

TAB 19

MARKET STUDY

Market Study

Exhibit S-2 – Primary Market Area Analysis

Exhibit S-2 – Rent Calculation Worksheet

Market Feasibility Analysis

Eastbrook Estates
Bluff Street
Marion, Marion County, South Carolina 29571

Prepared For

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Effective Date

March 1, 2016

Job Reference Number

16-148 JW



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2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Eastbrook Estates Total # Units: 31
 Location: Bluff Street, Marion, SC 29571 # LIHTC Units: 31
 PMA Boundary: Marion County Lines to the north, east & west, and various roads 10 miles south of Marion
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 16.0 miles

RENTAL HOUSING STOCK (found on page H-1 & 10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	840	3	99.6%
Market-Rate Housing	3	13	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	4	669	1	99.9%
LIHTC (All that are stabilized)*	3	136	0	100.0%
Stabilized Comps**	2	80	0	100.0%
Non-stabilized Comps	1	22	2	90.9%

* 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
5	Two	2.0	1,000	\$400	\$645	\$0.65	37.98%	\$1,075	\$0.95
7	Two	2.0	1,000	\$450	\$645	\$0.65	30.23%	\$1,075	\$0.95
2	Three	2.0	1,350	\$445	\$795	\$0.59	44.03%	\$1,355	\$1.05
17	Three	2.0	1,350	\$495	\$795	\$0.59	37.74%	\$1,355	\$1.05
Gross Potential Rent Monthly*				\$14,455	\$22,845		36.73%		

*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	2015		2018	
Renter Households		4,109	34.8%	4,055	34.8%
Income-Qualified Renter HHs (LIHTC)		937	22.8%	920	22.7%
Income-Qualified Renter HHs (MR)		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	-20	-12				-17
Existing Households (Overburd + Substand)	245	252				321
Homeowner conversion (Seniors)	-	-				-
Other:	-	-				-
Less Comparable/Competitive Supply	-	-				-
Net Income-qualified Renter HHs	225	240				304

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	3.1%	10.0%				10.2%

ABSORPTION RATE (found on page G-8)

Absorption Period: 4 months

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	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	
5	2 BR	\$400	\$2,000	\$645	\$3,225	
7	2 BR	\$450	\$3,150	\$645	\$4,515	
	2 BR		\$0		\$0	
2	3 BR	\$445	\$890	\$795	\$1,590	
17	3 BR	\$495	\$8,415	\$795	\$13,515	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	31		\$14,455		\$22,845	36.73%

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 31-unit Eastbrook Estates rental community on an approximate 5.0-acre site on Bluff Street in Marion, South Carolina. The project will offer 12 two-bedroom/2.0 bathroom duplex units and 19 three-bedroom/2.0 bathroom single-family homes, as well as a free-standing, 1,509 square-foot community building. The proposed project will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will be \$400 to \$450 for a two-bedroom unit and \$445 to \$495 for a three-bedroom unit. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by July 2017. Additional details of the subject project are as follows:

- a. Property Location:** Bluff Street
Marion, South Carolina 29571
(Marion County)

QCT: No DDA: No
- b. Construction Type:** New Construction
- c. Occupancy Type:** Low-income family households
- d. Target Income Group:** 50% and 60% AMHI
- e. Special Needs Population:** None
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
5	Two-Br.	2.0	Duplex	1,000	50%	\$400	\$168	\$568	\$608
7	Two-Br.	2.0	Duplex	1,000	60%	\$450	\$168	\$618	\$730
2	Three-Br.	2.0	SFH	1,350	50%	\$445	\$219	\$664	\$703
17	Three-Br.	2.0	SFH	1,350	60%	\$495	\$219	\$714	\$843
31	Total								

SFH – Single-family home
 Source: Quad-State Development, Inc.
 AMHI – Area Median Household Income (Marion County, SC; 2015)

- g. Number Of Stories/Buildings:** 25 single-story residential buildings (duplexes and single-family homes) and one (1) 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
- Playground
- Picnic Area
- Club House/Community Room
- Fitness Center
- Computer Center

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Dishwasher
- Carpet
- Central Air Conditioning
- Patio
- Exterior Storage Closet
- Refrigerator
- Microwave Oven
- Window Blinds
- Washer/Dryer Connections
- Ceiling Fan

n. Parking:

An uncovered parking lot consisting of 66 total spaces, equating to approximately two spaces per unit, will be available to residents at no additional charge.

o. Renovations and Current Occupancy:

Not Applicable; New Construction.

p. Utility Responsibility:

