621/50% (9/0) \$701/60% (27/0)	\$680-\$712/50% (5/0) \$785/60% (15/0)	None
4	Middletown Apts.	-	\$571/50% (24/0)	\$659/50% (10/0) \$659/60% (6/0)	None
901	Autumn Run	-	\$574-\$592/50% (18/0) \$708/60% (10/0)	\$662/50% (6/0) \$816/60% (6/0)	None
902	Darlington Lofts	\$460/50% (9/0) \$495/60% (6/0)	\$600/50% (8/0) \$595/60% (4/0)	\$709/60% (1/0)	None
903	Pecan Grove	\$456/50% (6/0) \$491/60% (6/0)	\$512-\$562/50% (8/0) \$572/60% (7/0)	\$566-\$641/50% (2/0) \$666/60% (3/0)	None

900 Series Map IDs are located outside of the Site PMA

The subject's proposed gross rents ranging from \$562 to \$742 depending upon bedroom type are among the lowest in the market and region, when compared to similar unit types offered among the comparable properties. It is also of note that the subject's proposed gross rents are lower than those currently reported at phase one of the subject site, Hartsville Garden Apartments I (Map ID 1), which is currently 100.0% occupied with a wait list. These low proposed gross rents at the subject site will likely enhance marketability of the subject project within the Hartsville market.

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



1 Hartsville Garden Apts. I

0.3 miles to site



Address	780 Tailwind Ln. Hartsville, SC 29550		
Phone	(843) 917-0257	Contact	Ron
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	1,2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	23 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (13 units); HOME Funds (15 units at 50% AMHI)		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	740	\$0.70	\$520	60%
1	1	G	1	0	740	\$0.57	\$423	50%
1	1	G	3	0	740	\$0.54	\$400	50%
2	2	G	27	0	888	\$0.65	\$580	60%
2	2	G	1	0	888	\$0.56	\$500	50%
2	2	G	8	0	888	\$0.53	\$472	50%
3	2	G	15	0	1069	\$0.59	\$635	60%
3	2	G	1	0	1069	\$0.53	\$562	50%
3	2	G	4	0	1069	\$0.50	\$530	50%

4

Middletown Apts.

2.1 miles to site



Address 601 W. Washington St.
Hartsville, SC 29550

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

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

Project Type Tax Credit

Year Open 1997 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 20 households

Quality Rating C- **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (11 units); HOME Funds; In extended use period; Square footage estimated

Features and Utilities

Utilities Landlord pays Trash

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

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	800	\$0.50	\$400	50%
3	1.5	G	6	0	970	\$0.46	\$450	60%
3	1.5	G	10	0	970	\$0.46	\$450	50%

901 Autumn Run

12.4 miles to site



Address	405 Wells St. Darlington, SC 29532		
Phone	(843) 398-1981	Contact	Erica
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2004	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	3 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (12 units); HOME Funds (20 units)		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	10	0	850	\$0.63	\$537	60%
2	1	G	4	0	850	\$0.50	\$421	50%
2	1	G	14	0	850	\$0.47	\$403	50%
3	2	G	6	0	1000	\$0.61	\$607	60%
3	2	G	6	0	1000	\$0.45	\$453	50%

902 Darlington Lofts

12.9 miles to site



Address	107 Orange St. Darlington, SC 29532		
Phone	(843) 409-9094	Contact	Helen
Total Units	28	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 households		
Quality Rating	B+	Neighborhood Rating	A
Remarks	50% & 60% AMHI; HCV (4 units); HOME Funds (Nine 1-br units); Adaptive reuse of historic building, built in 1900; Square footage estimated		

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	600	\$0.68	\$405	60%
1	1	G	9	0	600	\$0.62	\$370	50%
2	2	G	4	0	820	\$0.58	\$474	60%
2	2	G	8	0	820	\$0.58	\$479	50%
3	2	G	1	0	1100	\$0.51	\$559	60%

903 Pecan Grove

14.1 miles to site



Address	1218 S. Main St. Darlington, SC 29532		
Phone	(843) 393-3009	Contact	Helen
Total Units	32	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	4 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (9 units); HOME Funds (7 units); Square footage estimated by mgmt.		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	570	\$0.70	\$401	60%
1	1	G	4	0	570	\$0.64	\$366	50%
1	1	G	2	0	570	\$0.64	\$366	50%
2	2	G	7	0	700	\$0.64	\$451	60%
2	2	G	4	0	700	\$0.63	\$441	50%
2	2	G	4	0	700	\$0.56	\$391	50%
3	2	G	3	0	837	\$0.62	\$516	60%
3	2	G	1	0	837	\$0.59	\$491	50%
3	2	G	1	0	837	\$0.50	\$416	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	Hartsville Garden Apartments II	-	950	1,100
1	Hartsville Garden Apts. I	740	888	1,069
4	Middletown Apts.	-	800	970
901	Autumn Run	-	850	1,000
902	Darlington Lofts	600	820	1,100
903	Pecan Grove	570	700	837

900 Series Map IDs are located outside of the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Hartsville Garden Apartments II	-	2.0	2.0
1	Hartsville Garden Apts. I	1.0	2.0	2.0
4	Middletown Apts.	-	1.0	1.5
901	Autumn Run	-	1.0	2.0
902	Darlington Lofts	1.0	2.0	2.0
903	Pecan Grove	1.0	2.0	2.0

900 Series Map IDs are located outside of the Site PMA

The subject project is competitively positioned among the comparable LIHTC properties in terms of unit size (square feet) and number of bathrooms offered, as illustrated in the preceding table. In fact, it is of note that the subject project will offer the largest two- and three-bedroom units among the comparable LIHTC properties located in the Site PMA. Based on the preceding analysis, the subject’s unit sizes (square feet) and number of bathrooms is expected to contribute to the overall marketability of the subject project.

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



COMPARABLE PROPERTIES AMENITIES - HARTSVILLE, SOUTH ECTON, NC

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

MAP ID	PROJECT AMENITIES															OTHER			
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X*	X		X,	X,	X*		B,					X*		X*	X		Exterior Video/Security System; Gazebo
1		X	X		X	X	X		B					X		X	X		Gazebo; Dog Park CCTV
4		X	X		A		X									X			
901		X	X		X		X										X		CCTV
902		X	X		X								X						
903		X	X		A	X	X							X		X			

*Located at Phase I

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

As the preceding illustrates, the proposed amenity package at the subject project is considered competitive with those offered among the comparable LIHTC properties in the region. The subject project will include key unit amenities not limited to dishwashers, microwave ovens, washer/dryer hookups and a patio/balcony area which will ensure the project's competitive position within the market. It is also of note that the subject project will be provided community amenities such as on-site management, community space, a fitness center, and computer center, which are located at phase one of the subject project directly east of the proposed subject site. Overall, the subject project does not appear to lack any key amenities that would adversely impact marketability of the subject project and the amenities proposed are considered appropriate for the targeted tenant population. Also note that the subject project will offer a similar amenity package as compared to phase one of the subject project, which is 100.0% occupied, demonstrating that the proposed amenity package has been well-received within the market.

