

Market Feasibility Analysis

Hyman Village
State Route 34, less than 0.1 mile west of
West Calhoun Street
Dillon, Dillon County, South Carolina 29536

Prepared For

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Effective Date

February 17, 2015

Job Reference Number

14-588 JW/PB



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

Development Name: Hyman Village Total # Units: 60
 Location: State Route 34; near West Calhoun St. Dillon, SC 29536 # LIHTC Units: 60
 PMA Boundary: Dillon County boundaries
 Development Type: X Family Older Persons Farthest Boundary Distance to Subject: 19.7 miles

RENTAL HOUSING STOCK (found on page H-10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	16	708	27	96.2%
Market-Rate Housing	4	176	23	86.9%
Assisted/Subsidized Housing not to include LIHTC	3	198	0	100.0%
LIHTC (All that are stabilized)*	8	310	0	100.0%
Stabilized Comps**	2	80	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
4	Two-Br.	2.0	1,200	\$425	\$680	\$0.57	37.50%	\$1,023	\$0.91
24	Two-Br.	2.0	1,200	\$500	\$680	\$0.57	26.47%	\$1,023	\$0.91
8	Three-Br.	2.0	1,350	\$475	\$745	\$0.55	36.24%	\$1,313	\$1.02
24	Three-Br.	2.0	1,350	\$575	\$745	\$0.55	22.82%	\$1,313	\$1.02
Gross Potential Rent Monthly*				\$31,300	\$42,880		27.01%		

*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-3 & G-5)

	2000		2014		2017	
Renter Households	N/A	N/A	4,291	35.5%	4,280	35.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	914	21.3%	944	22.1%
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	14	27				30
Existing Households (Overburd + Substand)	238	237				305
Homeowner conversion (Seniors)	N/A	N/A				N/A
Other:	N/A	N/A				N/A
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	252	264				335

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	4.8%	18.2%				17.9%

ABSORPTION RATE (found on page G-6)

Absorption Period: 7 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	
4	2 BR	\$425	\$1,700	\$680	\$2,720	
24	2 BR	\$500	\$12,000	\$680	\$16,320	
	2 BR		\$0		\$0	
8	3 BR	\$475	\$3,800	\$745	\$5,960	
24	3 BR	\$575	\$13,800	\$745	\$17,880	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	60		\$31,300		\$42,880	27.01%

B. PROJECT DESCRIPTION

The proposed project involves the new construction of a 60-unit family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) rental community to be located on the north side of State Route 34, less than 0.1 mile west of West Calhoun Street in Dillon, South Carolina. The proposed project, Hyman Village, will be available to households with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of 28 two-bedroom/2.0-bath and 32 three-bedroom/2.0-bath units with proposed collected Tax Credit rents ranging from \$425 and \$575. The project is anticipated to be complete in 2017. Additional details regarding the project are as follows:

- a. Property Location:** State Route 34, less than 0.1 mile west of West Calhoun Street
Dillon, South Carolina 29536
(Dillon County)

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

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents			2015 Max Allowable LIHTC Rent
						Collected	Utility Allowance	Gross	
4	Two-Br.	2.0	Garden	1,200	50%	\$425	\$157	\$582	\$608
24	Two-Br.	2.0	Garden	1,200	60%	\$500	\$157	\$657	\$730
8	Three-Br.	2.0	Garden	1,350	50%	\$475	\$194	\$669	\$703
24	Three-Br.	2.0	Garden	1,350	60%	\$575	\$194	\$769	\$843
60	Total								

Source: Herman & Kittle Properties, Inc.
AMHI – Area Median Household Income (Dillon County, SC; 2015)

- g. Number Of Stories/Buildings:** Seven (7) two-story, walk-up residential structures containing 60 garden-style units and one non-residential building
- k. Project-Based Rental Assistance (Existing or Proposed):** None



l. Community Amenities:

The subject property will include the following community features:

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

m. Unit Amenities:

Each unit will include the following amenities:

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

n. Parking:

Covered parking will be included at the subject site at no additional charge to the residents.

o. Utility Responsibility:

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

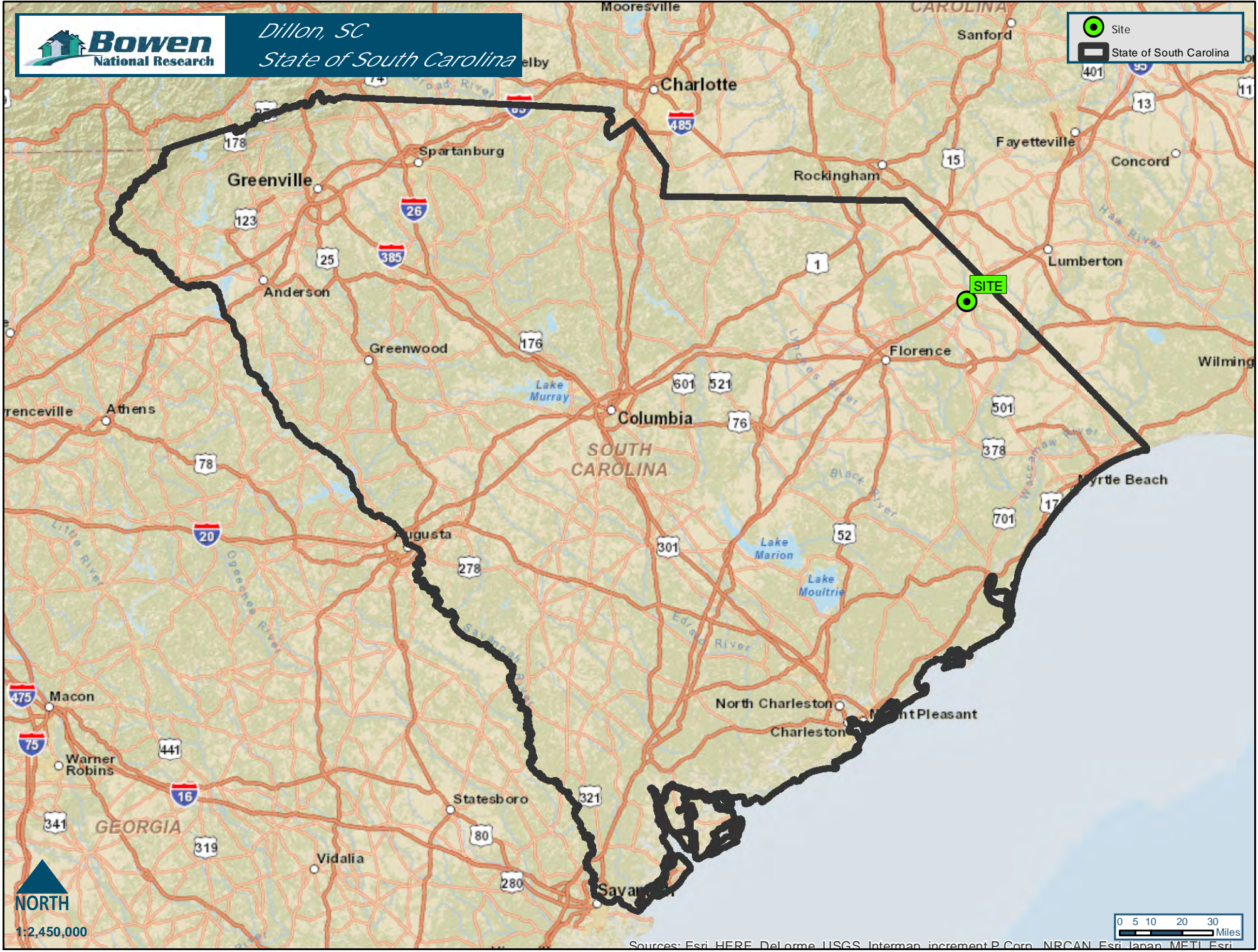
- Electric Heat
- Electric Air Conditioning
- General Electric
- Water
- Electric Water Heating
- Electric Cooking
- Sewer

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



Dillon, SC
State of South Carolina

Legend:
● Site
▭ State of South Carolina

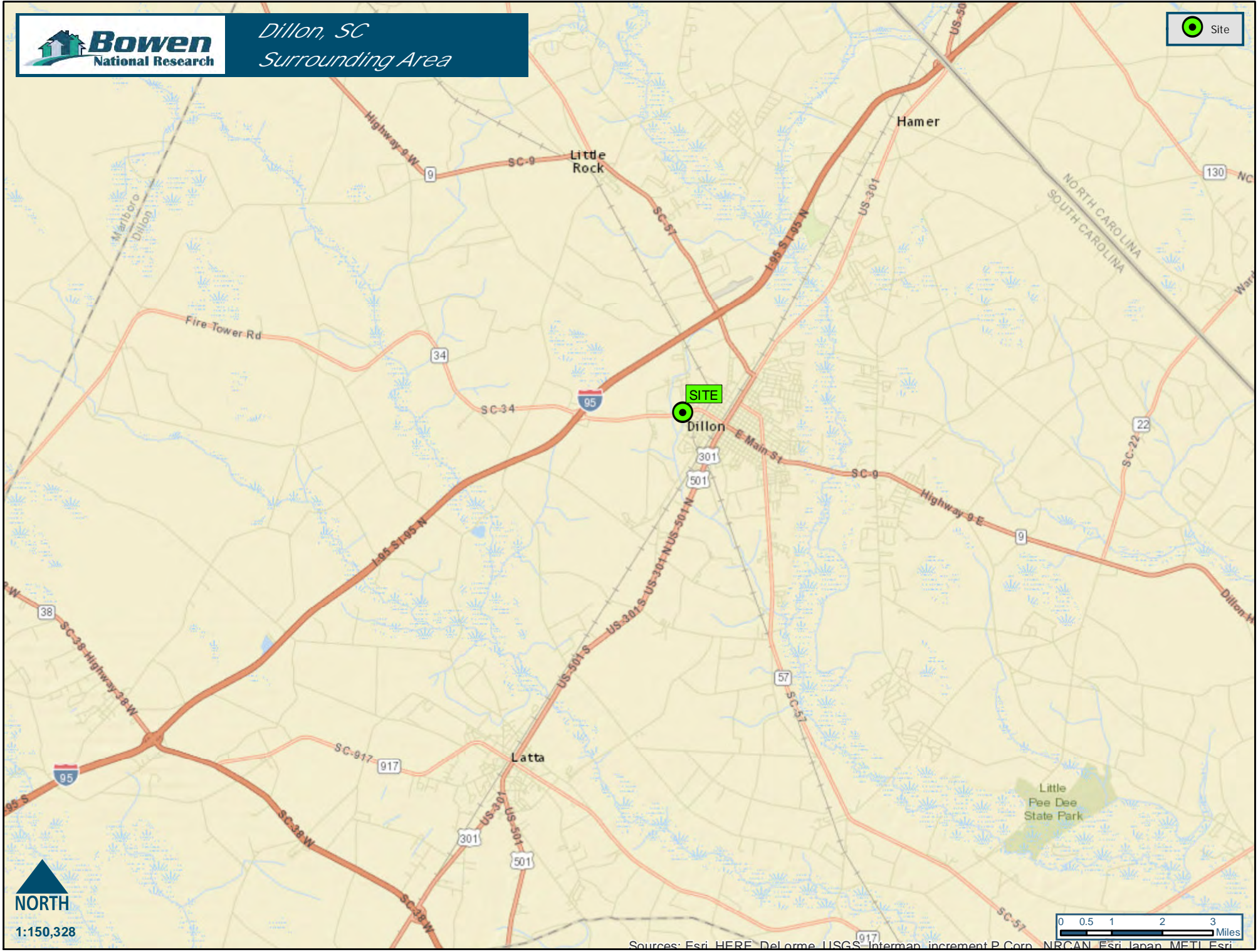


NORTH
1:2,450,000

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



Dillon, SC
Surrounding Area



NORTH
1:150,328

0 0.5 1 2 3 Miles

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

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of January 19, 2015. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site is located along State Route 34 in Dillon, South Carolina. Located in the western portion of Dillon, the subject site is approximately 29.0 miles northeast of Florence, South Carolina. The subject site is located within a mixed-use, partially developed area, predominantly comprised of single-family homes, a school, agricultural and wooded land. Adjacent land uses are detailed as follows:

North -	A tree line, followed by the Stewart Heights Primary School borders the site to the north. Single-family homes in fair to good condition continue north. Farther north are Dillon Manor (Map I.D. 5) and the Cedar Terrace (Map I.D. 3) apartments, which are considered to be in fair to good condition.
East -	Single-family homes, generally considered in good condition located along West Calhoun Street border the site to the east. Additional single-family homes along Stewart Street and McLeod Street are generally considered to be in good condition. West Main Street, an arterial and commercial corridor through the Dillon area is located beyond.
South -	Undeveloped, wooded land, as well as State Route 34 borders the site to the south. Single-family homes in good condition along West Dargan Street are located adjacent to State Route 34. Additional single-family homes and undeveloped land are located farther south.
West -	Agricultural and wooded land border the site to the west and extend farther west, along with single-family homes along Tyler Road. Wooded and agricultural land are located beyond.

The subject site is situated within a partially developed, mixed-use portion of Dillon, which is considered to be conducive to residential housing. Notably, the proximity of arterial roadways, as well as the West Main Street commercial corridor should contribute to the marketability of the site.

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 34	Adjacent Site
	U.S. Highway 301	0.7 Southeast
	Interstate 95	1.6 West
Public Bus Stop	Dillon Amtrak	0.6 Southeast
Major Employers/ Employment Centers	Dillon County	0.5 East
	McLeod Medical Center	1.2 East
	Harbor Freight	1.6 West
	Walmart Supercenter	2.0 Northeast
Convenience Store	Food Mart	0.2 East
	Kangaroo Express	0.7 East
Grocery	Carl's Food Center	0.4 East
	Food Lion	1.6 Northeast
	Walmart Supercenter	2.0 Northeast
Discount Department Store	Family Dollar	0.8 Southeast
	Dollar General	1.5 Northeast
	Walmart Supercenter	2.0 Northeast
Shopping Center/Mall	Dillon Plaza	1.9 Northeast
Schools:		
Elementary	Stewart Heights Primary School	0.4 North
Middle/Junior High	Maple Junior High School	0.6 Northeast
High	Dillon High School	2.1 Northeast
Hospital	McLeod Medical Center	1.2 East
Police	Dillon Police Department	0.4 East
Fire	West Dillon Fire	0.4 North
	Floydale Fire Rescue	0.5 East
Post Office	U.S. Post Office	0.5 East
Bank	First Bank Trust	0.6 East
	First Citizens Bank & Trust	1.0 East
	Wells Fargo Bank	1.1 East
Gas Station	Food Mart	0.2 East
	Sav-Way Gas	0.7 Southeast
	Dillon Exxon	0.8 East
Pharmacy	Rite Aid	1.1 East
	Walgreens	1.7 Northeast
Restaurant	Kintyre House	0.6 East
	King's Famous Pizza	0.7 East
Day Care	Little Pumpkin Day Care	0.3 East
Medical Center	Urgent Care	1.0 East
Library	J V Martin Library	0.8 East
	Dillon County Library	1.0 East
Park	Dillon Parks and Recreation	0.2 West
Church	First Presbyterian Church	0.8 East

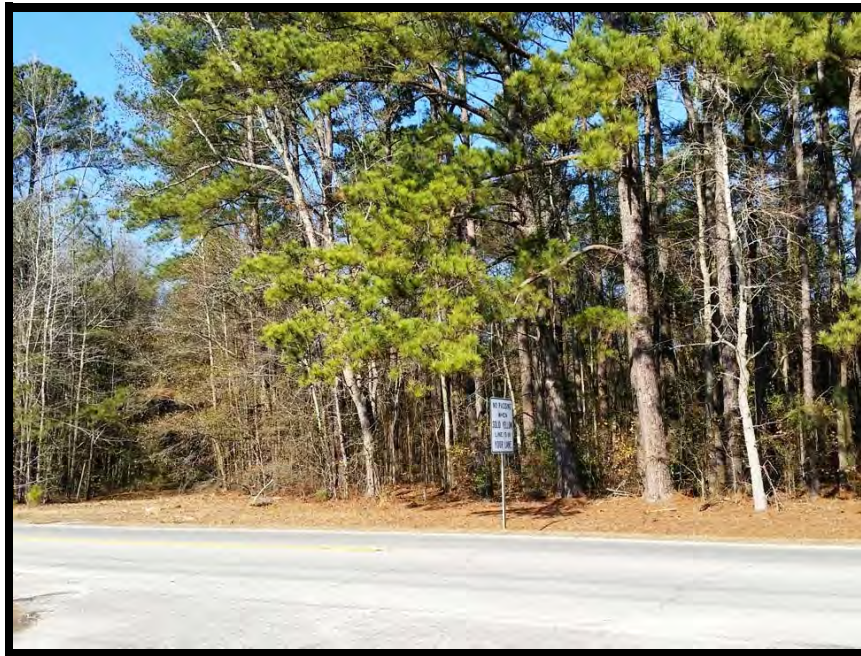
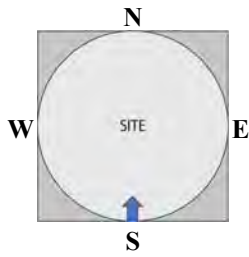
There are numerous community services located within close proximity of the subject site, many of which are located within 1.5 miles, including Family Dollar, Dollar General, Carl's Food Center, gas stations/convenience stores and restaurants. Additionally, a Walmart Supercenter is located 2.0 miles northeast of the site. It is also of note that the Dillon Amtrak station is located within 0.6 miles and allows for residents without vehicles to travel outside of the area for a minimal fee.