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

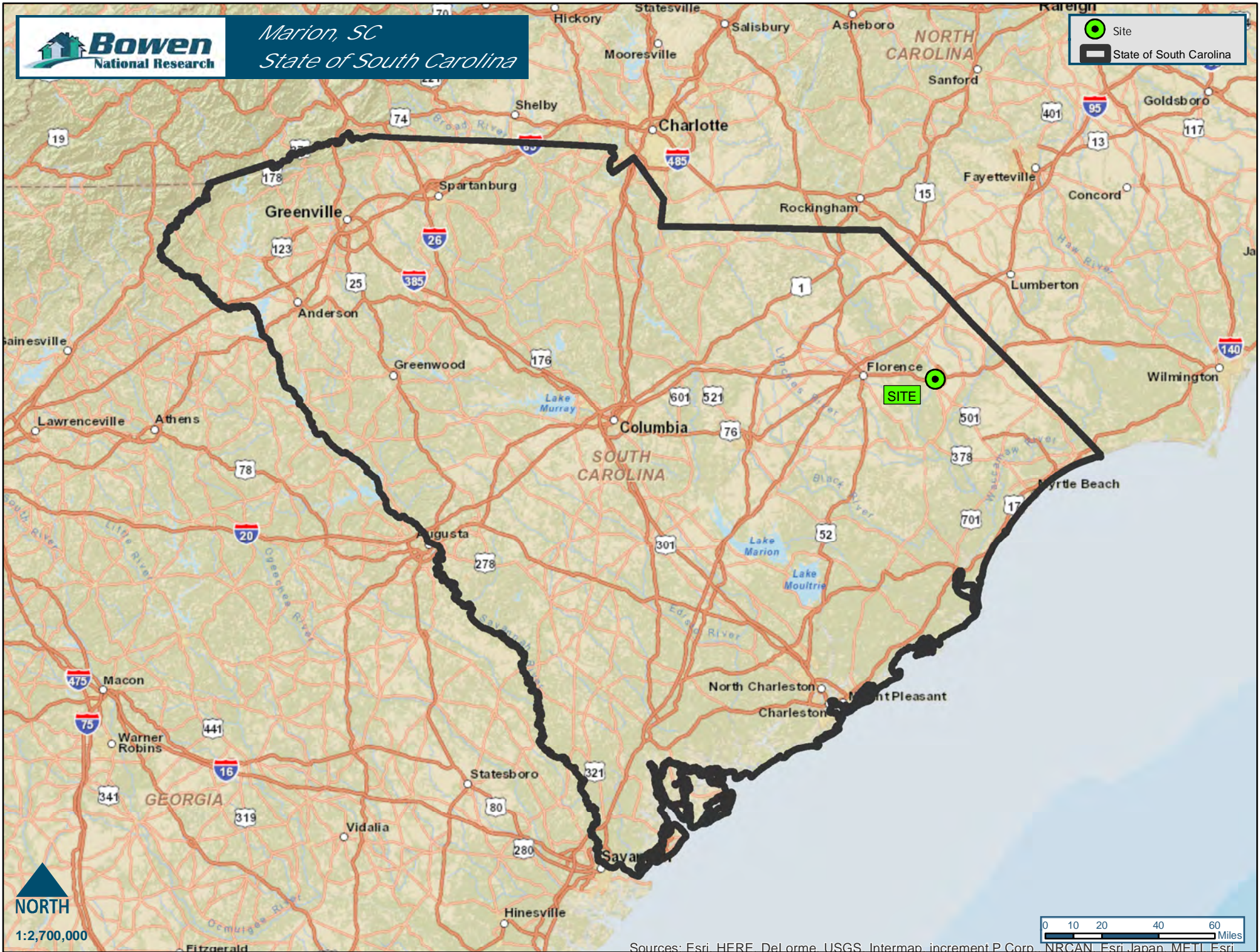
- Electric Heat
- Electric Air Conditioning
- General Electric
- Cold Water
- Electric Water Heating
- Electric Cooking
- Sewer