Comparable/Competitive Tax Credit Summary

Based on our survey of the Hartsville rental housing market, there is clearly pent-up demand for additional family-oriented LIHTC product, as the two comparable LIHTC projects located in the Site PMA (including phase one of the subject site) are both 100.0% occupied with waitlists of up to 23 households for their next available units. The proposed subject project will offer some of the lowest priced two- and three-bedroom units in the market and region in terms of gross rents, when compared to similar unit types offered at the comparable properties. In fact, the proposed gross Tax Credit rents at the subject project are lower than those currently reported at the existing first phase of the subject project, which offers similar unit types, features, and amenities as compared to the subject project. The subject project will also offer the largest two- and three-bedroom units in terms of square footage among the two comparable LIHTC properties in the Site PMA, while also offering a competitive unit and project amenity package. The low proposed gross rents, superior unit sizes (square feet), and competitively positioned amenity packages are expected to enhance marketability of the subject project within the Hartsville market, while the proposed subject development will also help alleviate pent-up demand for family-oriented LIHTC product in the market. It is also important to reiterate that phase one of the subject project, Hartsville Garden Apartments I (Map ID 1) is 100.0% occupied with a waitlist and offers similar unit types and amenities as compared to the proposed subject project. The high occupancy rate and waitlist maintained at this property are good indications that the subject project will be well-received within the Hartsville market.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

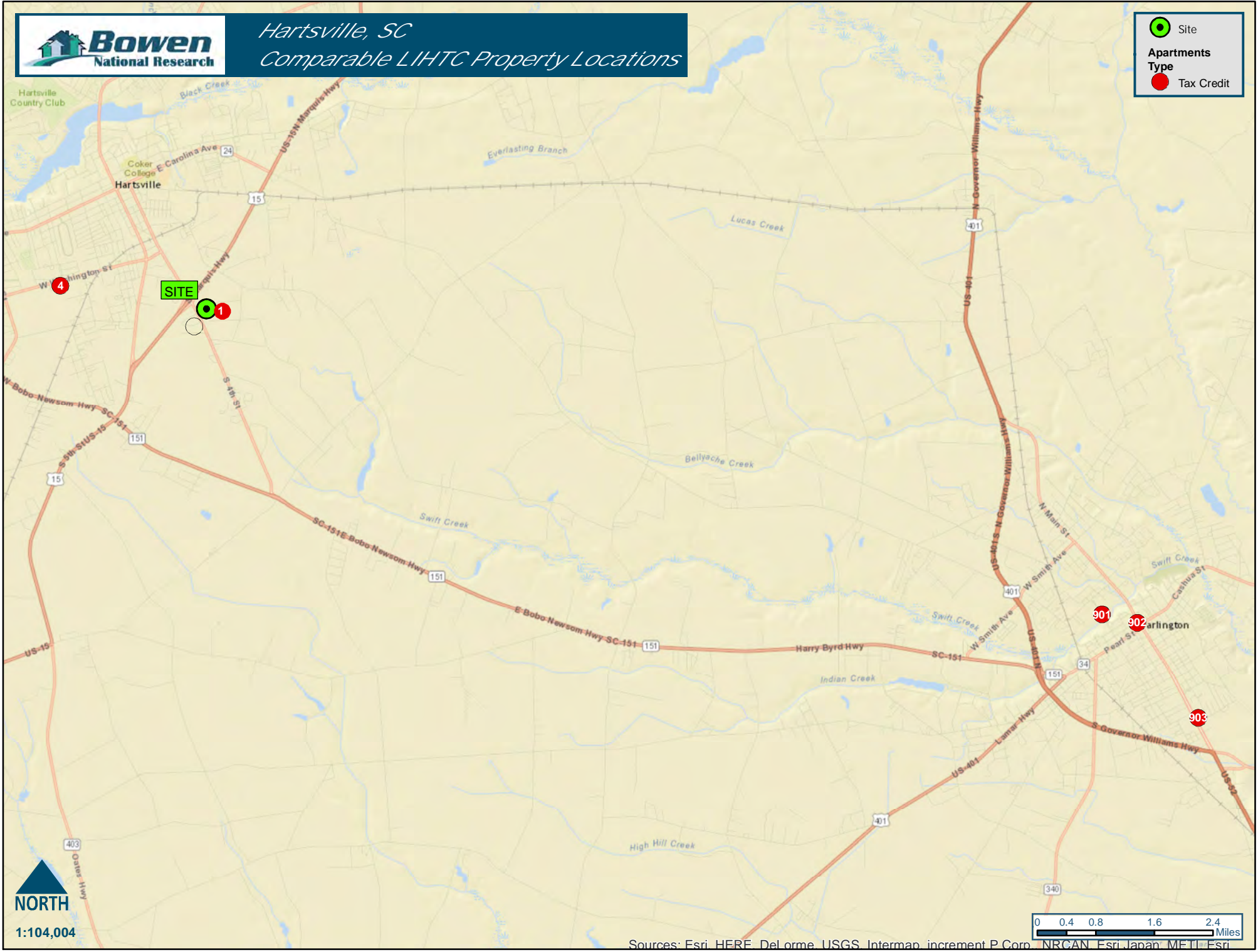
A map illustrating the location of the comparable properties we surveyed is on the following page.



Hartsville, SC

Comparable LIHTC Property Locations

● Site
● Apartments
● Tax Credit



NORTH
1:104,004

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Hartsville Site PMA in 2010 and 2014 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2014 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,843	87.0%	11,983	87.1%
Owner-Occupied	8,521	71.9%	8,407	70.2%
Renter-Occupied	3,322	28.1%	3,576	29.8%
Vacant	1,762	13.0%	1,768	12.9%
Total	13,605	100.0%	13,751	100.0%

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

Based on a 2014 update of the 2010 Census, of the 13,751 total housing units in the market, 12.9% were vacant. Although the number of vacant units increased between 2010 and 2014, they did so by only six (6) units, or 0.3%, during this time period. This minimal increase in the number of vacant units demonstrates the stability of the overall housing market within the Hartsville Site PMA. It must also be noted that the vacant housing units reflected in the preceding table include for-sale, abandoned, and/or dilapidated housing units, as well as housing units utilized for recreation/vacation purposes. As such, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental housing market within the Hartsville Site PMA.