The Dillon School District schools serve the subject site and all applicable schools are located within 2.1 miles. The subject site is provided public safety services by the Dillon Fire and Police departments. Further, the nearest acute-care hospital is the McLeod Medical Center which operates an emergency center, as well as offering orthopedic treatment and other medical services. It is also of note that the Urgent Care is the closest medical facility to the site and offers an on-site physician and treats basic illnesses and has chronic disease care. The proximity of community services to the subject site is believed to have a positive impact on its overall marketability.

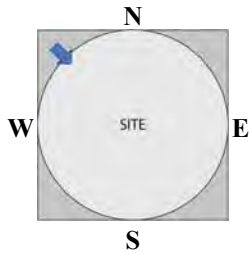
4. SITE PHOTOGRAPHS

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

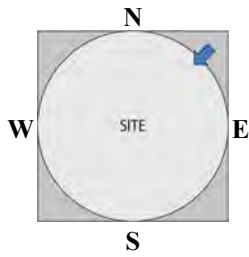
SITE PHOTOGRAPHS



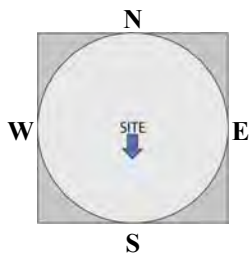
View of site from the south



View of site from the northwest



View of site from the northeast



South view from site



Streetscape: West view of State Route 34



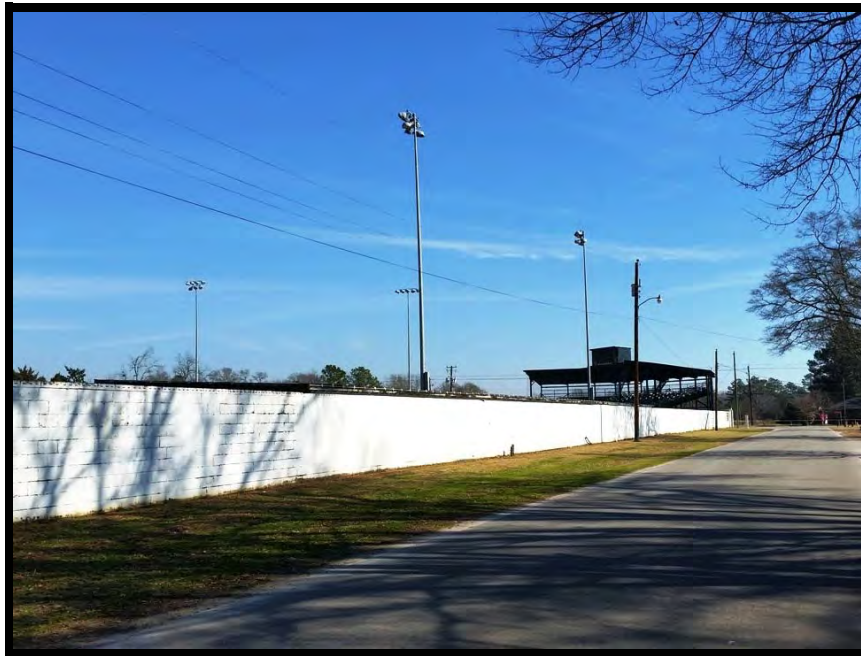
Streetscape: East view of State Route 34



Streetscape: North view of West Calhoun Street



Streetscape: South view of West Calhoun Street



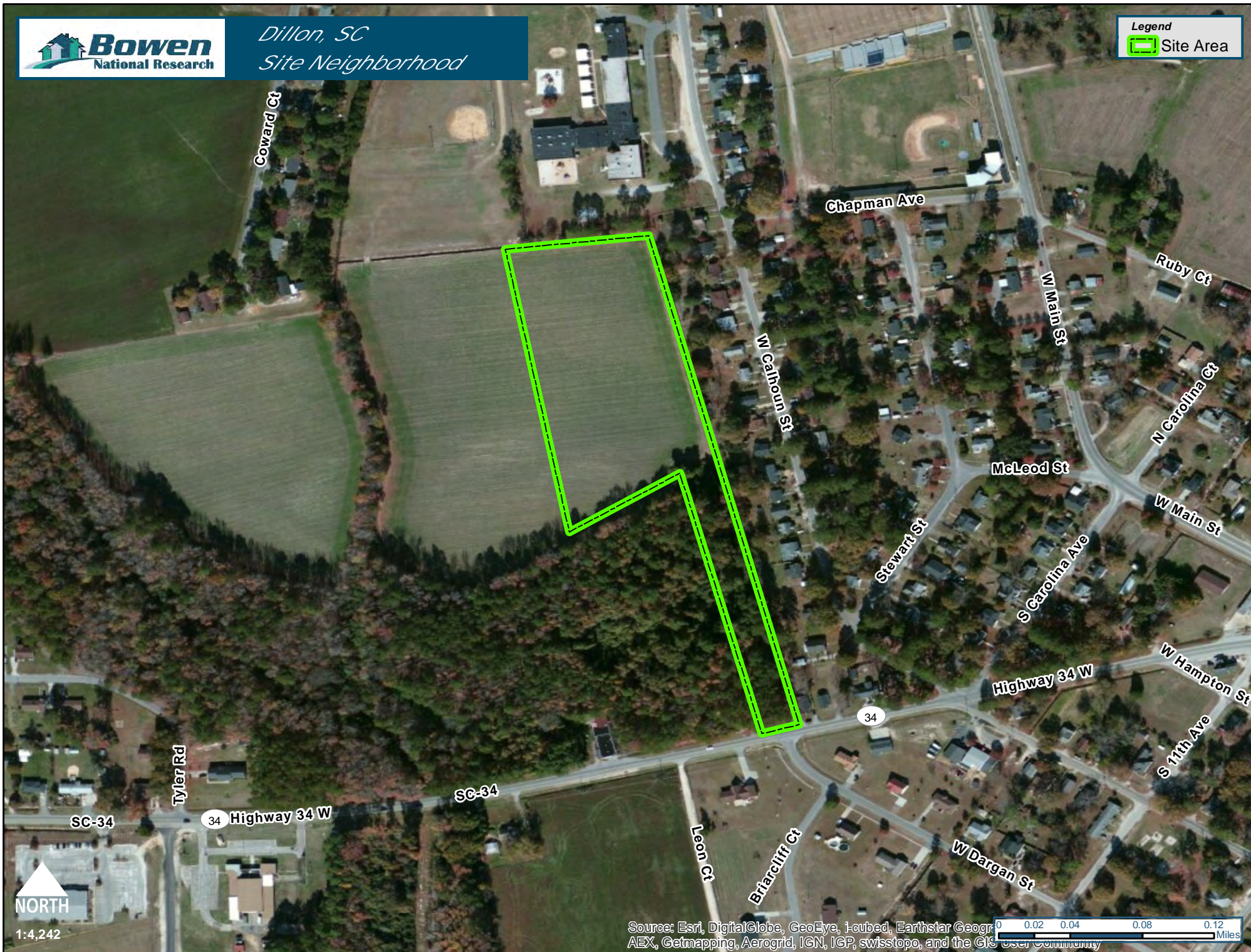
Streetscape: East view of Chapman Avenue



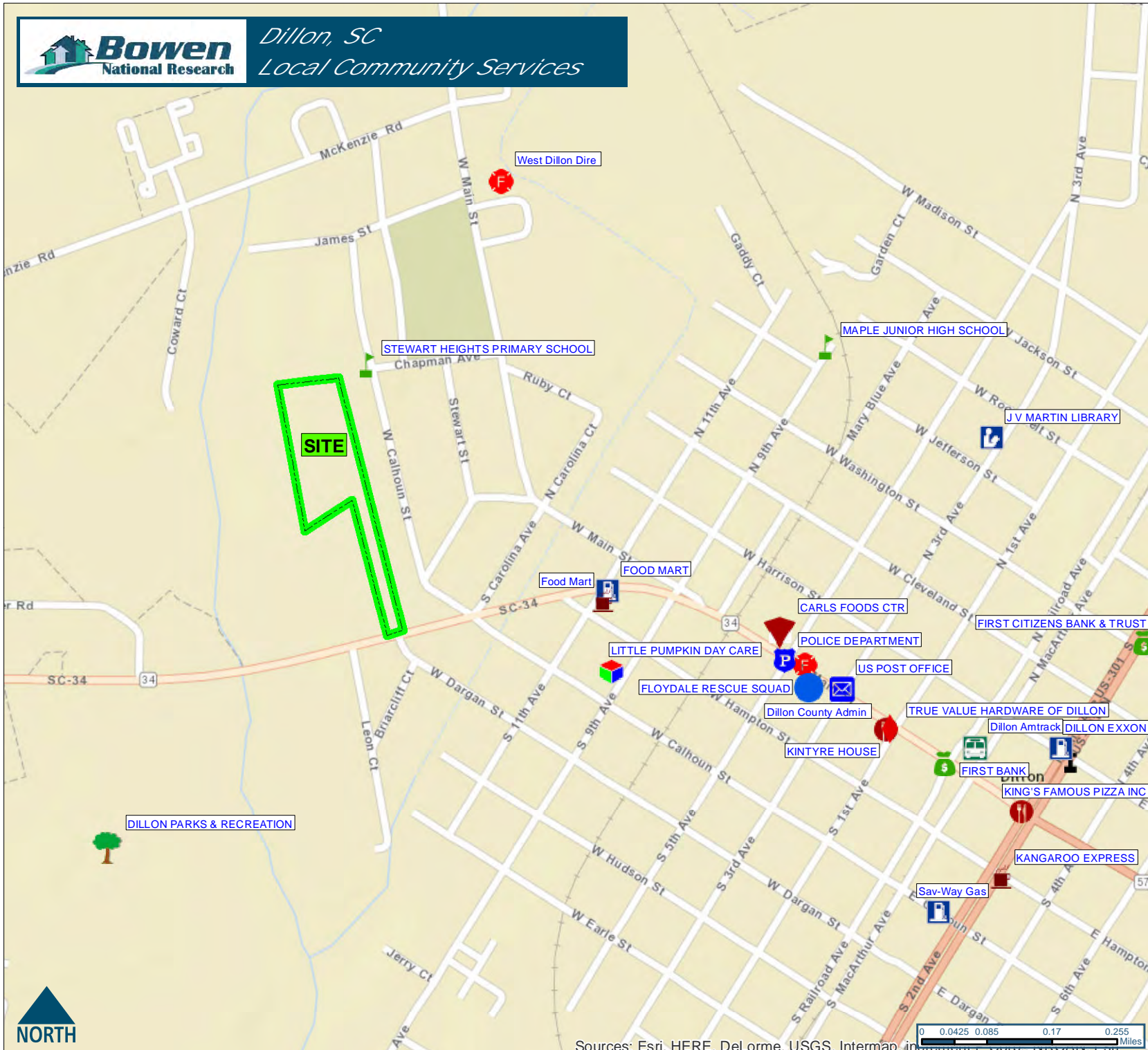
Streetscape: North view of Coward Court

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

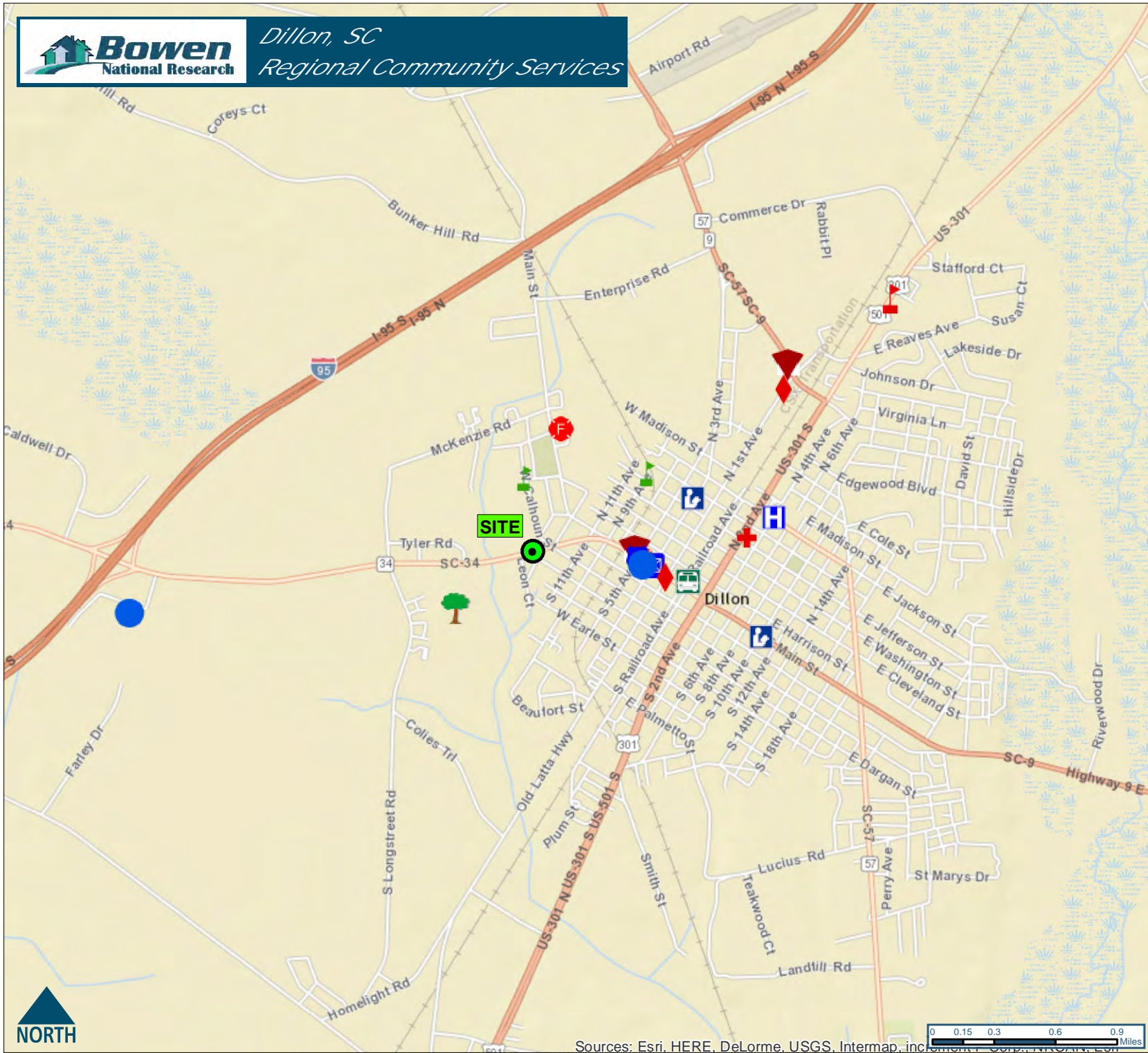


1:4,242



- Legend*
- Site Area
 - bank
 - child care
 - church
 - convenience store
 - elementary school
 - fire
 - gas
 - grocery
 - library
 - park
 - police
 - post office
 - restaurant
 - shopping
 - transit
 - employers_1000_5000





Legend

- Site
- elementary school
- fire
- grocery
- high school
- hospital
- library
- medical center
- park
- police
- post office
- shopping
- transit
- employers_1000_5000



6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is adjacent to State Route 34. According to local planning and zoning officials, no significant road construction or infrastructure improvements are planned for the immediate neighborhood.

7. CRIME ISSUES

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

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

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

Total crime risk (163) for the Site PMA/Dillon County is above the national average with an overall personal crime index of 236 and a property crime index of 124.