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



Marion, SC
State of South Carolina

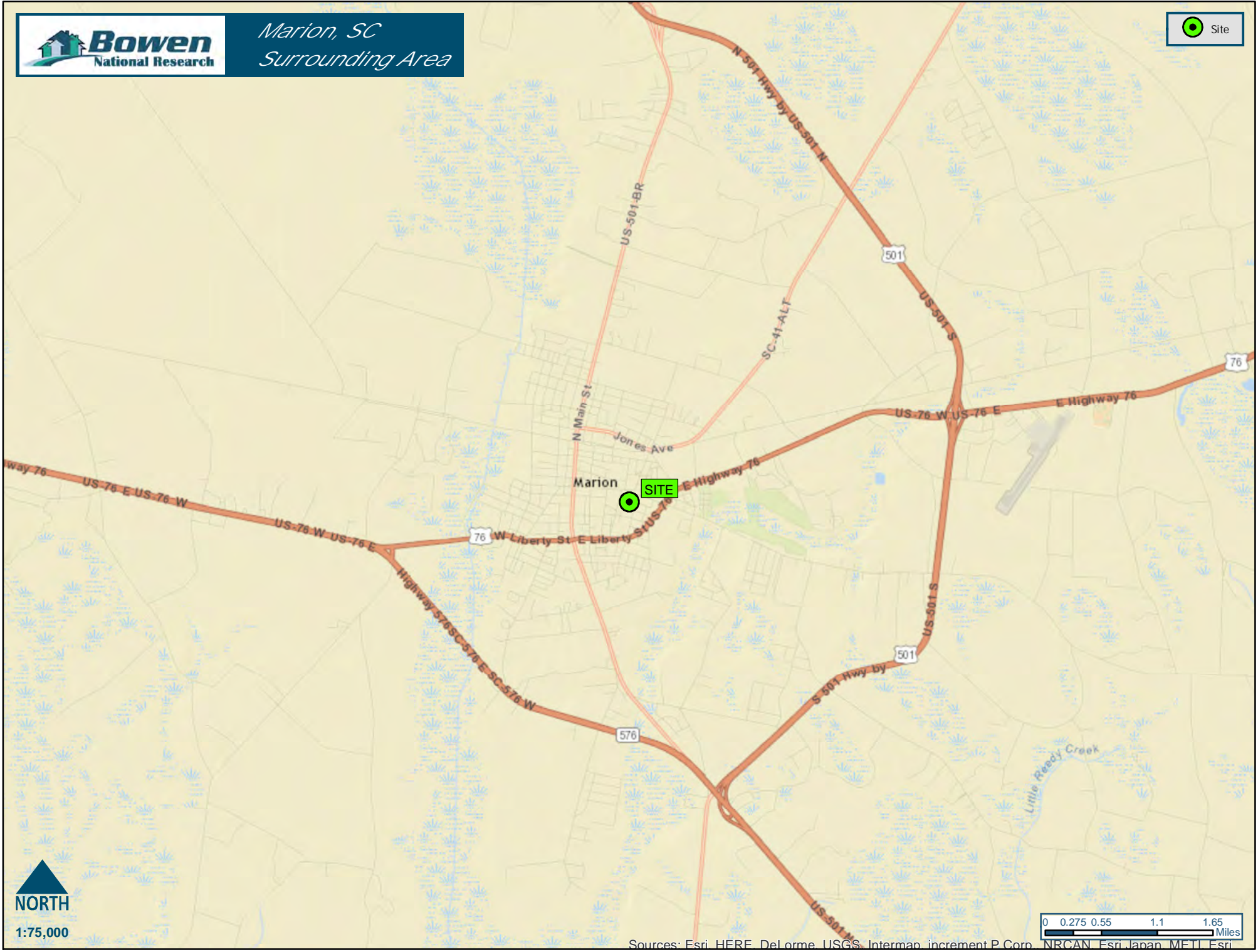
Site
State of South Carolina



1:2,700,000



Marion, SC
Surrounding Area



1:75,000



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 February 15, 2016. 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 proposed project consists of a 5.0-acre parcel of undeveloped land located on the south side of Bluff Street, between Marshall Street and Gregg Avenue, in the eastern portion of Marion, South Carolina. Located within Marion County, Marion is approximately 22.0 miles east of Florence, South Carolina and approximately 57.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of the surrounding land uses:

North -	Bluff Street borders the site to the north, followed by a small five-bay self-wash car wash and East Godbold Street. Both Bluff Street and East Godbold Street are lightly-traveled two-lane residential roadways. Continuing north is the Marion Rescue Squad garage and a multifamily public housing community managed by the Marion Housing Authority, which is considered to be in satisfactory condition. Extending beyond are single-family homes considered to be in satisfactory condition.
East -	Single-family homes considered to be in satisfactory condition border the site to the east. The U.S. Highway 76 (East Liberty Street) commercial corridor continues east and acts as an arterial roadway with numerous community services. Agricultural land and the Grice Recreation Center extend beyond to the east and southeast, respectively.
South -	Single-family homes considered to be in satisfactory condition border the site to the south. The Marion County School Annex Gilesboro School continues south to U.S. Highway 76 (East Liberty Street). A residential neighborhood, comprised mostly of single-family homes in satisfactory condition, extends beyond.
West -	The western boundary of the site is comprised of Swamp Fox ABC store, Thrown of God Ministries and single-family homes mostly considered to be in satisfactory condition. Continuing west is Sugarbears Daycare and an automotive repair shop. A residential neighborhood comprised primarily of single-family homes in satisfactory condition is located beyond.

The proposed development is within close proximity to various businesses along the U.S. Highway 76 (East Liberty Street) corridor, which will contribute to the marketability of the site. Overall, the site fits in well with the surrounding land uses.

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	U.S. Highway 76 U.S. Highway 501	0.3 East 2.7 East
Public Bus Stop	Pee Dee Regional Transport Authority	1.0 Northwest
Major Employers/ Employment Centers	Marion Plaza Marion County School District Walmart Supercenter	0.3 East 1.0 Northwest 3.0 East
Convenience Store	Swamp Fox Scotchman Store EPCO 3-Way Food Mart	Adjacent Northwest 0.3 East 0.3 South
Grocery	Save-A-Lot Piggly Wiggly Walmart Supercenter	0.3 East 0.6 East 3.0 East
Discount Department Store	Family Dollar Store CitiTrends Walmart Supercenter	0.3 East 0.6 East 3.0 East
Shopping Center/Mall	Marion Plaza Piggly Wiggly Shopping Center	0.3 East 0.6 East
Schools: Elementary	Easterling Primary School (K-2) Marion Intermediate School (3-5)	1.0 North 1.6 Northeast
Middle/Junior High High	Johnakin Middle School (6-8) Marion High School (9-12)	0.5 South 1.2 Southwest
Hospital	Marion County Medical Center	3.9 East
Police	Marion Police Substation Marion Police Department	0.7 Southeast 1.0 Southwest
Fire	Marion Fire Department	0.6 West
Post Office	U.S. Post Office	0.7 West
Bank	Pee Dee Federal Savings Bank Wells Fargo Bank	0.5 West 0.8 Northwest
Recreational Facilities	Grice's Recreation Center Marion County Museum	0.4 Southeast 0.7 West
Gas Station	Scotchman Gas Valero Gas Kangaroo Express	0.3 East 0.3 South 0.3 East
Pharmacy	Bridgers Drugs Store CVS Walmart Supercenter	0.7 Northwest 1.0 Northwest 3.0 East