We identified and personally surveyed 11 conventional rental housing projects containing a total of 647 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 99.4%, an excellent rate for rental housing. Each of the rental housing segments surveyed within the Site PMA is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	2	120	4	96.7%
Tax Credit	2	112	0	100.0%
Tax Credit/Government-Subsidized	1	89	0	100.0%
Government-Subsidized	6	326	0	100.0%
Total	11	647	4	99.4%

As the preceding illustrates, each of the rental housing segments surveyed is performing very well, as each reports an occupancy rate of 96.7% or higher. Notably, each of the affordable rental housing segments (non-subsidized Tax Credit, subsidized Tax Credit, and Government-Subsidized) surveyed report occupancy rates of 100.0% and each of the nine affordable properties

surveyed maintains a waitlist for their next available unit. These high occupancy rates and waitlists are clear indication of pent-up demand for affordable rental product in the market.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	13.3%	0	0.0%	\$601
Two-Bedroom	1.0	72	60.0%	3	4.2%	\$634
Two-Bedroom	1.5	32	26.7%	1	3.1%	\$725
Total Market-rate		120	100.0%	4	3.3%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	14.3%	0	0.0%	\$610
Two-Bedroom	1.0	24	21.4%	0	0.0%	\$571
Two-Bedroom	2.0	36	32.1%	0	0.0%	\$701
Three-Bedroom	1.5	16	14.3%	0	0.0%	\$659
Three-Bedroom	2.0	20	17.9%	0	0.0%	\$785
Total Tax Credit		112	100.0%	0	0.0%	-

The market-rate units are 96.7% occupied and the Tax Credit units are 100.0% occupied. Note that nearly 86.0% of the non-subsidized Tax Credit units offered in the market are comprised of two- and three-bedrooms, similar to those proposed at the subject site. This share of two- and three-bedroom units along with the 100.0% occupancy rate reported among the non-subsidized Tax Credit units is a good indication of demand for unit types similar to those proposed at the subject project.



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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	72	4.2%
1980 to 1989	1	48	2.1%
1990 to 1999	1	40	0.0%
2000 to 2005	0	0	0.0%
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	0	0	0.0%
2010	0	0	0.0%
2011	1	72	0.0%
2012	0	0	0.0%
2013	0	0	0.0%
2014	0	0	0.0%

Vacancy rates among non-subsidized rental product do not exceed 4.2%, regardless of age. It is also of note that the market’s newest product, Hartsville Garden Apartments I (phase one of the subject site), was constructed in 2011 and is 100.0% occupied. This is a good indication that modern non-subsidized LIHTC product has been well-received and is in high demand within the Site PMA.

The Hartsville apartment market offers a moderate 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	
Two-Bedroom	\$562-50%	\$634	\$571 - \$725	164 (100.0%)
	\$652-60%			59 (36.0%)
Three-Bedroom	\$652-50%	\$680	\$659 - \$785	36 (100.0%)
	\$742-60%			15 (41.7%)

Most of the rents of existing rentals in the market are above the proposed rents at the subject site. As such, the subject project will likely be perceived a value in the market in terms of price point. Regardless, 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
B-	1	48	2.1%
C	1	72	4.2%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	72	0.0%
C-	1	40	0.0%

As the preceding illustrates, vacancy rates do not exceed 4.2% among non-subsidized rental product, regardless of quality rating. Nonetheless, the subject project is expected to have an excellent quality finish and aesthetic street appeal upon completion, which should contribute to the project’s overall 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 Hartsville Site PMA is on the following page.



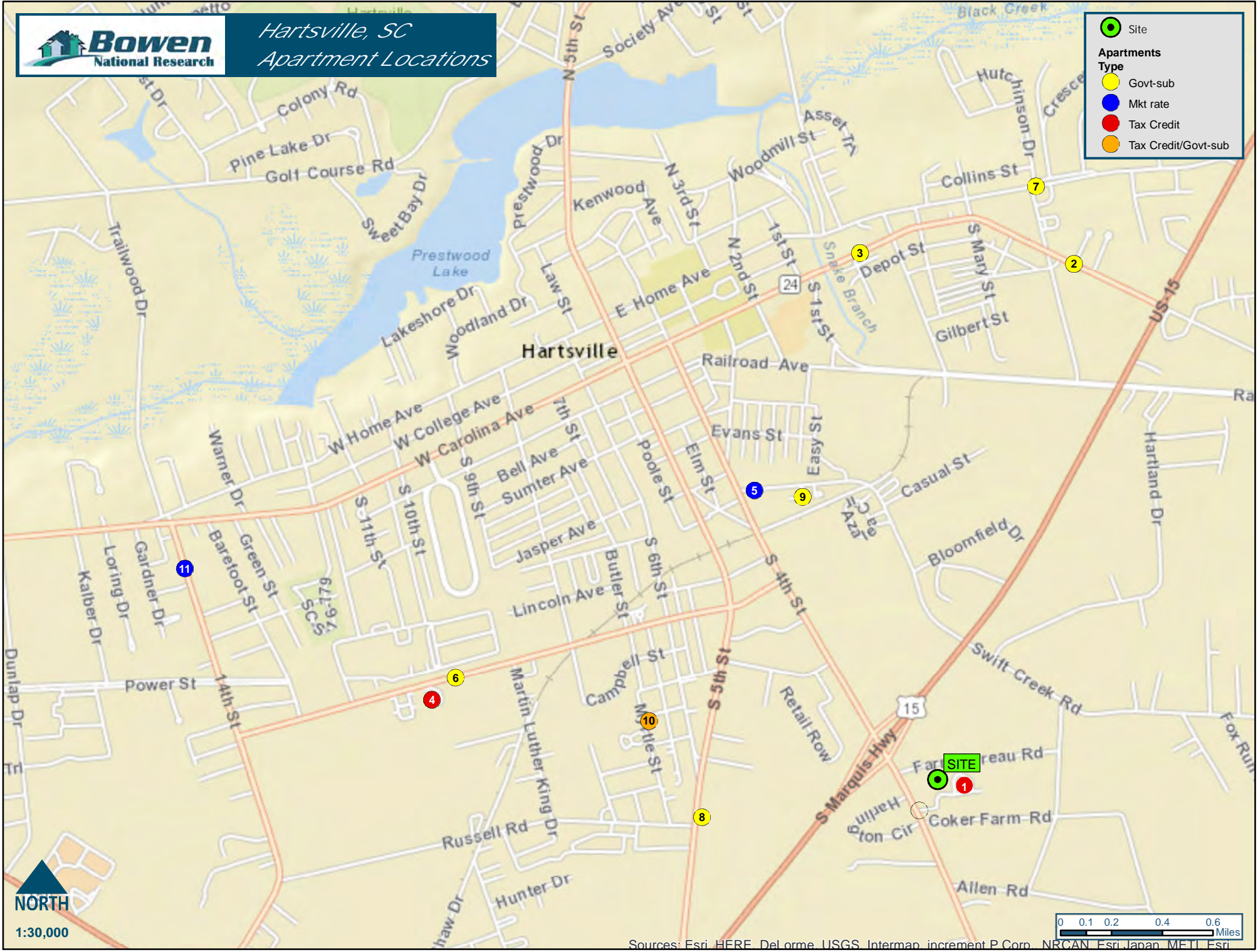


Hartsville, SC Apartment Locations

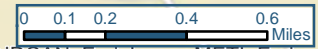
Site
● Site

Apartments Type

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



NORTH
1:30,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives for various municipalities comprised within the Site PMA, it was determined that there are no planned multifamily projects within the Site PMA. Note that planning representatives also stated that Westfield Village, a previously allocated (2014) Tax Credit property within the Site PMA, is no longer moving forward with development due to site issues.

7. ADDITIONAL SCSHFDA VACANCY DATA

Stabilized Comparables

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

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

Stabilized Comparable Tax Credit Projects					
Map I.D.	Project Name	Year Built	Project Type	Total Units	Occupancy Rate
Site	Hartsville Garden Apartments Phase II	2017	TC	48	-
1	Hartsville Garden Apts. I	2011	TC	72	100.0%
4	Middletown Apts.	1997	TC	40	100.0%
Total				112	100.0%

TC – Tax Credit

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

8. MARKET RENT ADVANTAGE

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

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

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

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer

features are adjusted positively. For example, if the subject project does not have a washer and dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the subject project.