	Crime Risk Index	
	Site PMA	Dillon County
Total Crime	163	163
Personal Crime	236	236
Murder	250	250
Rape	169	169
Robbery	96	96
Assault	313	313
Property Crime	124	124
Burglary	159	159
Larceny	94	94
Motor Vehicle Theft	101	101

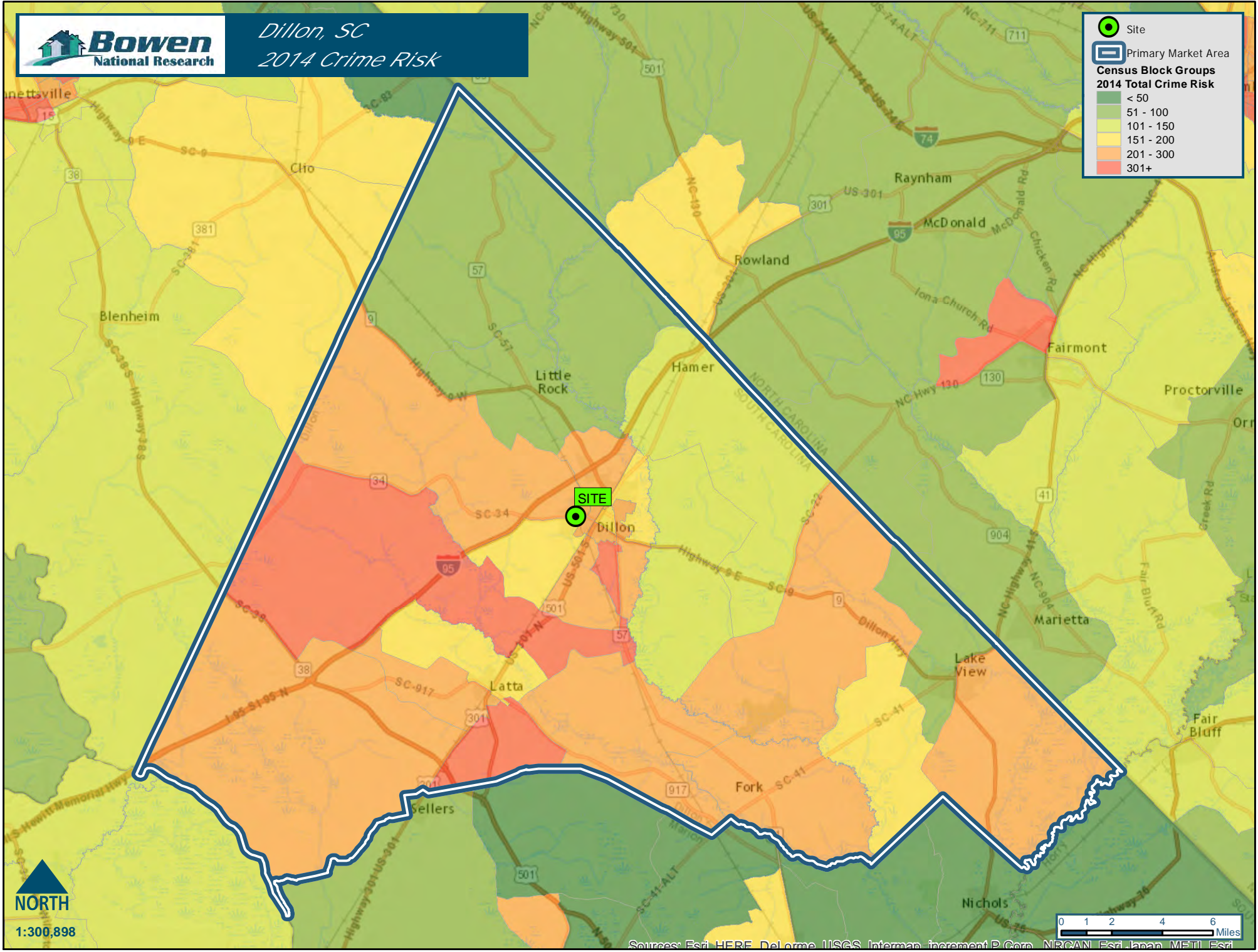
Source: Applied Geographic Solutions

Although the crime risk index for the Site PMA/Dillon County is above the national average, the proposed development will implement security features such as on-site management and security cameras which will add to the safety of its residents and mitigate any potential impact that crime may have on the neighborhood.

Further, as illustrated in Section H of this report, nearly all rental properties identified and surveyed in the market are 100.0% occupied. This demonstrates that the perception of crime within the Site PMA has not had an adverse impact on the rental housing market. As such, we do not anticipate crime will have any significant impact on the proposed development's marketability.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Census Block Groups**
- 2014 Total Crime Risk**
-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+



8. ACCESS AND VISIBILITY

The subject project is located on the north side of State Route 34, a moderately-travelled arterial. Ingress and egress are considered good, as there are clear lines of sight provided in both directions along State Route 34. The subject project is within 1.6 miles of U.S. Highway 301 and Interstate 95. Additionally, the Dillon Amtrak Station is within 0.6 miles. Overall, access to the site is considered good. The site will be obstructed from view from motorists traveling on State Route 34 by the surrounding wooded land. As such, permanent signage is recommended near the site's entrance on State Route 34 to increase its awareness.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues observed while conducting the on-site evaluation of the subject site location.

10. OVERALL SITE CONCLUSIONS

The subject site is located within a partially established, mixed-use neighborhood in the western portion of Dillon, which is considered conducive to residential housing. Notably, the existing residential structures within the immediate site neighborhood are generally considered to be in good condition. Access of the subject site is considered good, as it is within 1.6 miles of State Route 34, U.S. Highway 301 and Interstate 95. Additionally, the Dillon Amtrak Station is within 0.6 miles. Overall access is considered good. Visibility is obstructed by the surrounding wooded land and permanent signage is recommended to be located near the site's entrance on State Route 34 to increase its awareness within the area. The subject site is also located within close proximity of numerous community services, most of which are within 2.0 miles. Overall, the subject site is consistent with surrounding land uses and its convenient accessibility, proximity to community and public safety services should contribute to its marketability.

D. PRIMARY MARKET AREA DELINEATION

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

The Site PMA includes. The Dillon Site PMA includes all of Dillon County and is defined by the county boundaries. The Site PMA comprises Census Tract numbers:

9701	9702	9703*
9704	9705	9706

*Site location

Betty Bethea, Property Manager at Hunter's Crossing Apartments (Map I.D. 7), a general-occupancy LIHTC property, stated that the majority of her property's current residents originated from within Dillon County and she has received support from the smaller towns of Latta and Lakeview. Thus, confirming the Site PMA.

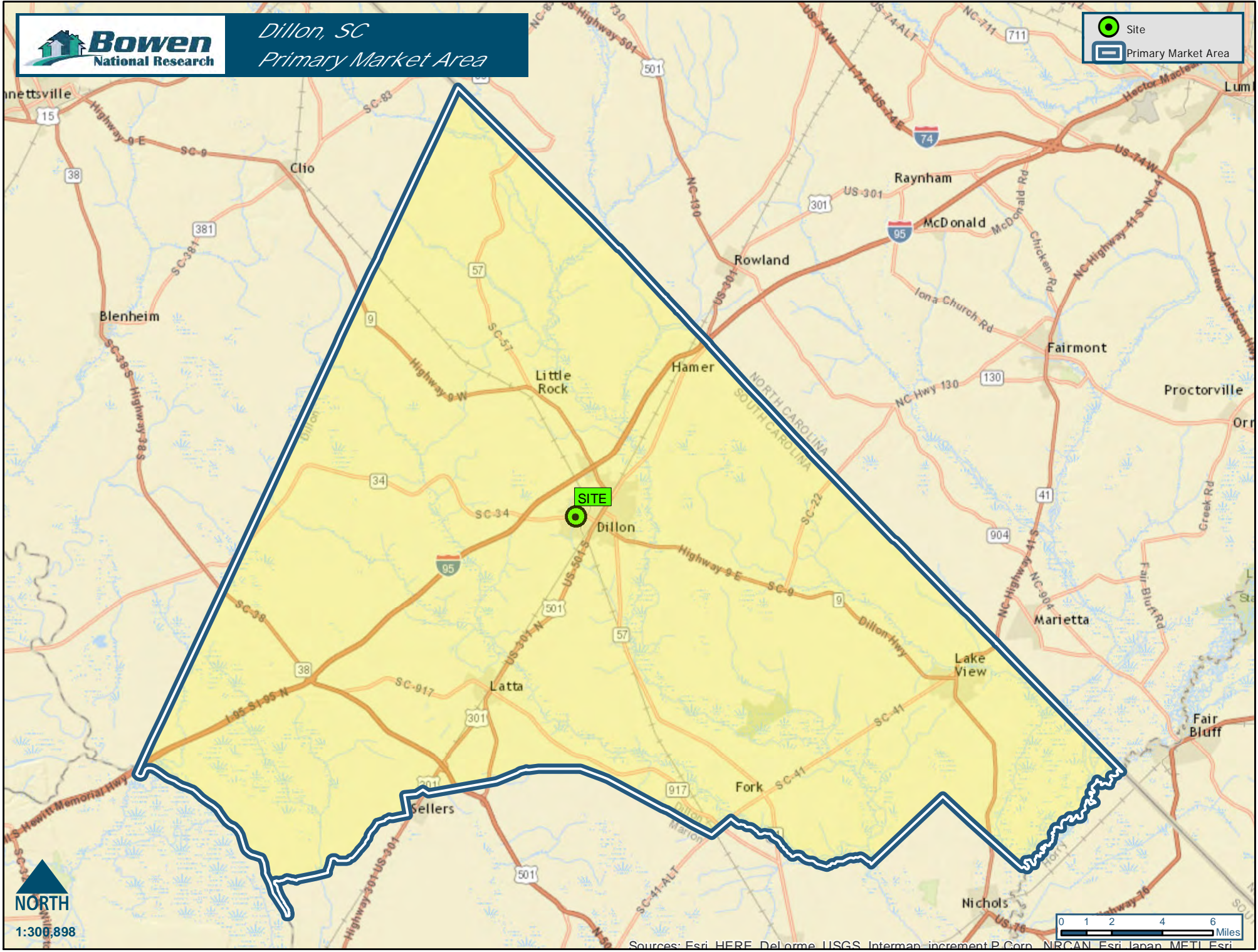
The majority of rental housing opportunities in Dillon County are located in the city of Dillon. The town of Latta and Lakeview are substantially smaller than Dillon and dominated by homeowners. However, the Site PMA was designed to include all three municipalities, as it is likely that any potential tenants in these areas would seek affordable rental housing in Dillon.

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



Dillon, SC
Primary Market Area

Site
Primary Market Area



NORTH
1:300,898

0 1 2 4 6 Miles

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

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

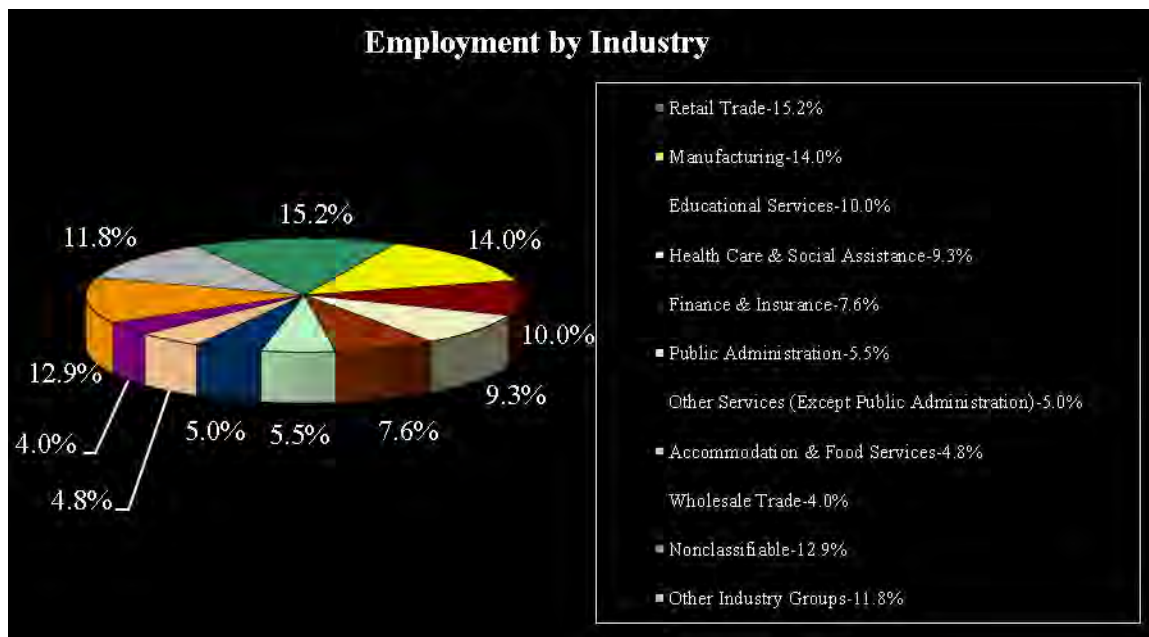
The labor force within the Dillon Site PMA is based primarily in three sectors. Retail Trade (which comprises 15.2%), Manufacturing and Educational Services comprise over 39% of the Site PMA labor force. Non-classifiable jobs comprised over 13% of the labor force. Employment in the Dillon Site PMA, as of 2014, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	106	8.2%	281	2.6%	2.7
Mining	0	0.0%	0	0.0%	0.0
Utilities	2	0.2%	6	0.1%	3.0
Construction	75	5.8%	224	2.1%	3.0
Manufacturing	28	2.2%	1,511	14.0%	54.0
Wholesale Trade	39	3.0%	426	4.0%	10.9
Retail Trade	203	15.7%	1,635	15.2%	8.1
Transportation & Warehousing	55	4.3%	217	2.0%	3.9
Information	14	1.1%	26	0.2%	1.9
Finance & Insurance	56	4.3%	815	7.6%	14.6
Real Estate & Rental & Leasing	42	3.2%	100	0.9%	2.4
Professional, Scientific & Technical Services	72	5.6%	159	1.5%	2.2
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	113	8.7%	211	2.0%	1.9
Educational Services	40	3.1%	1,078	10.0%	27.0
Health Care & Social Assistance	97	7.5%	1,000	9.3%	10.3
Arts, Entertainment & Recreation	9	0.7%	45	0.4%	5.0
Accommodation & Food Services	67	5.2%	520	4.8%	7.8
Other Services (Except Public Administration)	219	16.9%	537	5.0%	2.5
Public Administration	55	4.3%	589	5.5%	10.7
Nonclassifiable	1	0.1%	1,394	12.9%	1394.0
Total	1,293	100.0%	10,774	100.0%	8.3

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Pee Dee South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Pee Dee South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$82,080	\$94,400
Business and Financial Occupations	\$54,680	\$59,050
Computer and Mathematical Occupations	\$54,790	\$64,430
Architecture and Engineering Occupations	\$73,560	\$73,510
Community and Social Service Occupations	\$33,360	\$38,260
Art, Design, Entertainment and Sports Medicine Occupations	\$36,030	\$41,730
Healthcare Practitioners and Technical Occupations	\$59,880	\$66,190
Healthcare Support Occupations	\$21,870	\$25,350
Protective Service Occupations	\$31,860	\$33,200
Food Preparation and Serving Related Occupations	\$18,240	\$19,650
Building and Grounds Cleaning and Maintenance Occupations	\$22,080	\$22,470
Personal Care and Service Occupations	\$23,220	\$22,220
Sales and Related Occupations	\$25,730	\$30,800
Office and Administrative Support Occupations	\$29,130	\$31,460
Construction and Extraction Occupations	\$33,800	\$37,050
Installation, Maintenance and Repair Occupations	\$35,770	\$40,660
Production Occupations	\$33,910	\$34,720
Transportation and Moving Occupations	\$29,090	\$30,290

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

Most annual blue-collar salaries range from \$18,240 to \$36,030 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,998. It is important to note that most occupational types within the nonmetropolitan have lower typical wages than the State of South Carolina's typical wages. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The nine largest employers within Dillon County comprise a total of 4,875 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Purdue Farms	Food Processing	1,200
Harbor Freight Tools	Quality Major Brand Tools	1,100
Dillon County Schools	Education	600
Dillon County Government	Government	550
McLeod Health	Health Care	500
Wix Filters	Manufacturing	375
Franco Manufacturing	Manufacturing	300
Rock Tenn	Packaging	185
Signode	Packaging	65
Total		4,875

Source: Dillon County Economic Development Partnership

According to a representative with the Dillon County Economic Development Partnership, the county's economy continues to improve. The following are key factors impacting the local employment base:

- Harbor Freight Tools broke ground on its \$75-million distribution center expansion at the Tri-County Gateway Industrial Park in Dillon in 2013. The expansion doubled the size of Harbor Freights current facility in Dillon, from one million to approximately two million square feet and the local workforce increased by over 200 employees. The expansion completed in early 2014. The Tri-County I-95 Gateway Industrial Park is jointly owned by Dillon, Marlboro and Marion counties. All three counties helped in bringing the project to the area. The tax revenues will be equally shared among the three counties.
- In October 2014, Wyman-Gordon, a manufacturer of large titanium and super alloy forgings for the aerospace and power generation markets, announced that it will be constructing a manufacturing facility in the Northeastern Commerce Industrial Park in Dillon. This is anticipated to create 400 jobs over the next five years. The facility is anticipated to begin operations in late 2015.