(continued)

Community Services	Name	Driving Distance From Site (Miles)
Restaurant	Smokin BBQ	0.1 East
	Gore's Fresh Seafood	0.3 East
	Burger King	0.3 East
	Ming Wah Chinese Restaurant	0.6 East
Library	Marion County Library	0.5 West
Child Care	Sugarbears Daycare	0.1 West
	First United Methodist Child Care	0.3 West
	Marion Baptist Day Care	0.6 West
Church	Throne of God Ministry Church	Adjacent Northwest
	Bethlehem Baptist Church	0.2 East
	First United Methodist Church	0.3 West

Several shopping opportunities exist along the commercial corridor of U.S. Highway 76. Walmart Supercenter is 3.0 miles east of the site and is the largest discount retailer, grocery store, pharmacy and gas station within the Marion area. The Walmart Supercenter also serves as an employment center to the subject site. There are also other basic community services within close proximity, many of which can be found in the Marion Plaza shopping center. The shopping center contains a grocery store, restaurants, and additional retailers, all of which are considered beneficial to the targeted population at the subject site. The Pee Dee Regional Transport Authority offers a regional bus stop 1.0 mile northwest of the site and grants access to the surrounding community services and the surrounding area.

The Marion County School District serves the site with all applicable schools of attendance within a short distance. Further, the site area is served by both the Marion Police and Fire departments, both of which are within 1.2 miles. The nearest, acute-care hospital is the Marion County Medical Center, 3.9 miles east of the site. Overall, the site's proximity to community services is believed to positively contribute to its marketability.

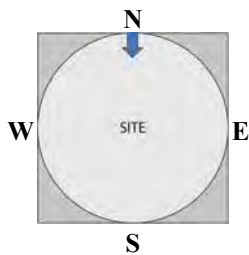
4. SITE PHOTOGRAPHS

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

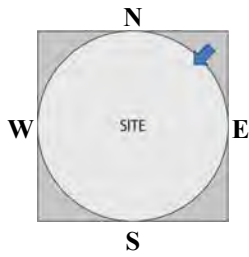
SITE PHOTOGRAPHS



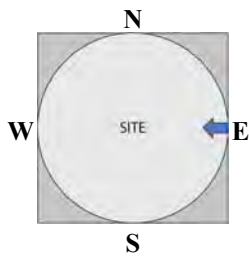
Site Entryway



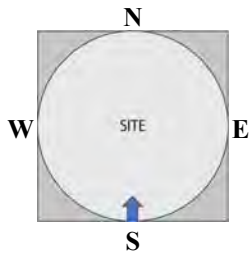
View of site from the north



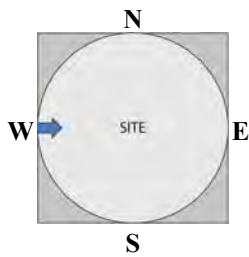
View of site from the northeast



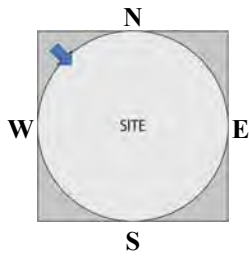
View of site from the east



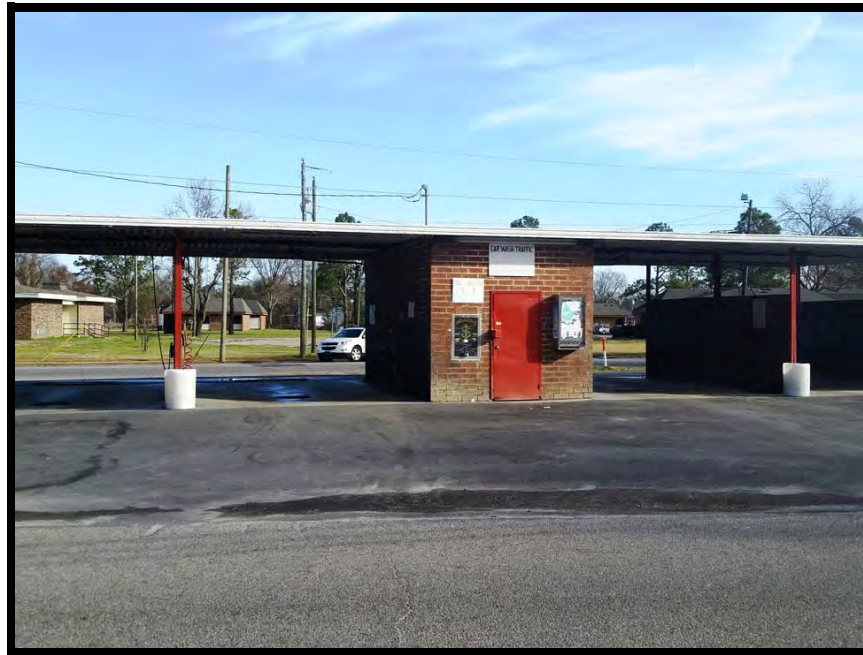
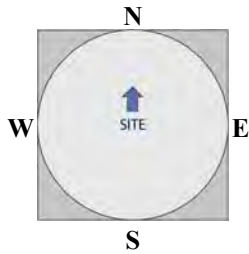
View of site from the south