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Hartsville Garden Apartments II	2017	48	-	-	24 (-)	24 (-)
5	Oakview Townhouses	1989	48	97.9%	16 (100.0%)	32 (96.9%)	-
11	Palmetto Villas	1976 / 2010	72	95.8%	-	72 (95.8%)	-
904	Basin Duplexes	1991	16	100.0%	-	16 (100.0%)	-
905	Charles Pointe Apts.	2001	168	98.2%	42 (97.6%)	114 (98.2%)	12 (100.0%)
906	Reserve at Mill Creek	2008	268	99.3%	122 (99.2%)	122 (99.2%)	24 (100.0%)

900 Series Map IDs are located outside of the Site PMA

The five selected market-rate projects have a combined total of 572 units with an overall occupancy rate of 98.4%. None of the comparable properties has an occupancy rate below 95.8%. These high occupancy rates indicate that each selected project is well-received within the region. Therefore, these projects will serve as an accurate benchmark with which to compare to the subject development.

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

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hartsville Garden Apartments II		Oakview Townhouses		Palmetto Villas		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek	
780 Tailwind Lane		236 Swift Creek Rd.		207 14th St.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Hartsville, SC		Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$545		\$450		\$575		\$820		\$1,048	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	97%		96%		100%		98%		99%	
5	Effective Rent & Rent/ sq. ft	\$545	0.59	\$450	0.53	\$575	0.64	\$820	0.82	\$1,048	0.93
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		R/1		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2017		1976/2010	\$24	1991	\$26	2001	\$16	2008	\$9
8	Condition /Street Appeal	E	\$15	F	\$30	G	\$15	G	\$15	E	
9	Neighborhood	G		F	\$10	G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		No		No	(\$113)	No	(\$147)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	\$15	1	\$30	1	\$30	2		2	
13	Unit Interior Sq. Ft.	950	\$4	850	\$18	900	\$9	1000	(\$9)	1130	(\$32)
14	Balcony/ Patio	Y		N	\$5	Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	HU/L		HU	\$5	HU	\$5	HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y	\$5	N	\$5	Y		Y		Y	
23	Ceiling Fans	Y	\$5	Y		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		N	\$5	N	\$5	Y		Y	
26	Security Gate/Cameras	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
28	Pool/ Recreation Areas	S/F/G	\$11	N	\$11	N	\$11	P/F	(\$4)	P/F	(\$4)
29	Computer Center/Storage	Y/Y	\$3	N/N	\$8	N/Y	\$3	N/Y	\$3	Y/Y	
30	Picnic Area	Y		N	\$3	N	\$3	Y		Y	
31	Playground	Y		N	\$3	N	\$3	Y		Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
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	\$50	N/N	\$50	N/N	\$50	N/N	\$50	N/N	\$50
39	Trash /Recycling	Y/N		N/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	12		17		14		7	4	2	4
41	Sum Adjustments B to D	\$121		\$192		\$135		\$59	(\$136)	\$19	(\$193)
42	Sum Utility Adjustments	\$50		\$63		\$63		\$50		\$63	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$171	\$171	\$255	\$255	\$198	\$198	(\$27)	\$245	(\$111)	\$275
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$716		\$705		\$773		\$793		\$937	
45	Adj Rent/Last rent		131%		157%		134%		97%		89%
46	Estimated Market Rent	\$765		\$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	
Hartsville Garden Apartments II		Oakview Townhouses		Palmetto Villas		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek	
780 Tailwind Lane		236 Swift Creek Rd.		207 14th St.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.	
Hartsville, SC		Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC	
Data		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
on											
Subject											
A. Rents Charged											
\$ Last Rent / Restricted?		\$545		\$450		\$575		\$975		\$1,338	
Date Surveyed		Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
Rent Concessions		None		None		None		None		None	
Occupancy for Unit Type		97%		96%		100%		100%		100%	
Effective Rent & Rent/ sq. ft		\$545 0.59		\$450 0.53		\$575 0.64		\$975 0.79		\$1,338 1.04	
B. Design, Location, Condition		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
Structure / Stories		TH/1,2		WU/2		R/1		WU/3		WU/3	
Yr. Built/Yr. Renovated		1989 \$28		1976/2010 \$24		1991 \$26		2001 \$16		2008 \$9	
Condition /Street Appeal		G \$15		F \$30		G \$15		G \$15		E	
Neighborhood		G		F \$10		G		E (\$10)		E (\$10)	
Same Market?		Yes		Yes		No		No (\$136)		No (\$191)	
C. Unit Equipment/ Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
# Bedrooms		2 \$50		2 \$50		2 \$50		3		3	
# Baths		1.5 \$15		1 \$30		1 \$30		2		2	
Unit Interior Sq. Ft.		925 \$33		850 \$47		900 \$37		1230 (\$24)		1285 (\$35)	
Balcony/ Patio		Y		N \$5		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		N/N \$15		N/N \$15		N/Y \$5		Y/Y		Y/Y	
Washer/Dryer		HU/L		HU \$5		HU \$5		HU \$5		HU/L	
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		N \$5		N \$5		Y		Y		Y	
Ceiling Fans		N \$5		Y		Y		Y		Y	
D Site Equipment/ Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
Parking (\$ Fee)		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
On-Site Management		Y		N \$5		N \$5		Y		Y	
Security Gate/Cameras		N \$5		N \$5		N \$5		N \$5		Y	
Clubhouse/ Meeting Rooms		N \$5		N \$5		N \$5		N \$5		Y	
Pool/ Recreation Areas		N \$11		N \$11		N \$11		P/F (\$4)		P/F (\$4)	
Computer Center/Storage		N/Y \$3		N/N \$8		N/Y \$3		N/Y \$3		Y/Y	
Picnic Area		Y		N \$3		N \$3		Y		Y	
Playground		Y		N \$3		N \$3		Y		Y	
Social Services		N \$10		N \$10		N \$10		N \$10		N \$10	
E. Utilities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
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		N/N \$59		N/N \$59		N/N \$59		N/N \$59		N/N \$59	
Trash /Recycling		Y/N		N/N \$13		N/N \$13		Y/N		N/N \$13	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
# Adjustments B to D		13		18		15		7 4		2 4	
Sum Adjustments B to D		\$200		\$271		\$213		\$59 (\$174)		\$19 (\$240)	
Sum Utility Adjustments		\$59		\$72		\$72		\$59		\$72	
		Net Gross		Net Gross		Net Gross		Net Gross		Net Gross	
Net/ Gross Adjmts B to E		\$259 \$259		\$343 \$343		\$285 \$285		(\$56) \$292		(\$149) \$331	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$804		\$793		\$860		\$919		\$1,189	
Adj Rent/Last rent		147%		176%		150%		94%		89%	
Estimated Market Rent		\$875		\$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 \$765 for a two-bedroom unit and \$875 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	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$465 (50%)	\$765	39.22%
	\$555 (60%)		27.45%
Three-Bedroom	\$530 (50%)	\$875	39.43%
	\$620 (60%)		29.14%
Weighted Average			32.01%

Typically, Tax Credit rents should represent at least a 10% market rent advantage to be perceived as a value in the market and ensure a sufficient flow of qualified applicants. Therefore, the proposed subject rents will likely be perceived as significant values within the market as they represent market rent advantages ranging from 27.45% to 39.43%, depending upon bedroom type and AMHI level. It is also of note that the weighted average market rent advantage at the subject project is 32.01%, which is well above the 10% threshold typically required by SCSHFDA.