WARN (layoff notices):

According to the SC works (www.scworks.org) website, there have been no WARN notices of large-scale layoffs/closures reported for Dillon County since 2011.

4. EMPLOYMENT TRENDS

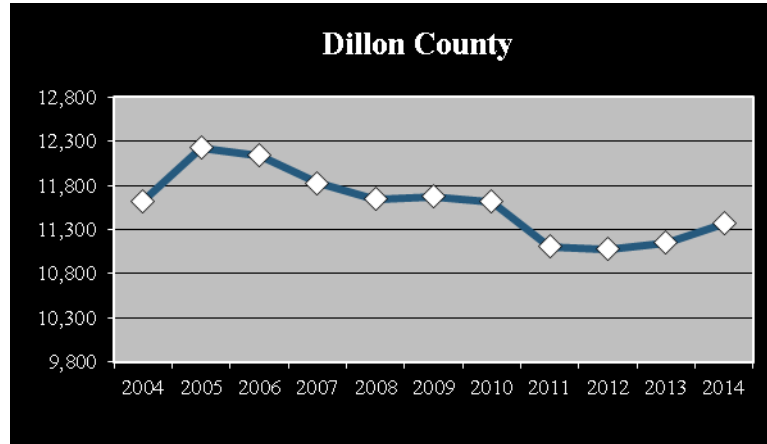
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2014, the employment base has declined by 4.5% over the past five years in Dillon County, while the state of South Carolina increased by 5.5%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Dillon County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	11,626	-	1,888,050	-	139,967,126	-
2005	12,225	5.2%	1,922,367	1.8%	142,299,506	1.7%
2006	12,139	-0.7%	1,970,912	2.5%	145,000,043	1.9%
2007	11,825	-2.6%	2,010,252	2.0%	146,388,369	1.0%
2008	11,646	-1.5%	1,998,368	-0.6%	146,047,748	-0.2%
2009	11,675	0.2%	1,911,658	-4.3%	140,696,560	-3.7%
2010	11,618	-0.5%	1,925,093	0.7%	140,457,589	-0.2%
2011	11,111	-4.4%	1,954,726	1.5%	141,727,933	0.9%
2012	11,079	-0.3%	1,989,055	1.8%	143,566,680	1.3%
2013	11,149	0.6%	2,016,188	1.4%	144,950,662	1.0%
2014*	11,370	2.0%	2,046,602	1.5%	146,735,092	1.2%

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



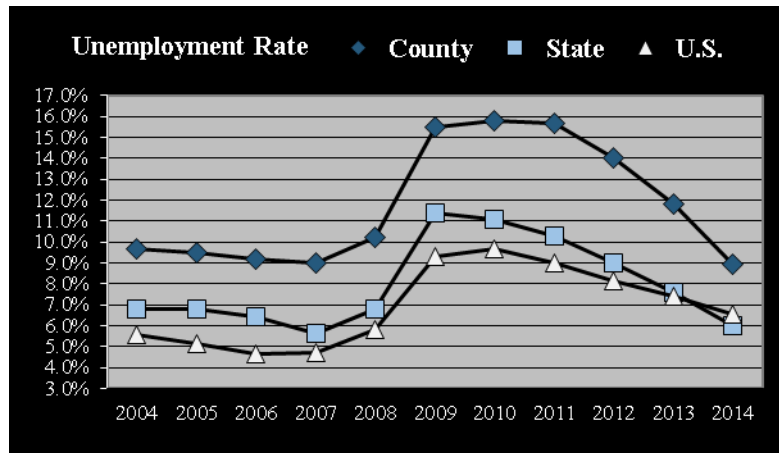
As the preceding illustrates, the county's employment base generally declined between 2005 and 2012, decreasing by 1,146 employees, or 9.4%. On a positive note, the employment base within the county has been increasing since 2012. This indicates that the local economy is in the beginning stages of recovery.

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

Year	Total Unemployment					
	Dillon County		South Carolina		United States	
	Number	Percent	Number	Percent	Number	Percent
2004	1,253	9.7%	139,169	6.8%	8,261,839	5.6%
2005	1,283	9.5%	139,366	6.7%	7,756,938	5.2%
2006	1,229	9.2%	135,760	6.4%	7,118,073	4.7%
2007	1,170	9.0%	120,205	5.7%	7,187,820	4.7%
2008	1,329	10.2%	145,823	6.8%	9,048,051	5.8%
2009	2,147	15.5%	242,075	11.2%	14,430,156	9.3%
2010	2,188	15.8%	240,623	11.2%	15,068,747	9.7%
2011	2,073	15.7%	228,937	10.5%	14,029,523	9.0%
2012	1,797	14.0%	199,830	9.2%	12,688,021	8.1%
2013	1,497	11.8%	166,641	7.6%	11,629,596	7.4%
2014*	1,122	9.0%	141,451	6.4%	10,261,373	6.5%

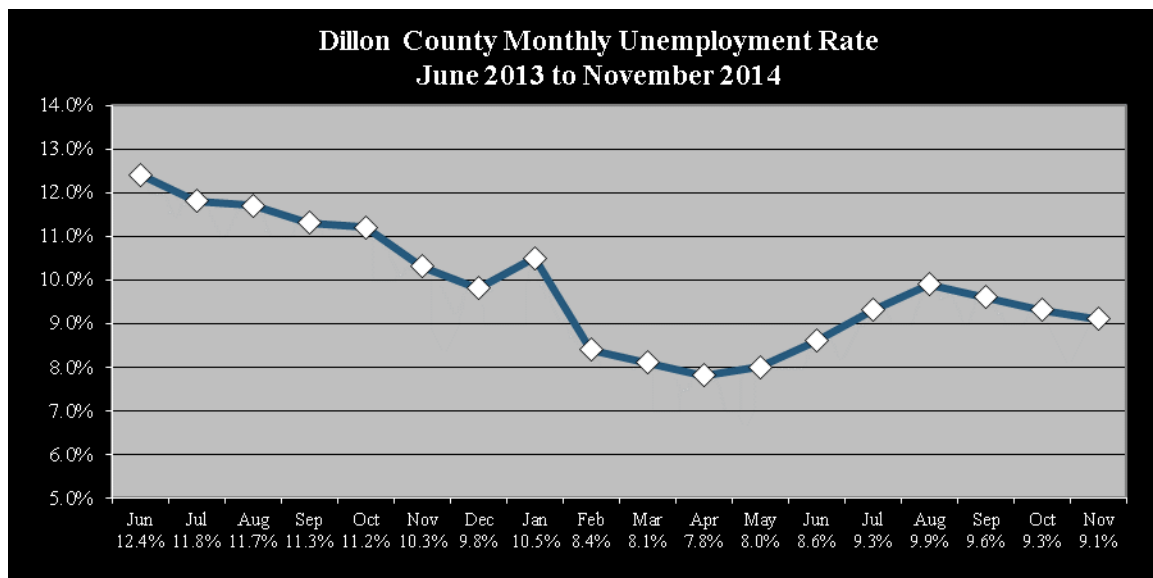
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Dillon County has ranged between 9.0% and 15.8%, well above both state and national averages since 2004. It should be noted that the unemployment rate increased by nearly seven percentage points between 2007 and 2010, which is consistent with trends experienced by much of the country during the national recession. On a positive note, the unemployment rate has consistently declined over the preceding five-year period; however, the unemployment rate still remains high at 9.0% (through November 2014).

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



While the county has experienced fluctuations in unemployment over the past 18 months, it has generally trended downward. The current unemployment rate is more than one percentage point lower than it was in November 2013.

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

In-Place Employment Dillon County			
Year	Employment	Change	Percent Change
2004	9,094	-	-
2005	9,557	463	5.1%
2006	9,470	-87	-0.9%
2007	9,209	-261	-2.8%
2008	9,107	-102	-1.1%
2009	9,146	39	0.4%
2010	8,825	-321	-3.5%
2011	8,487	-338	-3.8%
2012	8,366	-121	-1.4%
2013	8,252	-114	-1.4%
2014*	8,307	55	0.7%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2013, the most recent year that year-end figures are available, indicates in-place employment in Dillon County to be 74.0% of the total Dillon County employment. This means that Dillon County has more employed persons staying in the county for daytime employment than those who work outside of the county. This will have a positive impact on the subject's marketability, as it is likely that the site's residents will have minimal commute times to their place of employment.

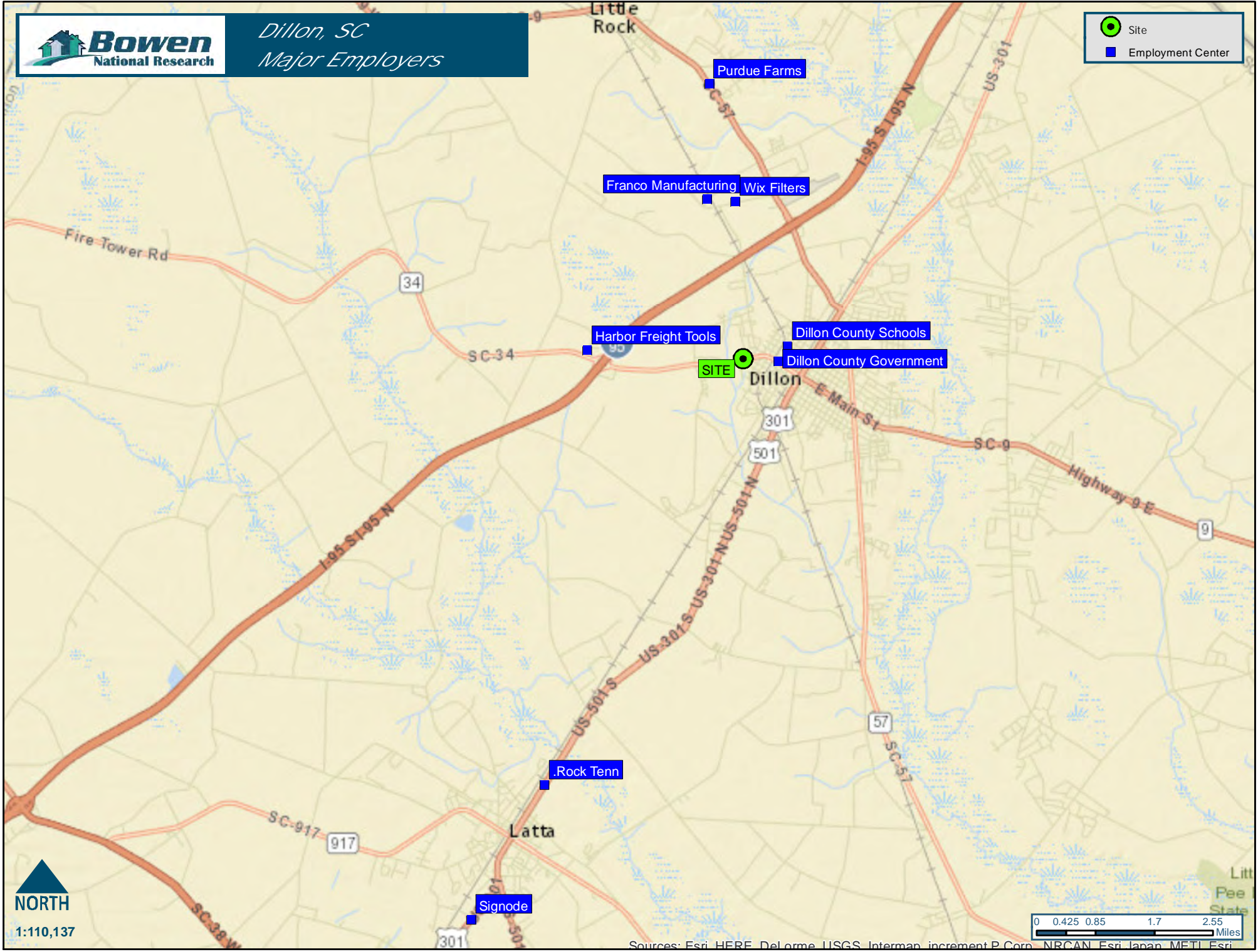
5. EMPLOYMENT CENTERS MAP

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



Dillon, SC
Major Employers

- Site
- Employment Center



NORTH
1:110,137



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	9,255	79.6%
Carpooled	1,661	14.3%
Public Transit	156	1.3%
Walked	294	2.5%
Other Means	51	0.4%
Worked at Home	208	1.8%
Total	11,625	100.0%

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

Nearly 80% of all workers drove alone, 14.3% carpooled and only 1.3% 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	4,787	41.2%
15 to 29 Minutes	3,514	30.2%
30 to 44 Minutes	1,892	16.3%
45 to 59 Minutes	614	5.3%
60 or More Minutes	610	5.2%
Worked at Home	208	1.8%
Total	11,625	100.0%

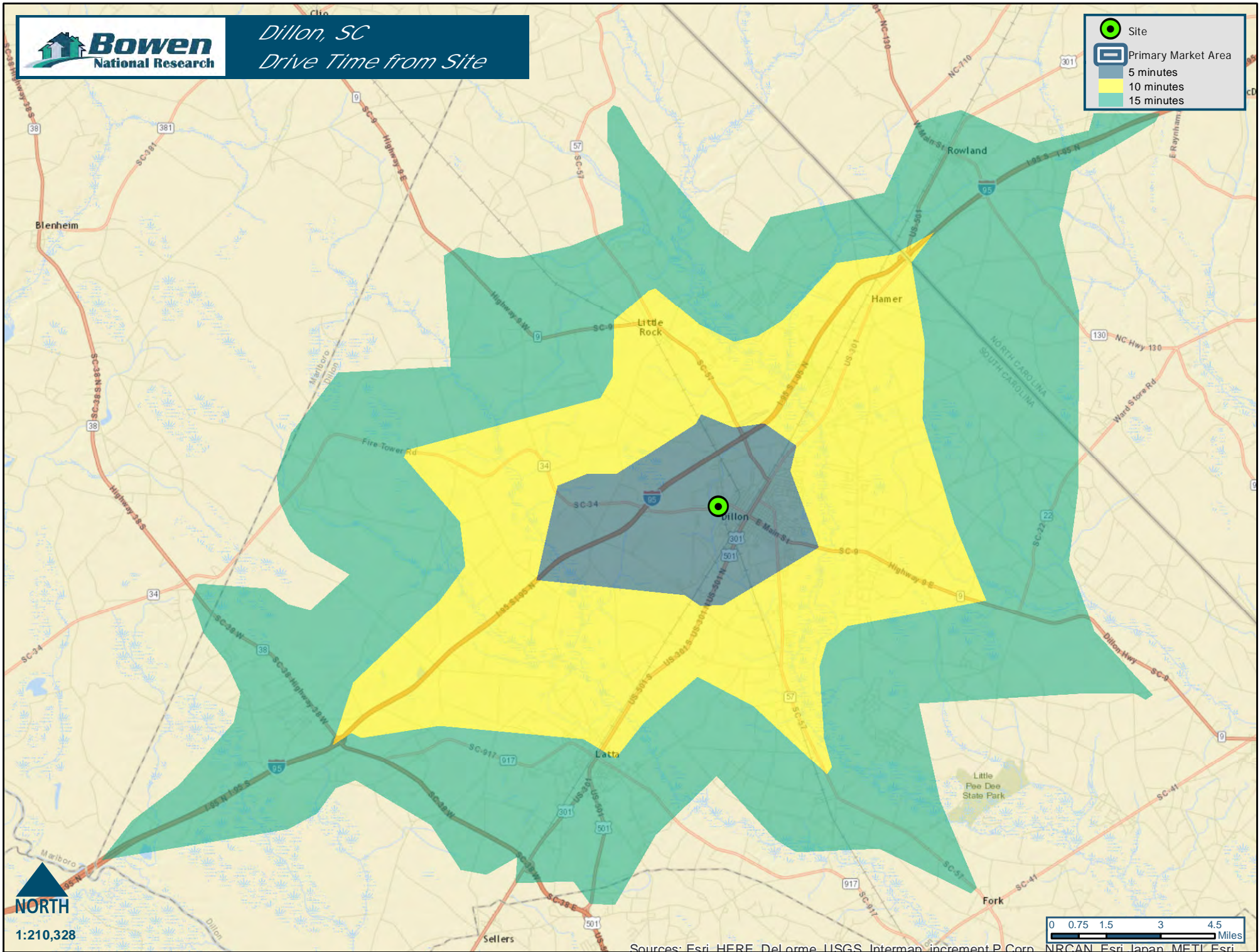
Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 15-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.