View of site from the west



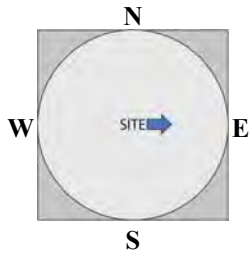
View of site from the northwest



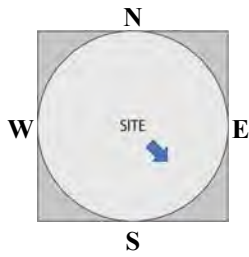
North view from site



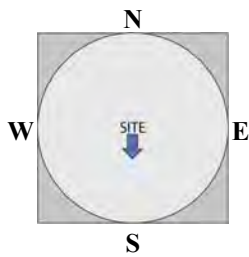
Northeast view from site



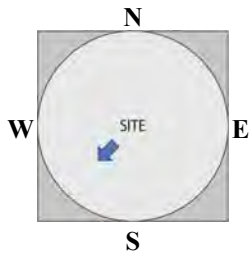
East view from site



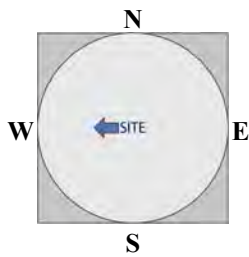
Southeast view from site



South view from site



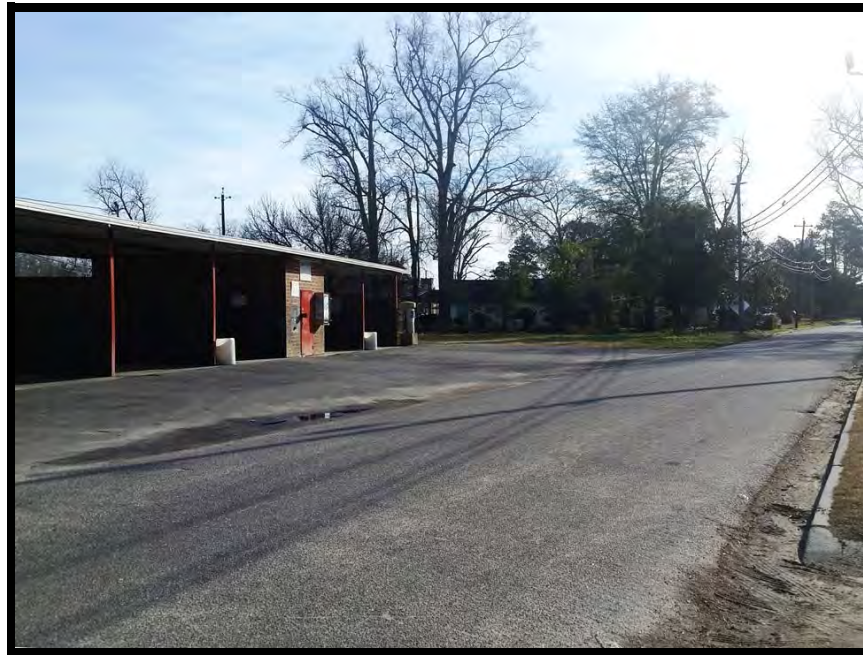
Southwest view from site



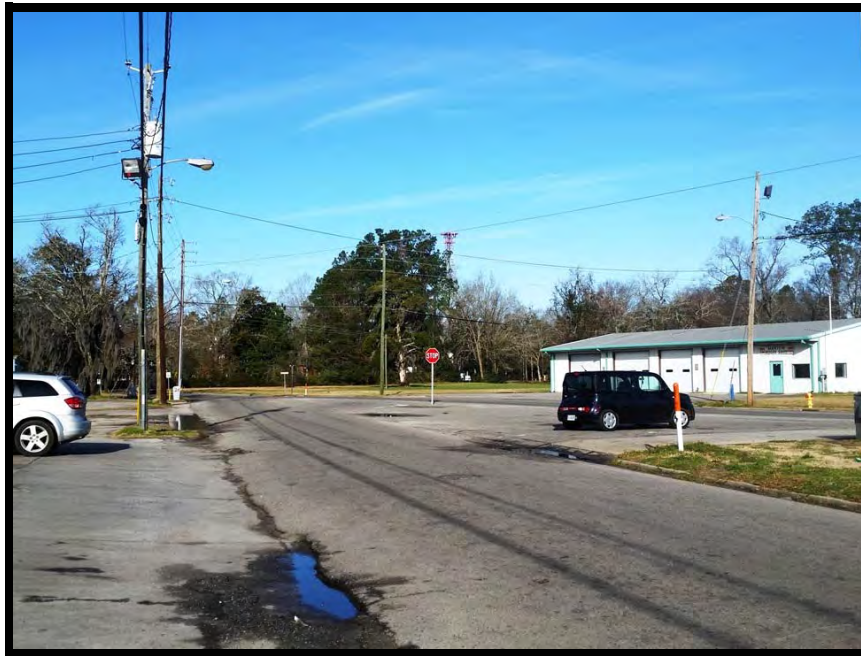
West view from site



Northwest view from site



Streetscape: East view of Bluff Street



Streetscape: West view of Bluff Street



Streetscape: East view of East Godbold Street



Streetscape: West view of East Godbold Street

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



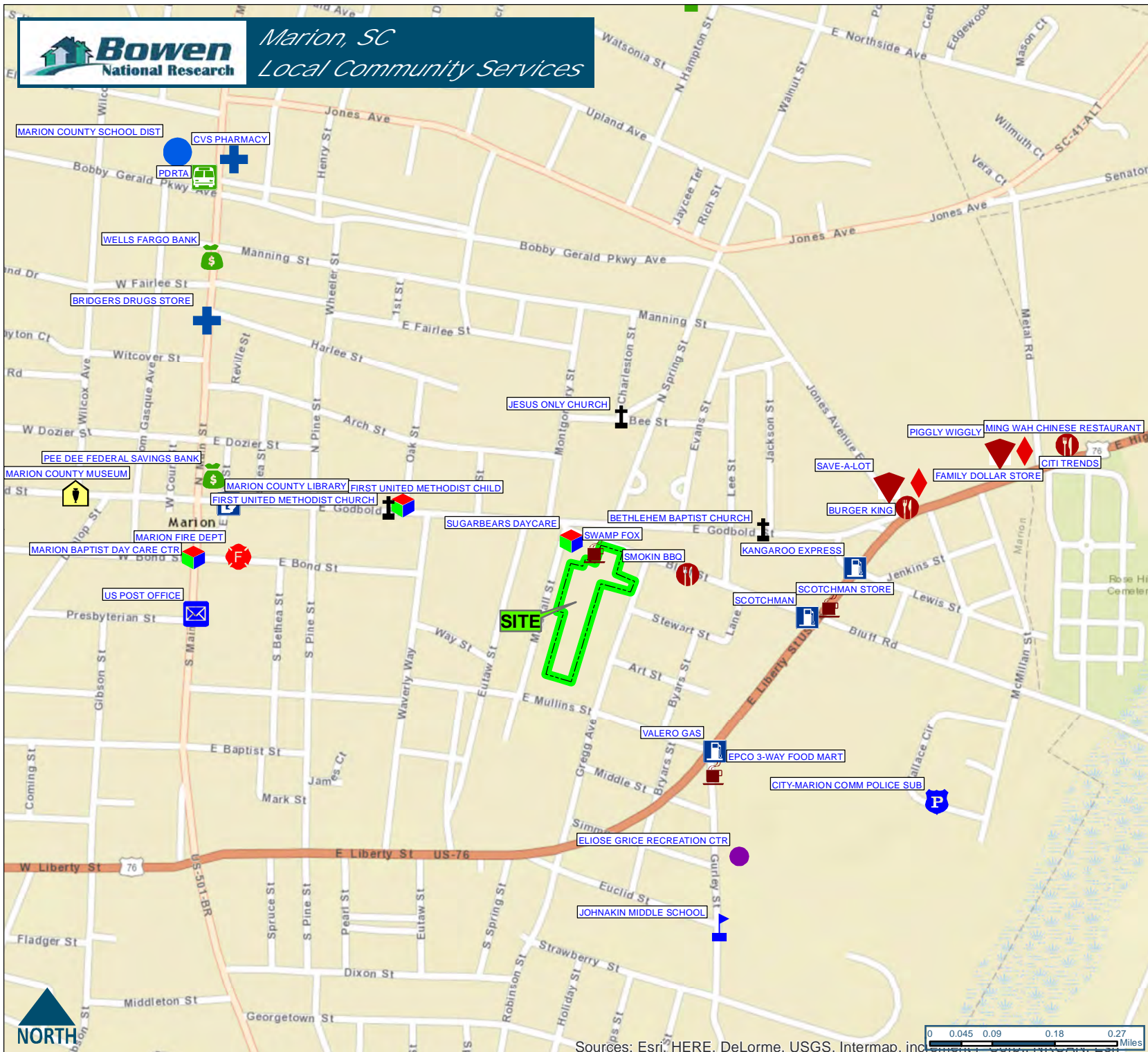