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. The selected properties were built between 1976 and 2008. Note that the oldest selected property (Comparable #2) was renovated in 2010. As such, this property was given an effective age of 1993, which is a simple average. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the subject project will have an excellent quality finished look and an attractive aesthetic appeal upon completion. We have made adjustments for those properties that we consider to be of inferior quality to the subject development.
9. Three of the five selected properties were determined to be located in more, or less, desirable neighborhoods as compared to the subject project. As such, we have adjusted the rents at these properties to account for the neighborhood difference.
10. As previously stated, three of the five selected properties are located outside of the Hartsville Site PMA due to the limited supply of comparable market-rate product in the Hartsville market. One of the selected properties is located in Cheraw, which is considered to be similar to the city of Hartsville in terms of household income, rents charged, services offered and/or housing options. Thus adjustments for out of market differences were not warranted. The remaining two properties are located in Florence, which is approximately 24.0 miles southeast of Hartsville. The Florence market is significantly different than the Hartsville market based on the aforementioned market characteristics. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Hartsville market. Therefore, we have adjusted each collected rent at these two comparable projects by 15.0% to account for this market difference.
11. All of the selected properties have two-bedroom units. For those projects lacking three-bedroom units, we have used the two-bedroom units and applied a positive adjustment of \$50 to reflect the inclusion of an additional bedroom at the subject site.
12. The number of bathrooms offered at the selected properties varies. We have made adjustments of \$15 per half bath to reflect the difference in the number of bathrooms offered at the site and the number offered by the comparable properties.

13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package that is generally considered superior to those offered among the selected properties. We have, made adjustments for features lacking at the selected properties.
- 24.-32. The proposed project offers a generally superior project amenities package as compared to those offered among the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2017
1	Hartsville Garden Apts. I	100.0%	95.0%+
4	Middletown Apts.	100.0%	95.0%+

As stated throughout this report, the two comparable LIHTC properties located in the Site PMA are both 100.0% occupied with waitlists. As such, the subject project is not expected to have any adverse impact on future occupancy rates at these existing properties. In fact, the subject project is expected to help alleviate some of the pent-up demand for family-oriented LIHTC product in the market, which is evident by the waitlists maintained at the two comparable LIHTC properties in the Site PMA.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$96,744. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$96,744 home is \$582, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$96,744
Mortgaged Value = 95% of Median Home Price	\$91,907
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$466
Estimated Taxes and Insurance*	\$116
Estimated Monthly Mortgage Payment	\$582

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$465 to \$620 per month, depending upon unit type. While it is possible that some potential tenants of the subject project could afford the cost of a monthly mortgage for a typical home in the area, the number that could also afford the down payment, utility costs and routine maintenance costs associated with such a home is considered minimal. It is also important to note that the subject project will include the cost of water, sewer and trash expenses in the cost of rent, expenses which are not typically included in the cost of a monthly mortgage for a home. Based on the preceding factors, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

Based on our survey of the Hartsville rental housing market is evident that non-subsidized family-oriented LIHTC product is in high demand, as the two comparable LIHTC projects in the Site PMA are both 100.0% occupied. Further, each of the comparable properties in the market maintain waiting lists for their next available units, which demonstrates pent-up demand for LIHTC product in the Hartsville market. It is also important to note that the subject project will involve the construction of a second phase to the existing Hartsville Garden Apartments I (Map ID 1) property, which maintains the most extensive waitlist (23 households) among the comparable LIHTC properties in the market and region. Given that the subject project will offer similar unit types and amenities, it is expected to be well-received within the market, especially when considering the lower proposed gross rents. Based on the preceding analysis, the subject project is expected to provide an affordable rental housing alternative to a population that is underserved in the market and will help alleviate a portion of the pent-up demand for additional LIHTC product without having an adverse impact on future occupancy rates at the existing LIHTC properties in the Site PMA.

I. INTERVIEWS

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing within the Site PMA.

April Forrester is the Site Manager at Hartwood Village and Pinebridge Apartments, two Rural Development 515 rental properties located in Hartsville. Ms. Forrester stated that there is a need for additional affordable housing within the Hartsville area. According to Ms. Forrester, both of her properties are 100.0% occupied and typically she maintains significant wait lists for her next available units. Ms. Forrester further stated that residents on waitlists for affordable housing within the Hartsville area typically remain on a waitlist for up to one year before such housing becomes available.

Kim Funderburk is the Section 8 Specialist for the Housing Authority of Hartsville. According to Ms. Funderburk, there is a need for more affordable housing in Hartsville, as well as emergency housing for homeless due to the homeless population within the Hartsville area. Ms. Funderburk further stated that although there is a need for all types of affordable housing, she feels the largest need is for one-bedroom units, as several private owners signed up to accept vouchers over the past year thus resulting in a lesser need for two- and three-bedroom units in the area as compared to years past. Regardless, there are approximately 149 Housing Choice Voucher holders within the housing authority's jurisdiction and 204 people currently on the waiting list for additional Vouchers, according to Ms. Funderburk. This extensive wait list is clear indication of the ongoing need for additional affordable housing and/or Voucher assistance within the Hartsville area.

Dorothy Hines is the Property Manager at Forest Ridge Apartments Phase I & II, a subsidized Tax Credit property located in the Site PMA. Ms. Hines stated that she believes there is an increasing need for safe and affordable and housing for area senior citizens, noting that the majority of her one-bedroom units are occupied by elderly tenants and that they only become available when a tenant requires assisted living or passes away. Ms. Hines further stated that although affordable housing of all types is needed in the area, she does not believe there to be a need for larger four-bedroom units, as it is difficult to find qualified tenants for such units within the Hartsville market.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 48 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 subject project will involve the construction of a second phase to the existing Hartsville Garden Apartments I property, which is located directly east of the proposed site and is currently 100.0% occupied with a 23 household wait list. This high occupancy rate and waitlist is a good indication that the site location has been well-received within the Hartsville market and will likely contribute to the marketability of the subject project. Notably, the subject site is conveniently located within 0.2 miles of multiple arterial roadways, including U.S. Highway 15, which allows for convenient access to and from the subject site and many area services within the Hartsville area.

In addition to the 100.0% occupancy rate reported at phase one of the subject site, the four additional comparable LIHTC properties surveyed within the market and region are also 100.0% occupied with waitlists, further demonstrating pent-up demand for family-oriented LIHTC product within the market and region. Given the high occupancy rates and waitlists maintained among the comparable LIHTC properties, the subject project is expected to help alleviate some of the pent-up demand in the market. The subject project is also considered to be competitively positioned among the comparable properties in terms of price, unit size (square feet), and amenities offered. In fact, the subject project will offer some of the lowest priced and largest (square feet) two- and three-bedroom units among the comparable properties, as detailed in Section H. Further, considering that the subject project will offer similar unit types and amenities as those currently offered at phase one of the subject site, but at a lower proposed gross rent, the subject project is expected to be very marketable within the Hartsville market given the 100.0% occupancy rate and waitlist maintained at phase one of the subject project.