Dillon, SC
Drive Time from Site

- Site
- Primary Market Area
 - 5 minutes
 - 10 minutes
 - 15 minutes



NORTH
1:210,328

0 0.75 1.5 3 4.5
Miles

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

7. ECONOMIC FORECAST AND HOUSING IMPACT

The economic climate within Dillon County has historically been worse than state and national averages. Since 2004, the unemployment rate has been substantially higher in Dillon County versus the State of South Carolina and the United States. The average annual unemployment rate for 2014 was 9.0% in Dillon County versus 6.0% and 6.5% at the state and the national levels, respectively. Further, the county's employment base generally declined between 2005 and 2012, decreasing by 1,146 employees, or 9.4%. On a positive note, the employment base within the county has been expanding since 2012. It is anticipated to continue to experience growth within the next several years, due to the recent announcements of business growth within the county since 2013.

Nonetheless, considering the relatively high unemployment rate, the need for affordable housing within the area will continue to grow. This is further evidenced by the high combined occupancy rate among the affordable rental housing alternatives surveyed in the market. In addition, a high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford most current housing options in the market. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 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	30,722	32,062	32,275	32,181
Population Change	-	1,340	213	-94
Percent Change	-	4.4%	0.7%	-0.3%

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

Since 2000, the market's population base has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2017.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.4% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	451	1.4%
Population not in Group Quarters	31,611	98.6%
Total Population	32,062	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	9,496	29.6%	8,978	27.8%	8,876	27.6%	-102	-1.1%
20 to 24	1,988	6.2%	2,075	6.4%	1,873	5.8%	-202	-9.7%
25 to 34	3,907	12.2%	4,062	12.6%	4,003	12.4%	-59	-1.5%
35 to 44	3,911	12.2%	3,826	11.9%	3,866	12.0%	40	1.0%
45 to 54	4,573	14.3%	4,312	13.4%	4,053	12.6%	-259	-6.0%
55 to 64	4,028	12.6%	4,389	13.6%	4,424	13.7%	35	0.8%
65 to 74	2,400	7.5%	2,807	8.7%	3,134	9.7%	327	11.6%
75 & Over	1,759	5.5%	1,826	5.7%	1,953	6.1%	127	7.0%
Total	32,062	100.0%	32,275	100.0%	32,181	100.0%	-94	-0.3%

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

As the preceding table illustrates, over 51% of the population is expected to be between 25 and 64 years old in 2014. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

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%	44.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	40.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	2.1%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.9%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.8%

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 is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Households	11,199	11,923	12,096	12,079
Household Change	-	724	173	-17
Percent Change	-	6.5%	1.5%	-0.1%
Household Size	2.74	2.69	2.63	2.62

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

Similar to population trends, the market's household base has been generally stable since 2000 and is projected to remain relatively stable through 2017.

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	7,908	66.3%	7,805	64.5%	7,799	64.6%
Renter-Occupied	4,015	33.7%	4,291	35.5%	4,280	35.4%
Total	11,923	100.0%	12,096	100.0%	12,079	100.0%

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

In 2014, homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. The 4,291 renter households in 2014 represent a significant base of potential support in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,608	13.5%	1,738	14.4%	1,680	13.9%
\$10,000 to \$19,999	2,882	24.2%	2,864	23.7%	2,746	22.7%
\$20,000 to \$29,999	2,073	17.4%	2,097	17.3%	2,083	17.2%
\$30,000 to \$39,999	1,035	8.7%	1,067	8.8%	1,133	9.4%
\$40,000 to \$49,999	1,257	10.5%	1,427	11.8%	1,301	10.8%
\$50,000 to \$59,999	594	5.0%	640	5.3%	754	6.2%
\$60,000 to \$74,999	916	7.7%	840	6.9%	830	6.9%
\$75,000 to \$99,999	907	7.6%	813	6.7%	841	7.0%
\$100,000 to \$124,999	307	2.6%	323	2.7%	374	3.1%
\$125,000 to \$149,999	119	1.0%	88	0.7%	122	1.0%
\$150,000 to \$199,999	154	1.3%	127	1.1%	128	1.1%
\$200,000 & Over	73	0.6%	71	0.6%	86	0.7%
Total	11,923	100.0%	12,096	100.0%	12,079	100.0%
Median Income	\$27,101		\$26,895		\$27,742	

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

In 2010, the median household income was \$27,101. This declined by 0.8% to \$26,895 in 2014. By 2017, it is projected that the median household income will be \$27,742, an increase of 3.1% from 2014.

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 Dillon Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	443	86	163	61	139	892
\$10,000 to \$19,999	450	311	221	67	119	1,167
\$20,000 to \$29,999	248	192	27	153	150	770
\$30,000 to \$39,999	41	50	53	81	36	260
\$40,000 to \$49,999	19	165	88	30	128	431
\$50,000 to \$59,999	11	12	74	2	6	106
\$60,000 to \$74,999	15	39	20	100	16	191
\$75,000 to \$99,999	8	57	22	3	4	94
\$100,000 to \$124,999	3	8	0	1	1	13
\$125,000 to \$149,999	6	3	1	0	2	12
\$150,000 to \$199,999	4	3	1	44	4	56
\$200,000 & Over	8	1	4	6	3	22
Total	1,255	927	676	549	608	4,015

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	480	131	201	72	150	1,033
\$10,000 to \$19,999	476	319	233	64	116	1,208
\$20,000 to \$29,999	264	189	28	135	150	767
\$30,000 to \$39,999	42	63	45	84	47	281
\$40,000 to \$49,999	25	191	94	29	134	473
\$50,000 to \$59,999	12	11	72	3	8	106
\$60,000 to \$74,999	10	34	15	139	26	224
\$75,000 to \$99,999	13	35	33	2	5	88
\$100,000 to \$124,999	8	5	0	1	2	16
\$125,000 to \$149,999	4	4	0	1	1	11
\$150,000 to \$199,999	4	2	3	49	3	62
\$200,000 & Over	9	0	2	9	2	22
Total	1,348	984	725	588	645	4,291

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	466	125	187	72	152	1,003
\$10,000 to \$19,999	469	301	228	60	114	1,172
\$20,000 to \$29,999	281	203	26	129	144	782
\$30,000 to \$39,999	47	73	53	88	50	311
\$40,000 to \$49,999	24	164	90	25	124	426
\$50,000 to \$59,999	14	14	85	3	9	125
\$60,000 to \$74,999	15	41	15	144	27	242
\$75,000 to \$99,999	14	44	32	3	5	97
\$100,000 to \$124,999	8	9	0	0	2	20
\$125,000 to \$149,999	6	3	1	4	3	16
\$150,000 to \$199,999	2	2	5	48	5	62
\$200,000 & Over	6	1	3	10	3	23
Total	1,352	980	723	586	639	4,280

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Over one-third of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain stable through 2017. Regardless, the 4,291 renter households in 2014 represent a significant base of potential support in the market for the subject development. As discussed later in Section H of this report, nearly all LIHTC communities are 100.0% occupied. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

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

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

The subject site is within Dillon County, South Carolina, which has a four-person median household income of \$33,200 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 at various levels of AMHI:

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. 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 \$582 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,984. 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 \$19,954.

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)	\$19,954	\$29,200
Tax Credit (Limited To 60% Of AMHI)	\$22,526	\$35,040
Overall Project	\$19,954	\$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 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

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

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 23.9% to 24.3% (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, 9.2% 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 2014 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2014 to current). We did not identify any projects that were placed in service prior to 2014 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$19,954-\$29,200)	60% AMHI (\$22,526-\$35,040)	Overall (\$19,954-\$35,040)
Demand From New Renter Households (Age- And Income-Appropriate)	725 - 711 = 14	741 - 714 = 27	944 - 914 = 30
+			
Demand From Existing Households (Rent Overburdened)	711 X 24.3% = 173	714 X 23.9% = 171	914 X 24.2% = 221
+			
Demand From Existing Households (Renters In Substandard Housing)	711 X 9.2% = 65	714 X 9.2% = 66	914 X 9.2% = 84
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	252	264	335
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0
=			
Net Demand	252	264	335
Proposed Units	12	48	60
Proposed Units/ Net Demand	12 / 252	48 / 264	60 / 335
Capture Rate	= 4.8%	= 18.2%	= 17.9%

The capture rates for units targeting households at 50% and 60% of AMHI range from 4.8% to 18.2% and are considered low and achievable. The overall capture rate for the subject project is also considered low and achievable at 17.9%. The capture rates demonstrate that there is a significant base of income-qualified renter households that will be able to support the subject project, especially considering the lack of available non-subsidized LIHTC units within the market.

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	20%
Two-Bedroom	50%
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 (252 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 (20%)	50	0	50	-	-
Two-Bedroom (50%)	126	0	126	4	3.2%
Three-Bedroom (30%)	76	0	76	8	10.5%

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

Units Targeting 60% Of AMHI (264 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 (20%)	53	0	53	-	-
Two-Bedroom (50%)	132	0	132	24	18.2%
Three-Bedroom (30%)	79	0	79	24	30.4%

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

The capture rates by bedroom type for the proposed 50% and 60% income level units range from 3.2% to 30.4%. These capture rates are considered achievable, especially when considering the existing non-subsidized Tax Credit units in Dillon Site PMA are 100.0% occupied.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 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. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project’s rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project’s initial lease-up period. Note that Voucher support has 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 our opinion that the proposed 60 LIHTC units at the subject site will experience an average initial absorption rate of approximately eight units per month and reach a stabilized occupancy of 93.0% within approximately seven months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

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

Due to the limited amount of non-subsidized Tax Credit product within the Dillon Site PMA, we identified and surveyed two additional Tax Credit properties outside of the Site PMA, but within the nearby region in Marion, South Carolina, approximately 19.0 miles south of Dillon. Due to the distance between Marion and Dillon, there will be no competitive overlap between the subject project and these LIHTC properties. These properties do, however, provide a base of comparison for which to evaluate the subject project.

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hyman Village	2017	60	-	-	-	Families; 50% & 60% AMHI
6	Dover Village	1997	40	100.0%	1.1 Miles	6 H.H.	Families; 50% AMHI
7	Hunter's Crossing	2005	40	100.0%	0.4 Miles	6 H.H.	Families; 50% & 60% AMHI
904	Cedar Creek Apts.	2000	40	100.0%	20.4 Miles	6 H.H.	Families; 50% & 60% AMHI
905	Southern Forest Apts.	1997	40	100.0%	18.1 Miles	10 H.H.	Families; 60% AMHI

OCC. – Occupancy

H.H. – Households

Map IDs 904 & 905 are located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain wait lists. This illustrates that pent-up demand exists for additional affordable housing within both the market and region. The subject project will be able to accommodate a portion of this unmet demand within the Site PMA.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)		Rent Special
		Two-Br.	Three-Br.	
Site	Hyman Village	\$582/50% (4) \$657/60% (24)	\$669/50% (8) \$769/60% (24)	-
6	Dover Village	\$589/50% (24/0)	\$732/50% (16/0)	None
7	Hunter's Crossing	\$576/50% (14/0) \$601/60% (6/0)	\$654/50% (10/0) \$694/60% (10/0)	None
904	Cedar Creek Apts.	\$552/50% (22/0)	\$646/50% (14/0)	None
905	Southern Forest Apts.	\$570/60% (2/0)	\$688/60% (2/0)	None
		\$574/60% (24/0)	\$722/60% (16/0)	None

Map IDs 904 & 905 are located outside the Site PMA

The proposed subject gross rents set aside at 50% of AMHI, ranging from \$582 to \$669, will be within the range of rents offered at the other LIHTC rental alternatives in the market, targeting similar income levels. Considering that all comparable LIHTC projects are 100.0% occupied with wait lists and the fact that the subject's rents at 50% of AMHI are competitively priced, they are considered appropriate for the market. The proposed subject gross rents set aside at 60% of AMHI, ranging from \$657 to \$769, on the other hand, will be slightly higher (\$56 to \$75) than the 60% of AMHI rents offered in the market. Considering that all LIHTC developments in the market are 100.0% occupied, it is likely that higher rents can be charged while maintaining stabilized occupancy levels. Further, considering that the subject project will be at least 12 years newer than the two competitive LIHTC projects in the market, offering larger unit sizes and a superior amenities package as illustrated later in this section of the report, this will also enable the subject development to achieve higher rents. Overall, the proposed subject rents at 60% of AMHI are considered appropriate for the market.

The following table identifies the properties that accept Housing Choice Vouchers in the Site PMA, 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
6	Dover Village	40	10	25.0%
7	Hunter's Crossing	40	7	17.5%
Total		80	17	21.3%

As the preceding table illustrates, there are a total of approximately 17 voucher holders residing at the comparable properties within the market. This comprises 21.3% of the 80 total non-subsidized LIHTC units in the market.



Therefore, nearly 79% of the competitive units are occupied by tenants who are currently not receiving rental assistance. As such, it can be concluded that the gross rents at these properties are achievable as evidenced by the overall 100.0% occupancy.

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

6 Dover Village

1.1 miles to site



Address 414 S. Longstreet Rd.
Dillon, SC 29536

Phone (843) 774-4488 **Contact** Louise

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

Project Type Tax Credit

Year Open 1997 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 6 households

Ratings: **Quality** B **Neighborhood** C **Access/Visibility**

Remarks 50% AMHI; HCV (10 units)

FEATURES AND UTILITIES

- Utilities** No landlord paid utilities
- 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
- Parking** Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	775	\$0.52	\$405	50%
3	1.5	G	16	0	990	\$0.52	\$510	50%

7

Hunter's Crossing

0.4 miles to site



Address 701 S. 9th Ave.
Dillon, SC 29536

Phone (843) 774-1625 **Contact** Betty

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

Project Type Tax Credit

Year Open 2005 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 6 households

Ratings: **Quality** B+ **Neighborhood** B **Access/Visibility**

Remarks 50% & 60% AMHI; HCV (7 units); Handicap (3 units)

FEATURES AND UTILITIES

Utilities Landlord pays Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button, Exterior Storage

Project Amenities On-site Management, Laundry Facility, Club House, Playground, Sports Court, Computer Lab, Picnic Area

Parking Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	6	0	964	\$0.45	\$430	60%
2	2	G	14	0	964	\$0.42	\$405	50%
3	2	G	10	0	1236	\$0.39	\$485	60%
3	2	G	10	0	1236	\$0.36	\$445	50%

904 Cedar Creek Apts.

20.4 miles to site



Address	1510 Mill St. Marion, SC 29571		
Phone	(843) 423-1111	Contact	Christy
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2000	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	6 households		
Ratings:	Quality B	Neighborhood C	Access/Visibility B
Remarks	50% & 60% AMHI; HCV (20 units); HOME Funds (40 units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Patio/Deck/Balcony, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	2	0	959	\$0.42	\$399	60%
2	1	G	22	0	959	\$0.40	\$381	50%
3	2	G	2	0	1183	\$0.40	\$479	60%
3	2	G	14	0	1183	\$0.37	\$437	50%

905 Southern Forest Apts.

18.1 miles to site



Address	132 Luther Rogers Rd. Marion, SC 29571		
Phone	(843) 423-4441	Contact	Louise
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1997	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	10 households		
Ratings:	Quality B-	Neighborhood C	Access/Visibility C
Remarks	60% AMHI; HCV (8 units); HOME Funds (8 units)		

FEATURES AND UTILITIES

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Picnic Area
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	24	0	770	\$0.51	\$390	60%
3	1.5	G	16	0	995	\$0.50	\$500	60%

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	
		Two-Br.	Three-Br.
Site	Hyman Village	1,200	1,350
6	Dover Village	775	990
7	Hunter's Crossing	964	1,236
904	Cedar Creek Apts.	959	1,183
905	Southern Forest Apts.	770	995

Map IDs 904 & 905 are located outside the Site PMA

Map I.D.	Project Name	Number of Baths	
		Two-Br.	Three-Br.
Site	Hyman Village	2.0	2.0
6	Dover Village	1.0	1.5
7	Hunter's Crossing	2.0	2.0
904	Cedar Creek Apts.	1.0	2.0
905	Southern Forest Apts.	1.0	1.5

Map IDs 904 & 905 are located outside the Site PMA

The proposed development will offer the largest unit sizes, in terms of square footage and number of bathrooms offered, in the market and region. As such, this will provide the subject with a competitive advantage and will allow it to achieve a premium in the Site PMA.