Marion, SC
Site Neighborhood

Legend
Site Area



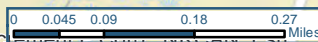
NORTH
Simmons St
1:3,000

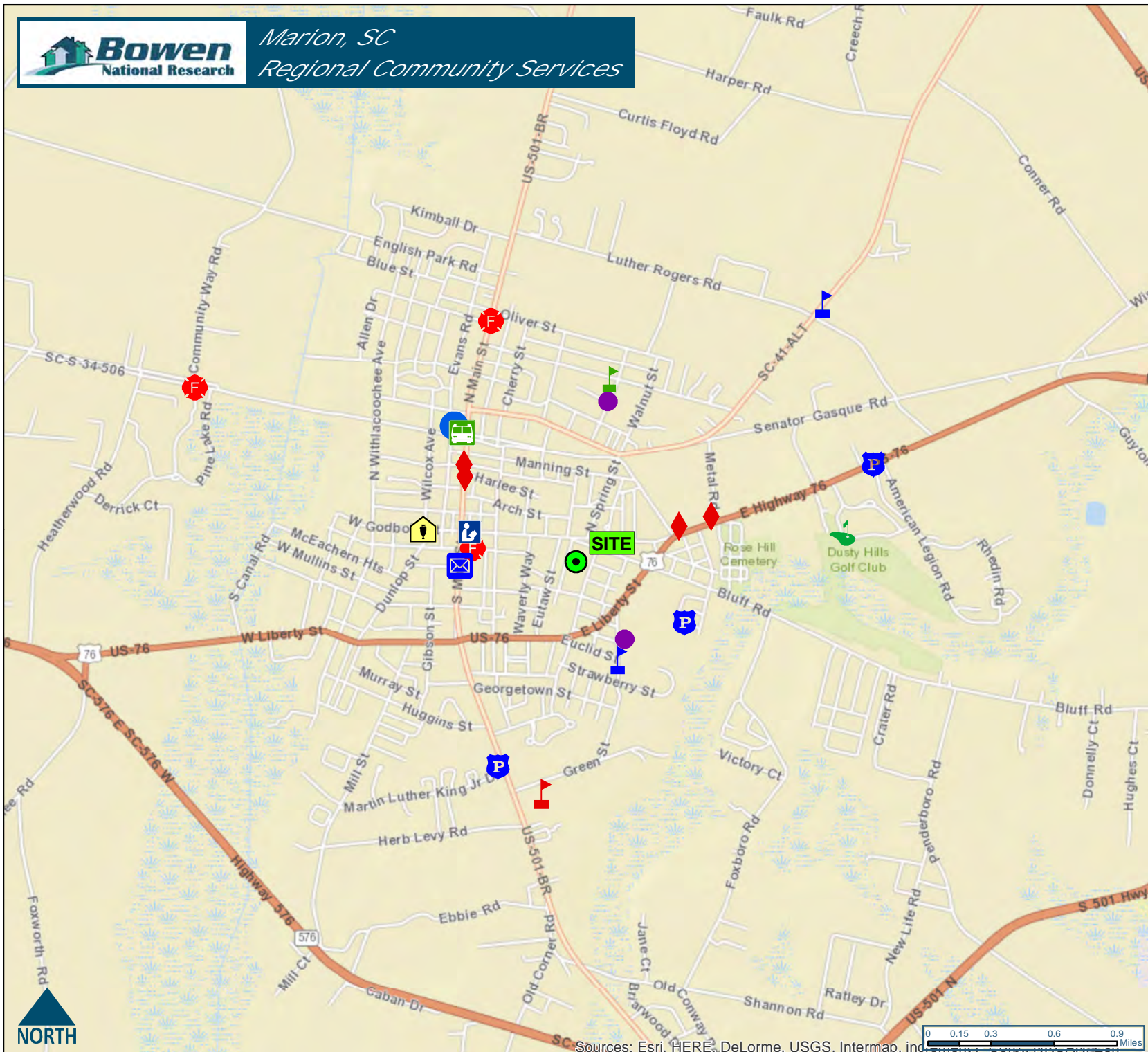
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.015 0.03 0.06 0.09 Miles















Legend

- Site Area
- bank
- child care
- church
- convenience store
- fire
- gas
- grocery
- library
- middle school
- museum
- pharmacy
- police
- post office
- recreation center
- restaurant
- shopping
- transit
- employers_1000_5000





Legend

-  Site
-  elementary school
-  fire
-  golf
-  high school
-  library
-  middle school
-  museum
-  police
-  post office
-  recreation center
-  shopping
-  transit
-  employers_1000_5000



NORTH

6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is adjacent to Bluff Street, a residential roadway. 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 (144) for the Site PMA is above the national average with an overall personal crime index of 196 and a property crime index of 124. Total crime risk (136) for Marion County is above the national average with indexes for personal and property crime of 181 and 121, respectively.

	Crime Risk Index	
	Site PMA	Marion County
Total Crime	144	136
Personal Crime	196	181
Murder	174	165
Rape	119	117
Robbery	102	91
Assault	289	258
Property Crime	124	121
Burglary	135	135
Larceny	125	119
Motor Vehicle Theft	94	92

Source: Applied Geographic Solutions

Although the crime risk index for the Site PMA is above both the county and national averages, the proposed development will implement security features such as on-site management, 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.