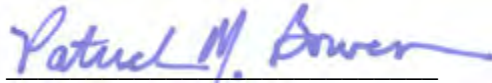
In addition to being competitively positioned within the market, our demand estimates included in Section G demonstrate that a sufficient base of potential income-appropriate support will exist in the market for the subject project at the time of completion. This is demonstrated by the overall occupancy rate of 24.5%, which utilizing the methodology in this report is considered achievable. This is especially true when considering the 100.0% occupancy rate and waiting lists maintained among the comparable LIHTC projects, particularly at phase one of the subject site.

Based on the preceding factors and additional information contained within this report, the subject project is considered marketable as proposed and is expected to help fill a void in the Hartsville market. As such, no recommendations are proposed at this time.

K. SIGNED STATEMENT REQUIREMENT

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

Certified:



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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, since 1996. 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.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. 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, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Stephanie Viren is the Field 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.

Christine Atkins, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, 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.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties 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. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

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.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. 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.

Heather Moore, Marketing Director, 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.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

In-House Researchers – Bowen National Research employs a staff of seven in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

HARTSVILLE, SOUTH CAROLINA

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

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

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

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

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

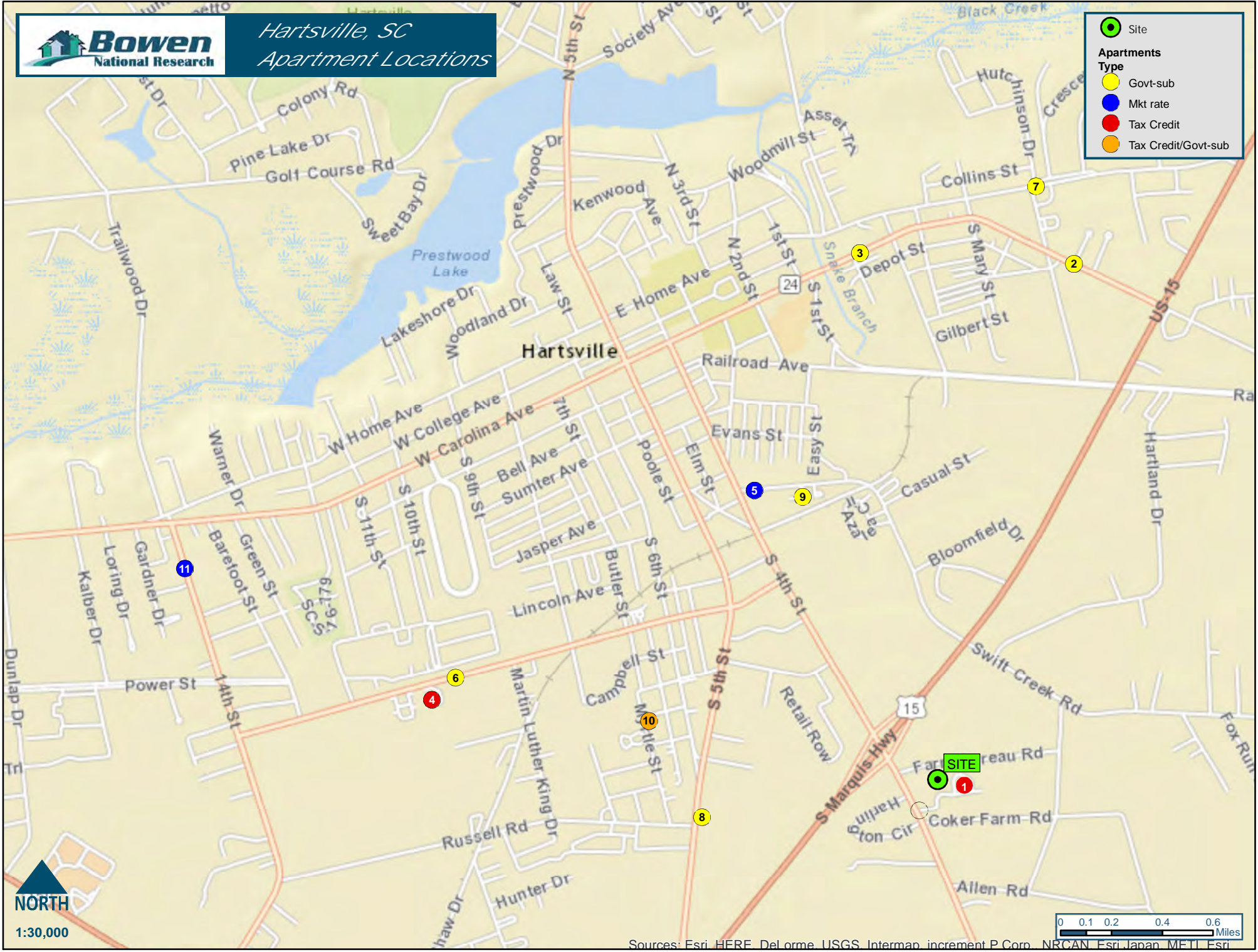


Hartsville, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:30,000

MAP IDENTIFICATION LIST - HARTSVILLE, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Hartsville Garden Apts. I	TAX	A	2011	72	0	100.0%	0.3
2	Eastpark Apts.	GSS	C-	1991	50	0	100.0%	2.5
3	Hartwood Village Apts. (Family & Senior)	GSS	C+	1981	68	0	100.0%	2.2
4	Middletown Apts.	TAX	C-	1997	40	0	100.0%	2.0
5	Oakview Townhouses	MRR	B-	1989	48	1	97.9%	1.2
6	Palmetto Apts.	GSS	B+	1981	43	0	100.0%	2.0
7	Pinebridge Apts.	GSS	C+	1985	43	0	100.0%	2.7
8	Southpark Apts.	GSS	C-	1981	50	0	100.0%	1.5
9	Swift Creek Apts.	GSS	B-	1980	72	0	100.0%	1.4
10	Forest Ridge Apts. I & II	TGS	B+	1971	89	0	100.0%	1.4
11	Palmetto Villas	MRR	C	1976	72	3	95.8%	3.2

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	2	120	4	96.7%	0
TAX	2	112	0	100.0%	0
TGS	1	89	0	100.0%	0
GSS	6	326	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: March 2015