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



COMPARABLE PROPERTIES AMENITIES - DILLON, SOUTH CAROLINA

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		C	
6	X	X		X	X		X		C		X	X					B		S	Exterior Storage
7	X	X		X	X	X	X		C		X	X	X				B	S	S	Exterior Storage
904	X	X					X		C			X					B		S	Storage
905	X	X		X	X		X		C		X	X					B		S	

MAP ID	PROJECT AMENITIES														OTHER					
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	
SITE		X	X	X		X		X			X			X		X		X		Security Cameras
6		X	X		X		X							X						
7		X	X	X			X		V					X		X				
904		X	X		X		X													
905		X	X		X		X									X				

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

As the preceding table illustrates, the proposed unit amenities are comprehensive and will be slightly superior to those offered at the comparable Tax Credit rental alternatives in the market and region. The fact that the proposed development will be one of few properties offering microwave ovens in each kitchen will provide the project with a slight competitive advantage. The subject project will also offer a comprehensive property amenities package that will also be superior to the comparable LIHTC properties, as the proposed development will be one of few properties to offer a business/computer center and picnic area, and the only community to offer covered parking. This will also provide the proposed development with a competitive advantage.

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive. Although the proposed subject rents at 60% of AMHI will be slightly higher than the rents offered at the competitive LIHTC projects, the subject project will be at least 12 years newer than the two competitive LIHTC projects in the market, offering larger unit sizes and a superior amenities package. These factors will allow the proposed development to achieve a significant premium in the market.

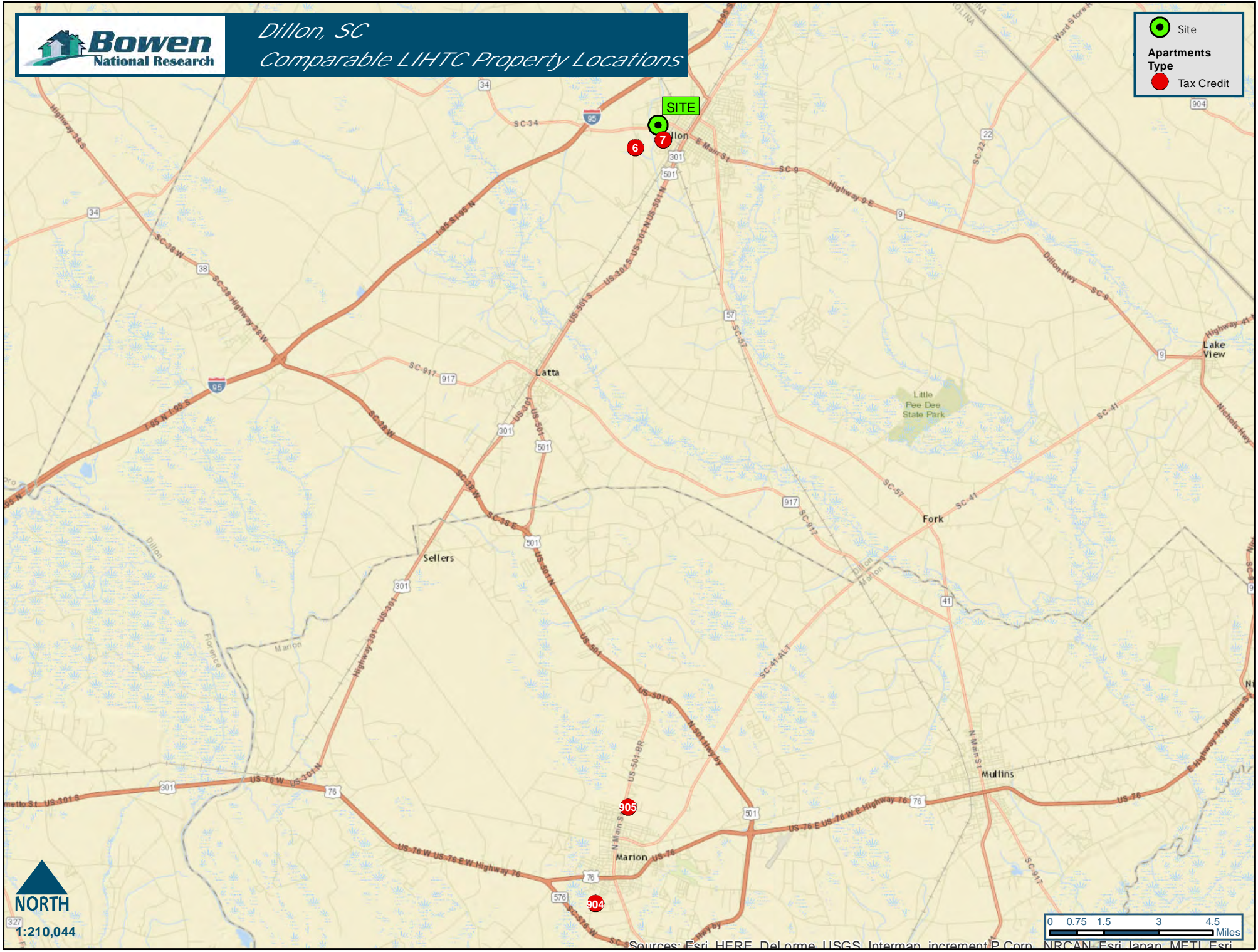
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Dillon, SC
Comparable LIHTC Property Locations

Site
Apartment Type
Tax Credit



NORTH
1:210,044

0 0.75 1.5 3 4.5
Miles

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 Dillon 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	11,923	86.8%	12,096	86.2%
Owner-Occupied	7,908	66.3%	7,805	64.5%
Renter-Occupied	4,015	33.7%	4,291	35.5%
Vacant	1,819	13.2%	1,938	13.8%
Total	13,742	100.0%	14,034	100.0%

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

Based on a 2014 update of the 2010 Census, of the 14,034 total housing units in the market, 13.8% were vacant. In 2014, it was estimated that homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. The share of renters is considered typical for a rural market and the 4,291 renter households in 2014 represent a significant base of potential support in the market for the proposed development.

We identified and personally surveyed 16 conventional housing projects containing a total of 708 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 96.2%, a good rate for rental housing. Among these projects, six are non-subsidized (market-rate and Tax Credit) projects containing 256 units. These non-subsidized units are 91.0% occupied. The remaining ten projects contain 452 government-subsidized units, which are 99.1% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	4	176	23	86.9%
Tax Credit	2	80	0	100.0%
Tax Credit/Government-Subsidized	7	254	4	98.4%
Government-Subsidized	3	198	0	100.0%
Total	16	708	27	96.2%

Overall, the rental housing market is performing well, with a 96.2% overall occupancy rate. It should be noted that the market-rate segment is currently operating with a less than stable occupancy rate; however, the affordable housing segments are performing extremely well, with a 99.2% overall occupancy rate.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	22	12.5%	4	18.2%	\$444
Two-Bedroom	1.0	90	51.1%	9	10.0%	\$517
Two-Bedroom	1.5	12	6.8%	0	0.0%	\$658
Three-Bedroom	1.0	36	20.5%	8	22.2%	\$647
Four-Bedroom	1.5	16	9.1%	2	12.5%	\$740
Total Market-rate		176	100.0%	23	13.1%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	24	30.0%	0	0.0%	\$589
Two-Bedroom	2.0	20	25.0%	0	0.0%	\$576
Three-Bedroom	1.5	16	20.0%	0	0.0%	\$732
Three-Bedroom	2.0	20	25.0%	0	0.0%	\$654
Total Tax Credit		80	100.0%	0	0.0%	-

The market-rate units are 86.9% occupied and the Tax Credit units are 100.0% occupied. It should be noted that all of the vacancies are located in two of the market-rate projects, Sunflower Place (Map I.D. 1) and Interstate Apartments (Map I.D. 8). Based on our review of these projects, we believe vacancies are attributed to the projects' undesirable quality and neighborhood location.

The distribution of two- and three-bedroom units comprises all of the non-subsidized Tax Credit units in the market. Given that all non-subsidized LIHTC units are occupied, this provides evidence that these units have been well received within the market and denotes pent-up demand for such units. Considering that the subject project will offer two- and three-bedroom units, it will be able to accommodate a portion of this unmet demand in the market.

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	3	132	17.4%
1980 to 1989	1	44	0.0%
1990 to 1999	1	40	0.0%
2000 to 2005	1	40	0.0%
2006 to 2015*	0	0	0.0%
Total	6	256	9.0%

*As of January

Nearly 69% of all non-subsidized apartments surveyed were built prior to 1990. These older apartments have a vacancy rate of 13.1%, significantly higher than the overall market. Approximately 40 units have been added to the market since 2000. These newer units have a 0.0% vacancy rate, illustrating that newer product has been well received within the market. The bulk of the existing rental housing stock is considered to be old and it can be concluded that age has had an impact on vacancies.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B-	2	56	0.0%
C-	2	120	19.2%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	40	0.0%
B	1	40	0.0%

Vacancies only exist among the surveyed properties with ratings of a "C-". Therefore, there appears to be a correlation between vacancy rates and quality levels among the non-subsidized communities. The newly developed subject project is anticipated to have a high quality finish, which will likely increase its attractiveness within the Dillon Site PMA.

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 Dillon Site PMA is on the following page.

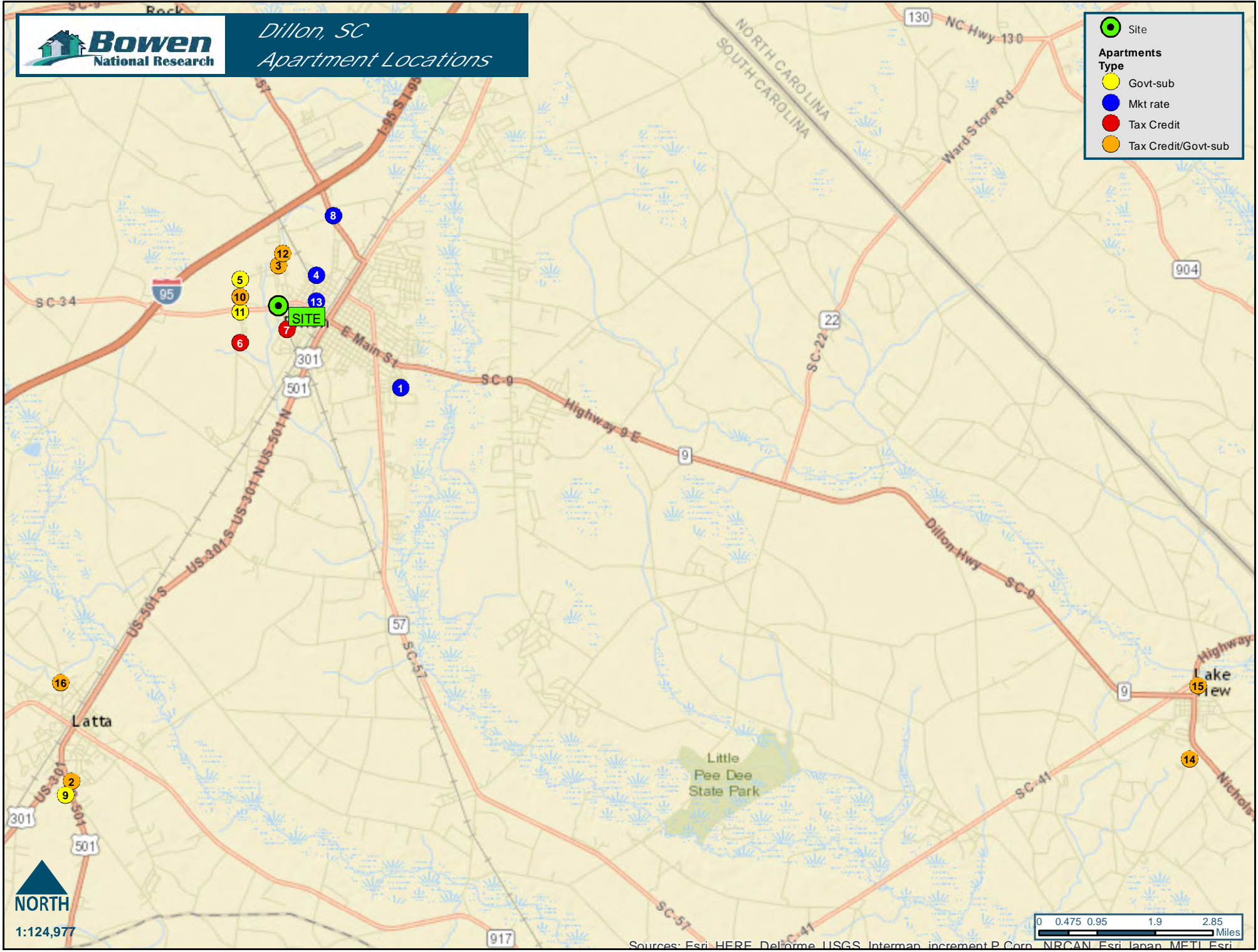


Dillon, SC
Apartment Locations

● Site

Apartment Type

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



NORTH
1:124,977



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, it was determined that no official plans for additional multifamily units for the area exist.

7. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

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

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

Stabilized Comparable Tax Credit and Market-Rate Projects					
Map I.D.	Project Name	Year Built	Project Type	Total Units	Occupancy Rate
Site	Hyman Village	2017	TC	60	-
6	Dover Village	1997	TC	40	100.0%
7	Hunters Crossing	2005	TC	40	100.0%
Total				80	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 Dillon Site PMA that we consider comparable to the proposed subject development based on the bedroom types offered. It should be noted that there is a limited supply of conventional market-rate rentals available within the market area. As such, older and less desirable apartment communities within the market area have been selected. However, these less desirable apartments have been adjusted appropriately to determine the appropriate market rent. In addition, it was necessary to survey three additional developments located within the nearby city of Florence that we consider comparable to the subject development based on their modern design and age. Note, an adjustment for the difference between the Dillon and Florence markets has been made. Combined, these five selected properties are used to derive market rents 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 with 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	Hyman Village	2017	60	-	-	28 (-)	32 (-)
8	Interstate Apts.	1978 / 2008	28	89.3%	-	28 (89.3%)	-
13	Tree Top Apts.	1972	12	100.0%	-	12 (100.0%)	-
901	Bentree Apt. Homes	1982	132	98.5%	36 (100.0%)	72 (97.2%)	24 (100.0%)
902	Charles Pointe Apts.	2001	168	99.4%	42 (100.0%)	114 (100.0%)	12 (91.7%)
903	Reserve at Mill Creek	2008	268	98.5%	122 (96.7%)	122 (100.0%)	24 (100.0%)