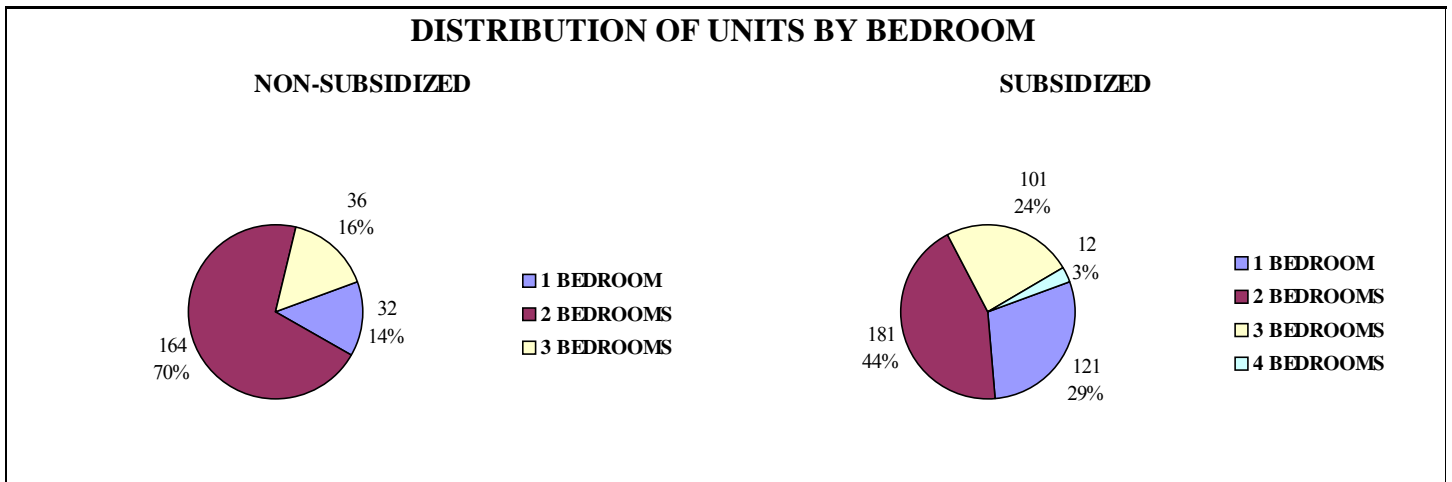
DISTRIBUTION OF UNITS - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	13.3%	0	0.0%	\$601
2	1	72	60.0%	3	4.2%	\$634
2	1.5	32	26.7%	1	3.1%	\$725
TOTAL		120	100.0%	4	3.3%	




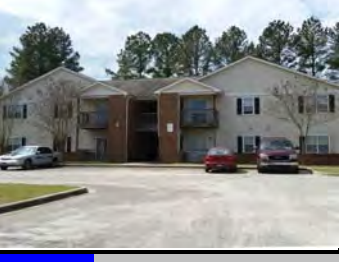

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	14.3%	0	0.0%	\$610
2	1	24	21.4%	0	0.0%	\$571
2	2	36	32.1%	0	0.0%	\$701
3	1.5	16	14.3%	0	0.0%	\$659
3	2	20	17.9%	0	0.0%	\$785
TOTAL		112	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	17	19.1%	0	0.0%	N.A.
2	1	40	44.9%	0	0.0%	N.A.
3	1	28	31.5%	0	0.0%	N.A.
4	1	4	4.5%	0	0.0%	N.A.
TOTAL		89	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	104	31.9%	0	0.0%	N.A.
2	1	141	43.3%	0	0.0%	N.A.
3	1	73	22.4%	0	0.0%	N.A.
4	1.5	8	2.5%	0	0.0%	N.A.
TOTAL		326	100.0%	0	0.0%	
GRAND TOTAL		647	-	4	0.6%	



SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA

1 Hartsville Garden Apts. I			
	Address 780 Tailwind Ln. Hartsville, SC 29550	Phone (843) 917-0257 (Contact in person)	Total Units 72
	Year Built 2011	Contact Ron	Vacancies 0
	Comments 50% & 60% AMHI; HCV (13 units); HOME Funds (15 units at 50% AMHI)		Occupied 100.0%
			Floors 1,2,3
			Quality Rating A
			Waiting List 23 households
2 Eastpark Apts.			
	Address 1101 E. Carolina Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1991	Contact Tamika	Vacancies 0
	Comments Public Housing; Waitlist shared with Southpark Apts.; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 51 households
3 Hartwood Village Apts. (Family & Senior)			
	Address 725 E. Carolina Ave. Hartsville, SC 29550	Phone (843) 383-4121 (Contact in person)	Total Units 68
	Year Built 1981	Contact April	Vacancies 0
	Comments RD 515, has RA (49 units); HCV (5 units); 38 1-br are senior designated; 1-story buildings have exterior storage		Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Senior Restricted (62+) Waiting List 13 households
4 Middletown Apts.			
	Address 601 W. Washington St. Hartsville, SC 29550	Phone (843) 332-6863 (Contact in person)	Total Units 40
	Year Built 1997	Contact Kebie	Vacancies 0
	Comments 50% & 60% AMHI; HCV (11 units); HOME Funds; In extended use period; Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating C-
			Waiting List 20 households
5 Oakview Townhouses			
	Address 236 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 332-0424 (Contact in person)	Total Units 48
	Year Built 1989	Contact Audrey	Vacancies 1
	Comments HCV (6 units); Former RD 515 property; Square footage estimated		Occupied 97.9%
			Floors 1,2
			Quality Rating B-
			Waiting List None

Project Type

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

Survey Date: March 2015

SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA


6 Palmetto Apts.			
	Address 655 Washington St. Hartsville, SC 29550	Phone (843) 332-1991 (Contact in person)	Total Units 43
	Year Built 1981 Renovated 2012	Contact Beverly	Vacancies 0
	Comments RD 515, has RA (43 units); One 1-br office unit not included in total		Occupied 100.0%
			Floors 1
			Quality Rating B+
			Waiting List 25 households
7 Pinebridge Apts.			
	Address 1101 E. Home Ave. Hartsville, SC 29550	Phone (843) 332-1269 (Contact in person)	Total Units 43
	Year Built 1985	Contact April	Vacancies 0
	Comments RD 515, has RA (43 units); One 1-br manager unit not included in total; 1-story buildings have front porch/patio; 2-br have exterior storage; Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Waiting List 15 households
8 Southpark Apts.			
	Address 1301 S. 5th Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1981	Contact Tamika	Vacancies 0
	Comments Public Housing; Waitlist shared with Eastpark Apts.; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 51 households
9 Swift Creek Apts.			
	Address 405 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 383-5785 (Contact in person)	Total Units 72
	Year Built 1980	Contact Mary	Vacancies 0
	Comments HUD Section 8		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List 3-6 months
10 Forest Ridge Apts. I & II			
	Address 1212 Myrtle St. Hartsville, SC 29550	Phone (843) 332-2162 (Contact in person)	Total Units 89
	Year Built 1971 Renovated 2011	Contact Dorothy	Vacancies 0
	Comments 50% & 60% AMHI; HUD Section 8; E-call system in 3 units only		Occupied 100.0%
			Floors 1,2
			Quality Rating B+
			Waiting List 6 households

Project Type

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

Survey Date: March 2015

SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA

11 Palmetto Villas			
	Address 207 14th St. Hartsville, SC 29550	Phone (803) 316-5866 (Contact in person)	Total Units 72 Vacancies 3 Occupied 95.8%
	Year Built 1976 Renovated 2010 Comments Does not accept HCV	Contact Ronnie	Floors 2 Quality Rating C Waiting List None