Occ. - Occupancy

900 series Map IDs located outside of Site PMA

As previously discussed, Interstate Apartments (Map I.D. 8) is considered outdated and undesirable within the Site PMA. However, due to the lack of comparable market-rate properties, it was necessary to select Interstate Apartments in order to have representation of the Dillon Site PMA within the Achievable Market Rent analysis. Note that the various features considered undesirable at Sunflower Place have been accounted for in the following HUD Rent Comparability Grids. The remaining projects all have occupancy rates between 98.5% and 100.0%. These high occupancy rates indicate that these projects have been well received within their respective markets and will serve as accurate benchmarks with which to compare to the proposed 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		
Hyman Village		Interstate Apts.		Tree Top Apts.		Bentree Apt. Homes		Charles Pointe Apts.		Reserve at Mill Creek		
State Route 34, less than 0.1 mile west of West Calhoun St.		Enterprise Rd.		Elizabeth Ln.		200 Bentree Ln.		201 Millstone Rd.		2350 Freedom Blvd.		
Dillon, SC		Dillon, SC		Dillon, SC		Florence, SC		Florence, SC		Florence, SC		
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
1	\$ Last Rent / Restricted?	\$425		\$465		\$690		\$820		\$1,023		
2	Date Surveyed	Jan-15		Jan-15		Jan-15		Jan-15		Jan-15		
3	Rent Concessions	None		None		None		None		None		
4	Occupancy for Unit Type	89%		100%		97%		100%		100%		
5	Effective Rent & Rent/ sq. ft	\$425	0.47	\$465	0.49	\$690	0.81	\$820	0.81	\$1,023	0.91	
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	WU/2		TH/2		WU/2		WU/3		WU/3		
7	Yr. Built/Yr. Renovated	2017	1978/2008	\$24	1972	\$45	1982	\$35	2001	\$16	2008	\$9
8	Condition /Street Appeal	E	F	\$30	G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?		Yes		Yes		No	(\$173)	No	(\$205)	No	(\$256)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
11	# Bedrooms	2	2		2		2		2		2	
12	# Baths	2	1	\$30	1.5	\$15	1.5	\$15	2		2	
13	Unit Interior Sq. Ft.	1200	900	\$53	950	\$44	850	\$62	1010	\$34	1130	\$12
14	Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C	W	\$5	C		C		C		C	
16	Range/ Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	N/N	\$15	N/Y	\$5	N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	HU/L	HU	\$5	W/D	(\$25)	L	\$10	HU	\$5	HU/L	
19	Floor Coverings	C	C		C		C		C		C	
20	Window Coverings	B	B		B		B		B		B	
21	Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y	Y		N	\$5	Y		Y		Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
24	Parking (\$ Fee)	CARPOR	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20
25	On-Site Management	Y	N	\$5	N	\$5	Y		Y		Y	
26	Security Cameras	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
27	Clubhouse/ Meeting Rooms	Y	N	\$5	N	\$5	Y		N	\$5	Y	
28	Pool/ Recreation Areas	F	N	\$5	N	\$5	P	(\$5)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area/Storage	Y/Y	N/N	\$6	N/N	\$6	N/N	\$6	Y/Y		Y/Y	
31	Playground	Y	N	\$3	N	\$3	Y		Y		Y	
32	Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
33	Heat (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E	
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water/ Sewer	N/N	Y/Y	(\$50)	N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N	Y/N		N/N	\$13	Y/N		Y/N		N/N	\$13
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D	15		14	1	10	3	8	4	4	4	
41	Sum Adjustments B to D	\$214		\$181	(\$25)	\$176	(\$183)	\$103	(\$230)	\$46	(\$281)	
42	Sum Utility Adjustments		(\$50)	\$13						\$13		
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
43	Net/ Gross Adjmts B to E	\$164	\$264	\$169	\$219	(\$7)	\$359	(\$127)	\$333	(\$222)	\$340	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		
44	Adjusted Rent (5+ 43)	\$589		\$634		\$683		\$693		\$801		
45	Adj Rent/Last rent		139%		136%		99%		84%		78%	
46	Estimated Market Rent	\$680	\$0.57	← Estimated Market Rent/ Sq. Ft								

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5			
Hyman Village		Interstate Apts.		Tree Top Apts.		Bentree Apt. Homes		Charles Pointe Apts.		Reserve at Mill Creek			
State Route 34, less than 0.1 mile west of West Calhoun St.		Enterprise Rd.		Elizabeth Ln.		200 Bentree Ln.		201 Millstone Rd.		2350 Freedom Blvd.			
Dillon, SC		Dillon, SC		Dillon, SC		Florence, SC		Florence, SC		Florence, SC			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
1	\$ Last Rent / Restricted?	\$425		\$465		\$788		\$975		\$1,313			
2	Date Surveyed	Jan-15		Jan-15		Jan-15		Jan-15		Jan-15			
3	Rent Concessions	None		None		None		None		None			
4	Occupancy for Unit Type	89%		100%		100%		92%		100%			
5	Effective Rent & Rent/ sq. ft	\$425	0.47	\$465	0.49	\$788	0.72	\$975	0.79	\$1,313	1.02		
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
6	Structure / Stories	WU/2		TH/2		WU/2		WU/3		WU/3			
7	Yr. Built/Yr. Renovated	2017	1978/2008	\$24	1972	\$45	1982	\$35	2001	\$16	2008	\$9	
8	Condition /Street Appeal	E	F	\$30	G	\$15	G	\$15	G	\$15	E		
9	Neighborhood	G	G		G		G		E	(\$10)	E	(\$10)	
10	Same Market?		Yes		Yes		No	(\$197)	No	(\$244)	No	(\$328)	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
11	# Bedrooms	3	2	\$50	2	\$50	3		3		3		
12	# Baths	2	1	\$30	1.5	\$15	2		2		2		
13	Unit Interior Sq. Ft.	1350	900	\$82	950	\$73	1100	\$45	1230	\$22	1285	\$12	
14	Balcony/ Patio	Y	Y		Y		Y		Y		Y		
15	AC: Central/ Wall	C	W	\$5	C		C		C		C		
16	Range/ Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F		
17	Microwave/ Dishwasher	Y/Y	N/N	\$15	N/Y	\$5	N/Y	\$5	Y/Y		Y/Y		
18	Washer/Dryer	HU/L	HU	\$5	W/D	(\$25)	HU/L		HU	\$5	HU/L		
19	Floor Coverings	C	C		C		C		C		C		
20	Window Coverings	B	B		B		B		B		B		
21	Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N		
22	Garbage Disposal	N	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)	
23	Ceiling Fans	Y	Y		N	\$5	Y		Y		Y		
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
24	Parking (\$ Fee)	CARPORT	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20	LOT/\$0	\$20	
25	On-Site Management	Y	N	\$5	N	\$5	Y		Y		Y		
26	Security Cameras	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
27	Clubhouse/ Meeting Rooms	Y	N	\$5	N	\$5	Y		N	\$5	Y		
28	Pool/ Recreation Areas	F	N	\$5	N	\$5	P	(\$5)	P/F	(\$10)	P/F	(\$10)	
29	Computer/Business Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	Y		
30	Picnic Area/Storage	Y/Y	N/N	\$6	N/N	\$6	N/N	\$6	Y/Y		Y/Y		
31	Playground	Y	N	\$3	N	\$3	Y		Y		Y		
32	Social Services	N	N		N		N		N		N		
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
33	Heat (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E		
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E		
35	Cooking (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E		
36	Hot Water (in rent?/ type)	N/E	N/E		N/E		N/G		N/E		N/E		
37	Other Electric	N	N		N		N		N		N		
38	Cold Water/ Sewer	N/N	Y/Y	(\$59)	N/N		N/N		N/N		N/N		
39	Trash/Recycling	Y/N	Y/N		N/N	\$13	Y/N		Y/N		N/N	\$13	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg		
40	# Adjustments B to D		16		15	1		8	3	8	4	4	
41	Sum Adjustments B to D		\$293		\$260	(\$25)		\$134	(\$207)	\$91	(\$269)	\$46	(\$353)
42	Sum Utility Adjustments			(\$59)	\$13							\$13	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross		
43	Net/ Gross Adjmts B to E		\$234	\$352	\$248	\$298	(\$73)	\$341	(\$178)	\$360	(\$294)	\$412	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent			
44	Adjusted Rent (5+ 43)		\$659		\$713		\$715		\$797		\$1,019		
45	Adj Rent/Last rent			155%		153%		91%		82%		78%	
46	Estimated Market Rent	\$745	\$0.55	← Estimated Market Rent/ Sq. Ft									

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$680 for a two-bedroom unit and \$745 for a three-bedroom unit.

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

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$425 (50%)	\$680	37.50%
	\$500 (60%)		26.47%
Three-Bedroom	\$475 (50%)	\$745	36.24%
	\$575 (60%)		22.82%
Weighted Average			27.01%

The proposed collected Tax Credit rents represent market rent advantages between 22.82% and 37.50%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a significant value within the Site PMA.

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

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1972 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties. One property was built in 1978; however, was renovated in 2008. As such, this property was given an effective age of 1993.

8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. Two of the five properties are located in neighborhoods with different qualities compared to the subject site. 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 Dillon Site PMA in Florence, which is approximately 30.0 miles southwest of Dillon. The Florence market is significantly larger than Dillon in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Dillon market. Therefore, we have adjusted each collected rent at these three comparable projects by approximately 25.0% to account for this market difference.
11. All of the selected properties have two-bedroom units. For those projects lacking three-bedroom units, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package generally superior to the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a generally superior project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

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

9. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2017
6	Dover Village	100.0%	95.0%+
7	Hunters Crossing	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are both 100% occupied. It should be noted that both these projects maintain wait lists. Overall, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on such units should the subject project receive Tax Credit allocations and be developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$77,263. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$77,263 home is \$465, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$77,263
Mortgaged Value = 95% of Median Home Price	\$73,400
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$372
Estimated Taxes and Insurance*	\$93
Estimated Monthly Mortgage Payment	\$465

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$425 to \$575 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is generally comparable to the cost of renting at the subject project. While it is possible that some of the tenants targeted by the subject project would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Further, the estimated monthly mortgage payment does not include the cost and burden of home maintenance. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, there are two competitive Tax Credit projects located within the Dillon Site PMA. These projects have an overall occupancy rate of 100.0%, both of which maintain a wait list, indicating that pent-up demand exists for additional affordable rental housing in the market. The proposed subject project will include a total of 60 general-occupancy units targeting households up to 50% and 60% of AMHI. As such, the proposed development will be able to accommodate a portion of the unmet demand for additional affordable units in the market.

As outlined previously in this section of the report, there is a general lack of modern, non-subsidized rental product within the Dillon Site PMA. Over 69% of all non-subsidized projects surveyed were built before 1990. It is our opinion that the development of the subject project will add much needed modern units to a market that is generally aging and in need of updating. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the market that is currently being unmet.

I. INTERVIEWS

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

- According to a representative with the Housing Authority of Florence, which oversees Vouchers in Dillon County, there are approximately 44 Housing Choice Voucher holders within the housing authority's jurisdiction with 18 households currently on the waiting list for additional Vouchers. The waiting list is currently open. This reflects the continuing need for Housing Choice Voucher assistance.
- Additionally, Verlie Davis, Section 8 Manager with the Housing Authority of Florence, stated that there is a need for more affordable housing within Dillon County. Once the Vouchers are issued to the recipients, they have 60 days to utilize them. However, many of the Vouchers are expiring because such holders have not been able to locate housing.
- According to Betty Bethea, Property Manager of Hunter's Crossing Apartments (Map I.D. 7), a general-occupancy LIHTC project in Dillon, the Dillon area is saturated with low-income apartments. She stated that she turns away many prospective residents because they are over-qualified and believes that there is more demand for non rent-restricted multifamily communities. It should be noted, however, that her property is currently 100.0% occupied with a six-household wait list. Further, the overall occupancy of affordable projects within the market is 99.2% (a result of only four vacancies) as opposed to the overall market-rate occupancy of 86.9% among the four projects surveyed. As such, it can be concluded that there is demand for additional affordable housing within the Dillon Site PMA.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 60 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of design (square footage and number of bathrooms), amenities and overall quality. Given the 22.82% to 37.50% market rent advantage, the proposed project will be considered a substantial value.

Given the high combined 99.2% occupancy rate of all affordable developments and the 100.0% occupancy rate at the only two non-subsidized LIHTC projects in the market, the proposed project will provide a housing type that is in high demand.

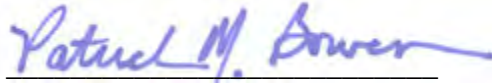
Based on the 17.9% capture rate illustrated in Section G of this report, there are a substantial number of income-qualified renter households present within the Site PMA. Additionally, many of these households have no modern affordable housing alternative at the moment given the high occupancy rates of the existing affordable rental supply. Therefore, the proposed project will fill a void in the Dillon rental housing market.

No recommendations are proposed at this time.

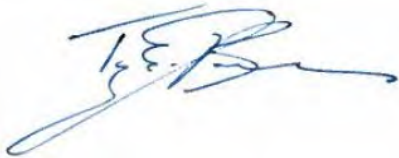
K. SIGNED STATEMENT REQUIREMENT

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.

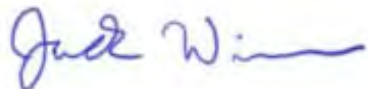
Certified:



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Date: February 17, 2015



Tyler Bowers
Market Analyst
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Date: February 17, 2015

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.

Benjamin J. Braley, Vice President and Market Analyst, has conducted market research since 2006 in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

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.

Adam Bowen, Market Analyst, has researched various rental housing alternatives, both conventional and non-conventional in markets throughout the United States. In addition, he has conducted on-site inspection for existing properties and vacant parcels of land. This experience allows him to evaluate a project's ability to operate successfully within a market and compare it to surrounding comparable properties

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

DILLON, 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.

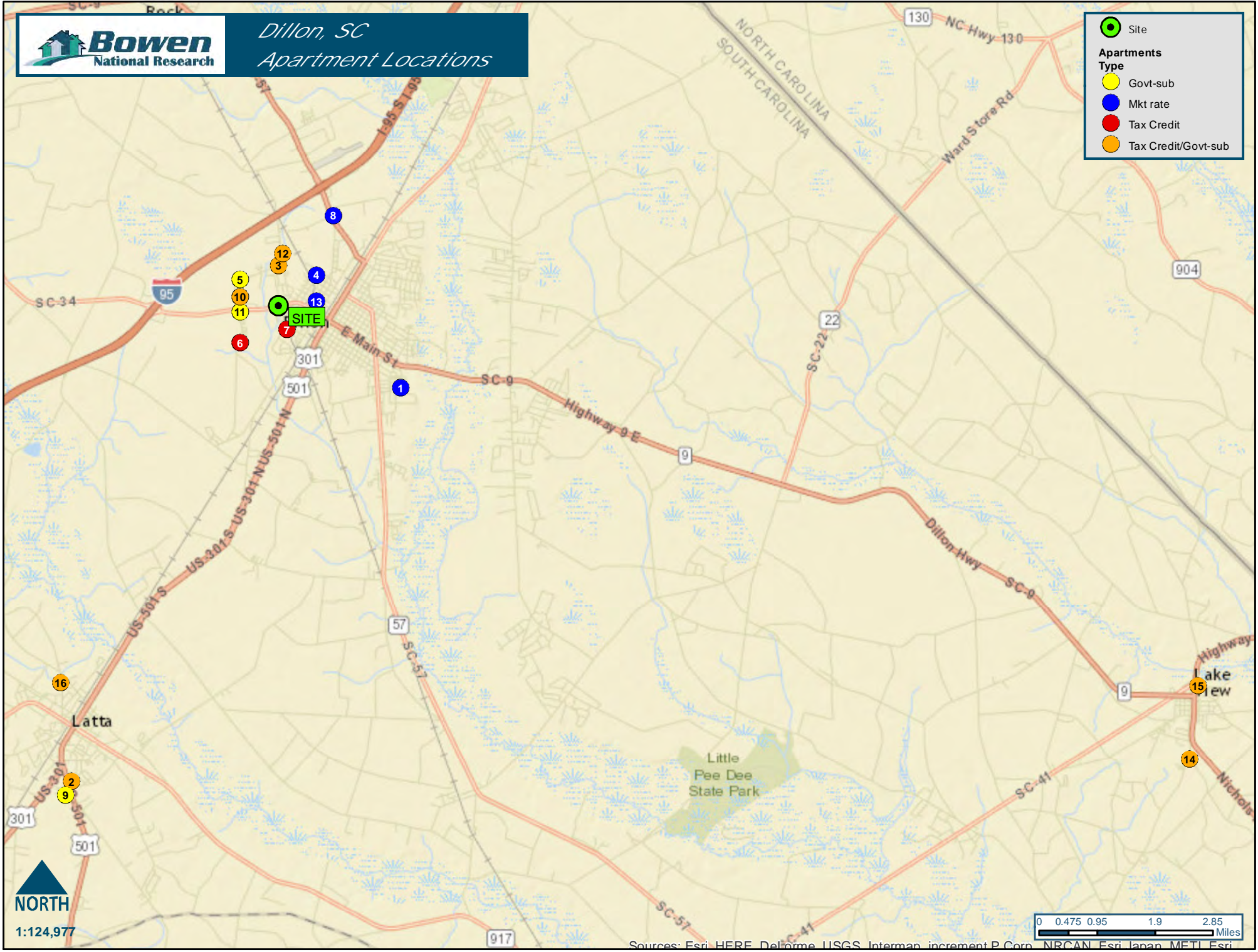


Dillon, SC
Apartment Locations

● Site

Apartment Type

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



NORTH
1:124,977



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

MAP IDENTIFICATION LIST - DILLON, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Sunflower Place	MRR	C-	1973	92	20	78.3%	2.1
2	Southside I & II	TGS	C+	1982	48	0	100.0%	7.9
3	Cedar Terrace Apts.	TGS	B	1990	40	0	100.0%	0.7
4	Rosewood Manor	MRR	B-	1980	44	0	100.0%	0.8
5	Dillon Manor Apts.	GSS	C+	1980	92	0	100.0%	1.0
6	Dover Village	TAX	B	1997	40	0	100.0%	1.1
7	Hunter's Crossing	TAX	B+	2005	40	0	100.0%	0.4
8	Interstate Apts.	MRR	C-	1978	28	3	89.3%	1.8
9	Latta Arms	GSS	B-	1982	60	0	100.0%	7.9
10	Maplewood I	TGS	B-	1985	48	0	100.0%	0.5
11	Maplewood II	GSS	B	1985	46	0	100.0%	0.5
12	Mill Pond Apts.	TGS	B	1991	40	0	100.0%	0.7
13	Tree Top Apts.	MRR	B-	1972	12	0	100.0%	0.6
14	Lake View Green Apts.	TGS	B	1992	24	4	83.3%	14.7
15	Lake View Apts.	TGS	B	1991	30	0	100.0%	14.3
16	Fairmeadow Apts.	TGS	B	1993	24	0	100.0%	7.1

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	4	176	23	86.9%	0
TAX	2	80	0	100.0%	0
TGS	7	254	4	98.4%	0
GSS	3	198	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: January 2015

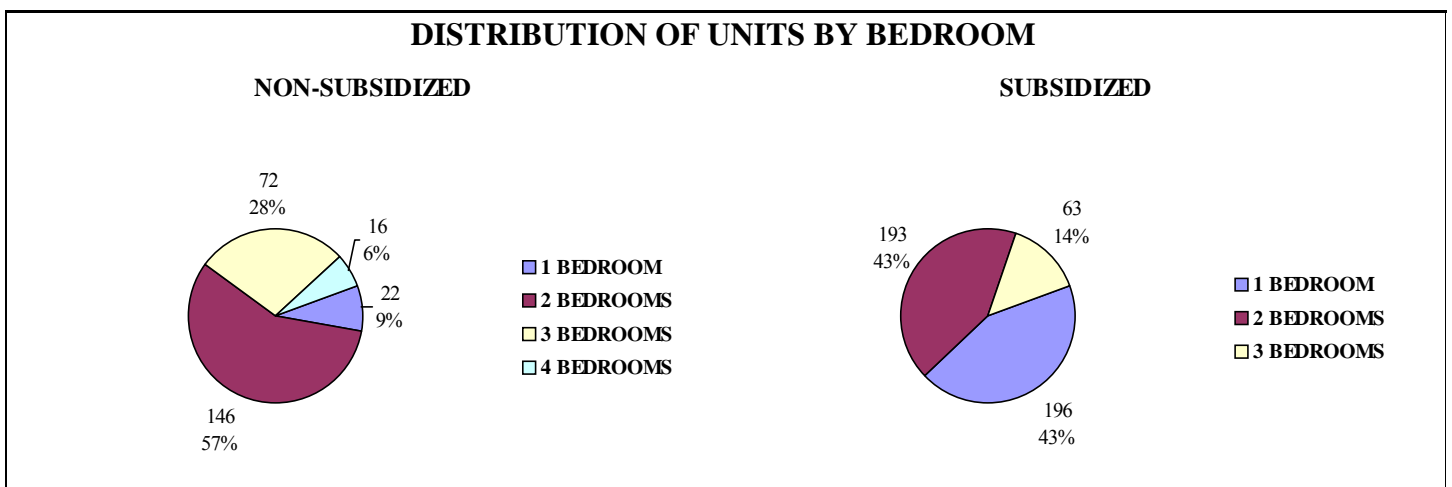
DISTRIBUTION OF UNITS - DILLON, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	22	12.5%	4	18.2%	\$444
2	1	90	51.1%	9	10.0%	\$517
2	1.5	12	6.8%	0	0.0%	\$658
3	1	36	20.5%	8	22.2%	\$647
4	1.5	16	9.1%	2	12.5%	\$740
TOTAL		176	100.0%	23	13.1%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	24	30.0%	0	0.0%	\$589
2	2	20	25.0%	0	0.0%	\$576
3	1.5	16	20.0%	0	0.0%	\$732
3	2	20	25.0%	0	0.0%	\$654
TOTAL		80	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	116	50.4%	0	0.0%	N.A.
2	1	77	33.5%	4	5.2%	N.A.
2	1.5	28	12.2%	0	0.0%	N.A.
3	1	9	3.9%	0	0.0%	N.A.
TOTAL		230	100.0%	4	1.7%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	80	36.0%	0	0.0%	N.A.
2	1	88	39.6%	0	0.0%	N.A.
3	1	14	6.3%	0	0.0%	N.A.
3	1.5	40	18.0%	0	0.0%	N.A.
TOTAL		222	100.0%	0	0.0%	
GRAND TOTAL		708	-	27	3.8%	



SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA

1 Sunflower Place			
	Address 1602 McNeil St. Dillon, SC 29536	Phone (843) 774-9771 (Contact in person)	Total Units 92
	Year Built 1973 Renovated 2012	Contact Georgia	Vacancies 20
	Comments HCV (20 units); Vacancies due to evictions; Square footage estimated		Occupied 78.3%
			Floors 2
			Quality Rating C-
			Waiting List
			None
2 Southside I & II			
	Address 721 Highway 501 S Latta, SC 29565	Phone (843) 752-7258 (Contact in person)	Total Units 48
	Year Built 1982 Renovated 1998	Contact Shannon	Vacancies 0
	Comments 60% AMHI (24 units); RD 515, has RA (41 units); HCV (4 units)		Occupied 100.0%
			Floors 1
			Quality Rating C+
			Waiting List
			5 households
3 Cedar Terrace Apts.			
	Address 200 McKenzie Rd. Dillon, SC 29536	Phone (843) 774-8355 (Contact in person)	Total Units 40
	Year Built 1990	Contact Yolonda	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (20 units); HCV (4 units)		Occupied 100.0%
			Floors 1,2
			Quality Rating B
			Waiting List
			8 households
4 Rosewood Manor			
	Address 701 Garden Ct. Dillon, SC 29536	Phone (843) 774-0611 (Contact in person)	Total Units 44
	Year Built 1980 Renovated 2012	Contact Sara	Vacancies 0
	Comments HCV (2 units)		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Waiting List
			5 households
5 Dillon Manor Apts.			
	Address 1046 McKenzie Rd. Dillon, SC 29536	Phone (843) 774-5601 (Contact in person)	Total Units 92
	Year Built 1980	Contact Cammie	Vacancies 0
	Comments HUD Section 8; 2 & 3-br. units have washer/dryer hookups		Occupied 100.0%
			Floors 2
			Quality Rating C+
			Waiting List
			120 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: January 2015

SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA




6 Dover Village			
	Address 414 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-4488 (Contact in person)	Total Units 40
	Year Built 1997 Comments 50% AMHI; HCV (10 units)	Contact Louise	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List 6 households
7 Hunter's Crossing			
	Address 701 S. 9th Ave. Dillon, SC 29536	Phone (843) 774-1625 (Contact in person)	Total Units 40
	Year Built 2005 Comments 50% & 60% AMHI; HCV (7 units); Handicap (3 units)	Contact Betty	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 6 households
8 Interstate Apts.			
	Address Enterprise Rd. Dillon, SC 29536	Phone (843) 479-7151 (Contact in person)	Total Units 28
	Year Built 1978 Renovated 2008 Comments HCV (2 units); Vacancies due to evictions	Contact Jenna	Vacancies 3 Occupied 89.3% Floors 2 Quality Rating C-
			Waiting List None
9 Latta Arms			
	Address 229 Sardis Rd. Latta, SC 29565	Phone (843) 752-5957 (Contact in person)	Total Units 60
	Year Built 1982 Comments HUD Section 8; Year built & square footage estimated	Contact Jim	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B-
			Waiting List 1 year
10 Maplewood I			
	Address 220 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-8104 (Contact in person)	Total Units 48
	Year Built 1985 Renovated 2003 Comments 60% AMHI; RD 515, has RA (39 units); HCV (3 units)	Contact Shannon	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B-
			Waiting List RA: 24 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: January 2015

SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA


11 Maplewood II			
	Address 220 S. Longstreet Rd. Dillon, SC 29536	Phone (843) 774-8104 (Contact in person)	Total Units 46
	Year Built 1985	Contact Shannon	Vacancies 0
	Comments RD 515, has RA (39 units); HCV (5 units); Former Tax Credit property		Occupied 100.0%
			Floors 1
			Quality Rating B
			Waiting List 5 households
12 Mill Pond Apts.			
	Address 1206 W. Main St. Dillon, SC 29536	Phone (843) 774-1596 (Contact in person)	Total Units 40
	Year Built 1991	Contact Juliet	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (40 units)		Occupied 100.0%
			Floors 1
			Quality Rating B
			Senior Restricted (62+)
			Waiting List 4 households
13 Tree Top Apts.			
	Address Elizabeth Ln. Dillon, SC 29536	Phone (843) 774-4156 (Contact in person)	Total Units 12
	Year Built 1972	Contact Gordon	Vacancies 0
	Comments Does not accept HCV		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Waiting List None
14 Lake View Green Apts.			
	Address 1609 Scott St. Lake View, SC 29563	Phone (843) 669-9686 (Contact in person)	Total Units 24
	Year Built 1992	Contact Earldine	Vacancies 4
	Comments 60% AMHI; RD 515, has RA (18 units); Accepts HCV (0 currently)		Occupied 83.3%
			Floors 1
			Quality Rating B
			Waiting List None
15 Lake View Apts.			
	Address 109 E. 1st Ave. Lake View, SC 29563	Phone (843) 759-2560 (Contact in person)	Total Units 30
	Year Built 1991	Contact Frankie	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (30 units)		Occupied 100.0%
			Floors 1
			Quality Rating B
			Senior Restricted (62+)
			Waiting List 1 household

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: January 2015

SURVEY OF PROPERTIES - DILLON, SOUTH CAROLINA

16 Fairmeadow Apts.			
	Address	605 N. Marion St. Latta, SC 29565	Phone (843) 752-7780 (Contact in person)
	Year Built	1993	Contact Autumn
	Comments	60% AMHI; RD 515, has RA (23 units); Accepts HCV; Square footage estimated	
	Total Units	24	Vacancies
		Occupied	100.0%
		Floors	1
		Quality Rating	B
		Senior Restricted (62+)	
		Waiting List	10 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: January 2015

COLLECTED RENTS - DILLON, 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		\$354					\$387	\$489	\$556
4		\$305	\$370	\$405					
6			\$405	\$510					
7			\$405 to \$430	\$445 to \$485					
8			\$425						
13							\$465		

◆	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: January 2015

PRICE PER SQUARE FOOT - DILLON, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	600	\$444	\$0.74
4	Rosewood Manor	1	689	\$395	\$0.57
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	850	\$517	\$0.61
4	Rosewood Manor	1	839	\$491	\$0.59
8	Interstate Apts.	1	900	\$546	\$0.61
13	Tree Top Apts.	1.5	950	\$658	\$0.69
6	Dover Village	1	775	\$589	\$0.76
7	Hunter's Crossing	2	964	\$576 to \$601	\$0.60 to \$0.62
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1	1000	\$647	\$0.65
4	Rosewood Manor	1	983	\$555	\$0.56
6	Dover Village	1.5	990	\$732	\$0.74
7	Hunter's Crossing	2	1236	\$654 to \$694	\$0.53 to \$0.56
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Sunflower Place	1.5	1250	\$740	\$0.59

◆	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: January 2015

AVERAGE GROSS RENT PER SQUARE FOOT - DILLON, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.69	\$0.60	\$0.56
TOWNHOUSE	\$0.00	\$0.63	\$0.65

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.69	\$0.63
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.69	\$0.64	\$0.62
TOWNHOUSE	\$0.00	\$0.63	\$0.65

TAX CREDIT UNITS - DILLON, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Cedar Terrace Apts.	12	658	1	60%	\$405 - \$539
10	Maplewood I	10	650	1	60%	\$462 - \$562
◆ 16	Fairmeadow Apts.	24	600	1	60%	\$470 - \$623
◆ 12	Mill Pond Apts.	38	660	1	60%	\$495 - \$682
◆ 15	Lake View Apts.	28	600	1	60%	\$534 - \$727
14	Lake View Green Apts.	4	646	1	60%	\$535 - \$716
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Dover Village	24	775	1	50%	\$405
7	Hunter's Crossing	14	964	2	50%	\$405
7	Hunter's Crossing	6	964	2	60%	\$430
3	Cedar Terrace Apts.	28	925	1.5	60%	\$435 - \$641
10	Maplewood I	32	800	1	60%	\$486 - \$584
◆ 12	Mill Pond Apts.	2	820	1	60%	\$525 - \$745
2	Southside I & II	21	800	1	60%	\$555 - \$666
◆ 15	Lake View Apts.	2	750	1	60%	\$566 - \$787
14	Lake View Green Apts.	20	800	1	60%	\$577 - \$758
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
7	Hunter's Crossing	10	1236	2	50%	\$445
7	Hunter's Crossing	10	1236	2	60%	\$485
10	Maplewood I	6	950	1	60%	\$504 - \$597
6	Dover Village	16	990	1.5	50%	\$510
2	Southside I & II	3	950	1	60%	\$580 - \$789

◆ - Senior Restricted

QUALITY RATING - DILLON, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

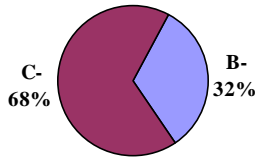
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	2	56	0.0%		\$395	\$491	\$555	
C-	2	120	19.2%		\$444	\$517	\$647	\$740

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

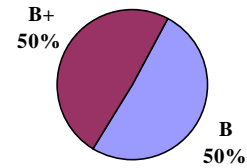
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	40	0.0%			\$576	\$654	
B	1	40	0.0%			\$589	\$732	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - DILLON, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	3	132	23	17.4%	132	51.6%
1980 to 1989	1	44	0	0.0%	176	17.2%
1990 to 1999	1	40	0	0.0%	216	15.6%
2000 to 2005	1	40	0	0.0%	256	15.6%
2006	0	0	0	0.0%	256	0.0%
2007	0	0	0	0.0%	256	0.0%
2008	0	0	0	0.0%	256	0.0%
2009	0	0	0	0.0%	256	0.0%
2010	0	0	0	0.0%	256	0.0%
2011	0	0	0	0.0%	256	0.0%
2012	0	0	0	0.0%	256	0.0%
2013	0	0	0	0.0%	256	0.0%
2014	0	0	0	0.0%	256	0.0%
2015**	0	0	0	0.0%	256	0.0%
TOTAL	6	256	23	9.0%	256	100.0 %

YEAR RENOVATED - DILLON, 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	1	28	3	10.7%	28	17.1%
2009	0	0	0	0.0%	28	0.0%
2010	0	0	0	0.0%	28	0.0%
2011	0	0	0	0.0%	28	0.0%
2012	2	136	20	14.7%	164	82.9%
2013	0	0	0	0.0%	164	0.0%
2014	0	0	0	0.0%	164	0.0%
2015**	0	0	0	0.0%	164	0.0%
TOTAL	3	164	23	14.0%	164	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 January 2015

APPLIANCES AND UNIT AMENITIES - DILLON, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	6	100.0%	256
REFRIGERATOR	6	100.0%	256
ICEMAKER	0	0.0%	
DISHWASHER	3	50.0%	92
DISPOSAL	2	33.3%	80
MICROWAVE	1	16.7%	40
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	4	66.7%	184
AC - WINDOW	2	33.3%	72
FLOOR COVERING	6	100.0%	256
WASHER/DRYER	1	16.7%	12
WASHER/DRYER HOOK-UP	4	66.7%	120
PATIO/DECK/BALCONY	4	66.7%	120
CEILING FAN	3	50.0%	112
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	5	83.3%	212
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	16.7%	40

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

PROJECT AMENITIES - DILLON, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	50.0%	172
LAUNDRY	4	66.7%	216
CLUB HOUSE	1	16.7%	40
MEETING ROOM	1	16.7%	40
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	4	66.7%	216
COMPUTER LAB	2	33.3%	132
SPORTS COURT	1	16.7%	40
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	1	16.7%	40
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - DILLON, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	16	708	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	16	708	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	15	648	91.5%
GAS	1	60	8.5%
			100.0%
ELECTRIC			
TENANT			
			100.0%
WATER			
LANDLORD	7	386	54.5%
TENANT	9	322	45.5%
			100.0%
SEWER			
LANDLORD	8	426	60.2%
TENANT	8	282	39.8%
TRASH PICK-UP			
LANDLORD	12	592	83.6%
TENANT	4	116	16.4%
			100.0%

UTILITY ALLOWANCE - DILLON, 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)

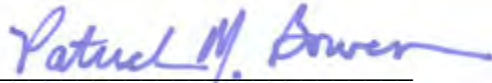
Survey Date: January 2015

ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

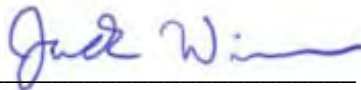
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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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