Project Type

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

Survey Date: March 2015

COLLECTED RENTS - HARTSVILLE, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$400 to \$520	\$472 to \$580	\$530 to \$635					
4			\$400	\$450					
5		\$470					\$545		
11			\$450						

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

Survey Date: March 2015

PRICE PER SQUARE FOOT - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Oakview Townhouses	1	700	\$601	\$0.86
1	Hartsville Garden Apts. I	1	740	\$490 to \$610	\$0.66 to \$0.82
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Oakview Townhouses	1.5	925	\$725	\$0.78
11	Palmetto Villas	1	850	\$634	\$0.75
1	Hartsville Garden Apts. I	2	888	\$593 to \$701	\$0.67 to \$0.79
4	Middletown Apts.	1	800	\$571	\$0.71
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Hartsville Garden Apts. I	2	1069	\$680 to \$785	\$0.64 to \$0.73
4	Middletown Apts.	1.5	970	\$659	\$0.68

◆	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: March 2015

AVERAGE GROSS RENT PER SQUARE FOOT - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.86	\$0.75	\$0.00
TOWNHOUSE	\$0.00	\$0.78	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.79	\$0.74	\$0.70
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.82	\$0.74	\$0.70
TOWNHOUSE	\$0.00	\$0.78	\$0.00

TAX CREDIT UNITS - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Hartsville Garden Apts. I	3	740	1	50%	\$400
1	Hartsville Garden Apts. I	1	740	1	50%	\$423
1	Hartsville Garden Apts. I	12	740	1	60%	\$520
10	Forest Ridge Apts. I & II	9	700	1	50%	\$595
10	Forest Ridge Apts. I & II	8	700	1	60%	\$595
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Middletown Apts.	24	800	1	50%	\$400
1	Hartsville Garden Apts. I	8	888	2	50%	\$472
1	Hartsville Garden Apts. I	1	888	2	50%	\$500
1	Hartsville Garden Apts. I	27	888	2	60%	\$580
10	Forest Ridge Apts. I & II	20	819	1	50%	\$650
10	Forest Ridge Apts. I & II	20	819	1	60%	\$650
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Middletown Apts.	10	970	1.5	50%	\$450
4	Middletown Apts.	6	970	1.5	60%	\$450
1	Hartsville Garden Apts. I	4	1069	2	50%	\$530
1	Hartsville Garden Apts. I	1	1069	2	50%	\$562
1	Hartsville Garden Apts. I	15	1069	2	60%	\$635
10	Forest Ridge Apts. I & II	14	1035	1	60%	\$725
10	Forest Ridge Apts. I & II	14	1035	1	50%	\$725
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
10	Forest Ridge Apts. I & II	2	1070	1	50%	\$762
10	Forest Ridge Apts. I & II	2	1070	1	60%	\$762

QUALITY RATING - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

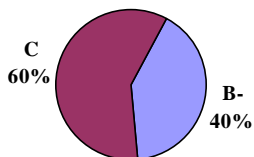
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	1	48	2.1%		\$601	\$725		
C	1	72	4.2%			\$634		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

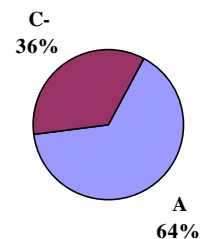
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	72	0.0%		\$610	\$701	\$785	
C-	1	40	0.0%			\$571	\$659	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - HARTSVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	72	3	4.2%	72	31.0%
1980 to 1989	1	48	1	2.1%	120	20.7%
1990 to 1999	1	40	0	0.0%	160	17.2%
2000 to 2005	0	0	0	0.0%	160	0.0%
2006	0	0	0	0.0%	160	0.0%
2007	0	0	0	0.0%	160	0.0%
2008	0	0	0	0.0%	160	0.0%
2009	0	0	0	0.0%	160	0.0%
2010	0	0	0	0.0%	160	0.0%
2011	1	72	0	0.0%	232	31.0%
2012	0	0	0	0.0%	232	0.0%
2013	0	0	0	0.0%	232	0.0%
2014	0	0	0	0.0%	232	0.0%
2015**	0	0	0	0.0%	232	0.0%
TOTAL	4	232	4	1.7%	232	100.0 %

YEAR RENOVATED - HARTSVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	0	0	0	0.0%	0	0.0%
2009	0	0	0	0.0%	0	0.0%
2010	1	72	3	4.2%	72	100.0%
2011	0	0	0	0.0%	72	0.0%
2012	0	0	0	0.0%	72	0.0%
2013	0	0	0	0.0%	72	0.0%
2014	0	0	0	0.0%	72	0.0%
2015**	0	0	0	0.0%	72	0.0%
TOTAL	1	72	3	4.2%	72	100.0 %

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

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

** As of March 2015

APPLIANCES AND UNIT AMENITIES - HARTSVILLE, SOUTH CAROLINA

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

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

PROJECT AMENITIES - HARTSVILLE, SOUTH CAROLINA

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

DISTRIBUTION OF UTILITIES - HARTSVILLE, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	8	479	74.0%
GAS	3	168	26.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	9	547	84.5%
GAS	2	100	15.5%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	8	479	74.0%
GAS	3	168	26.0%
			100.0%
ELECTRIC			
TENANT	11	647	100.0%
			100.0%
WATER			
LANDLORD	4	301	46.5%
TENANT	7	346	53.5%
			100.0%
SEWER			
LANDLORD	4	301	46.5%
TENANT	7	346	53.5%
TRASH PICK-UP			
LANDLORD	7	432	66.8%
TENANT	4	215	33.2%
			100.0%

UTILITY ALLOWANCE - HARTSVILLE, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$21	\$16		\$7	\$10	\$14	\$16	\$7	\$42	\$17	\$22	\$13	\$20
1	GARDEN	\$24	\$19		\$8	\$11	\$16	\$16	\$8	\$47	\$18	\$23	\$13	\$20
1	TOWNHOUSE	\$28	\$19		\$8	\$11	\$16	\$16	\$8	\$58	\$18	\$23	\$13	\$20
2	GARDEN	\$27	\$23		\$9	\$16	\$23	\$17	\$10	\$65	\$21	\$29	\$13	\$20
2	TOWNHOUSE	\$29	\$23		\$9	\$16	\$23	\$17	\$10	\$74	\$21	\$29	\$13	\$20
3	GARDEN	\$29	\$26		\$11	\$20	\$29	\$18	\$12	\$83	\$25	\$34	\$13	\$20
3	TOWNHOUSE	\$29	\$26		\$11	\$20	\$29	\$18	\$12	\$91	\$25	\$34	\$13	\$20
4	GARDEN	\$32	\$30		\$12	\$23	\$33	\$20	\$13	\$101	\$29	\$40	\$13	\$20
4	TOWNHOUSE	\$29	\$30		\$12	\$23	\$33	\$20	\$13	\$108	\$29	\$40	\$13	\$20

SC-Midlands Region (1/2015)

Survey Date: March 2015

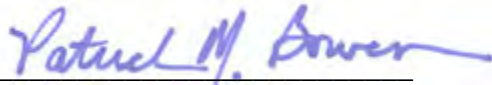


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

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