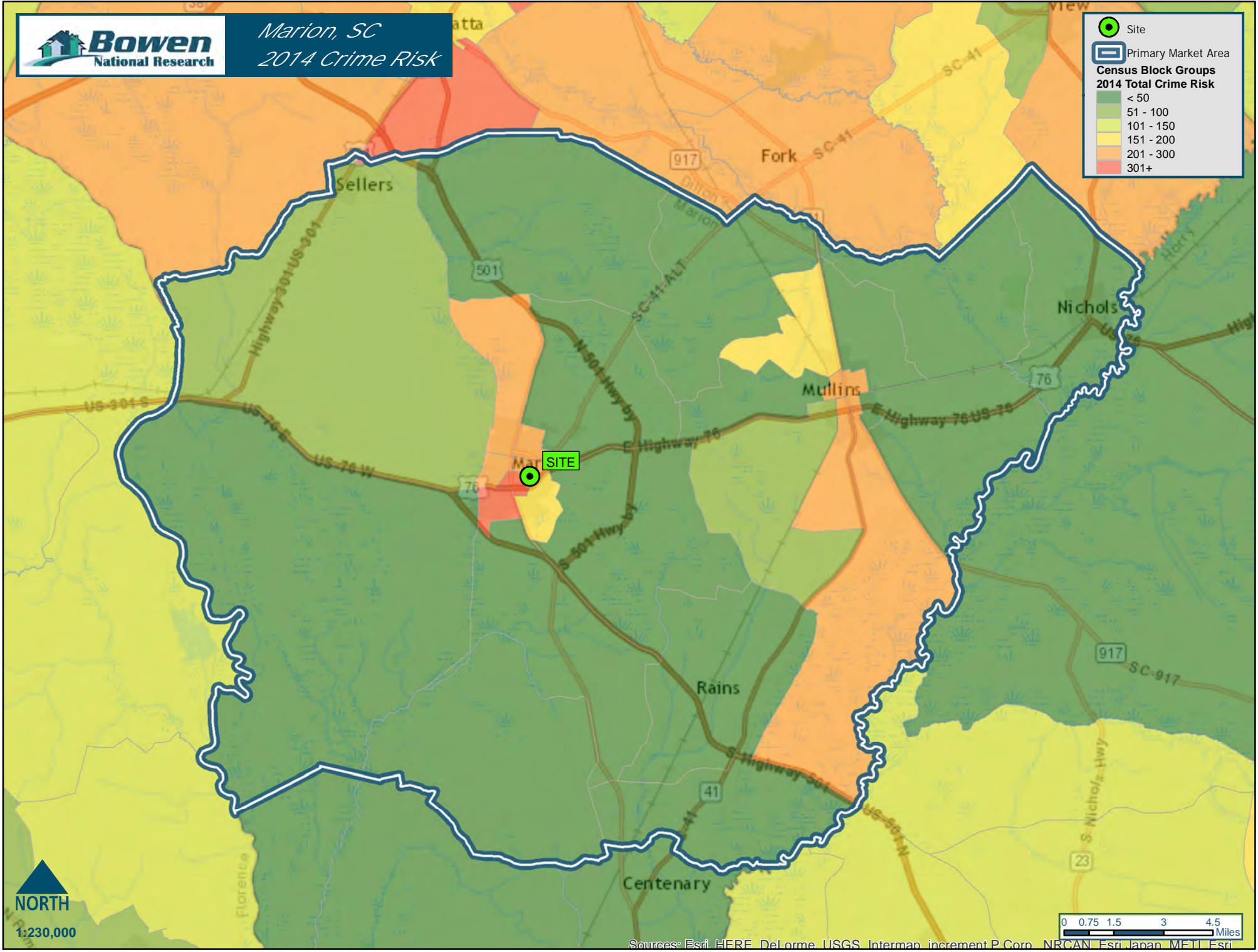
Marion, SC
2014 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



NORTH
1:230,000



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

8. ACCESS AND VISIBILITY

Primary access to the proposed site is from Bluff Street, a two-lane lightly-travelled residential roadway. Ingress and egress from the site via this roadway is considered easy, due to clear lines of sight provided in both directions of travel. Pedestrian traffic is light, increasing after business and school hours; however sidewalks are present throughout the site neighborhood. Overall access is considered good. Visibility of the site is considered good, as it is not anticipated to be obstructed by the surrounding land uses. However, promotional signage may be beneficial along U.S. Highway 76 (East Liberty Street) to increase awareness of the proposed rental community. Access to the site is further enhanced as U.S. Highway 76 (East Liberty Street) is a primary highway through the Marion area and grants access to U.S. Highway 501, an arterial north/south highway. Overall, both access and visibility of the site are considered good.

9. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues observed while conducting the site visit.

10. OVERALL SITE CONCLUSIONS

The subject site is located within a developed area of Marion, situated on Bluff Street, approximately 0.3 miles from U.S. Highway 76 (East Liberty Street). Structures within the immediate site neighborhood are considered to be in satisfactory condition and are conducive for multifamily housing. Notably, the site is within proximity of numerous community services and is within walking distance of grocery and convenience stores. The proximity of community and public safety services is considered beneficial to the marketability of the site. It is also of note that access to and from the site is considered good due to its proximity to numerous arterial roadways to the surrounding areas, such as U.S. Highways 76 and 501. Visibility is also considered good, as it is unobstructed from view by passerby traffic on Bluff Street. However, the subject project may benefit from promotional signage along U.S. Highway 76 to increase its awareness during the initial lease up process. Overall, the subject site is consistent with surrounding land uses, while its convenient accessibility and its 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 Marion 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 Marion Site PMA includes the towns of Marion, Mullins, Sellers, Nichols and the surrounding unincorporated areas of Marion County, South Carolina. Specifically, the Marion Site PMA consists of the Marion County line to the north, east and west, and several rural and country roads approximately ten miles south of downtown Marion on the south, which generally include Catfish Road, Terrell's Bay Road and Knife Island Court. The Site PMA comprises Census Tract numbers:

9501	9502*	9503	9504
9505	9506	9507	9508

*Subject site location

Christy Herring, Property Manager at Cedar Creek Apartments (Map ID 1), a 40-unit Tax Credit community in Marion, noted that nearly all of the residents at Cedar Creek previously resided in Marion or Mullins. Very rarely will she speak with potential tenants from Florence, thus confirming the Site PMA.

Additionally, the property manager at Southern Forest Apartments (Map ID 5), a 40-unit Tax Credit property in Marion, noted that the majority of the current residents are from within and around Marion or from within the outlying areas of Marion County.

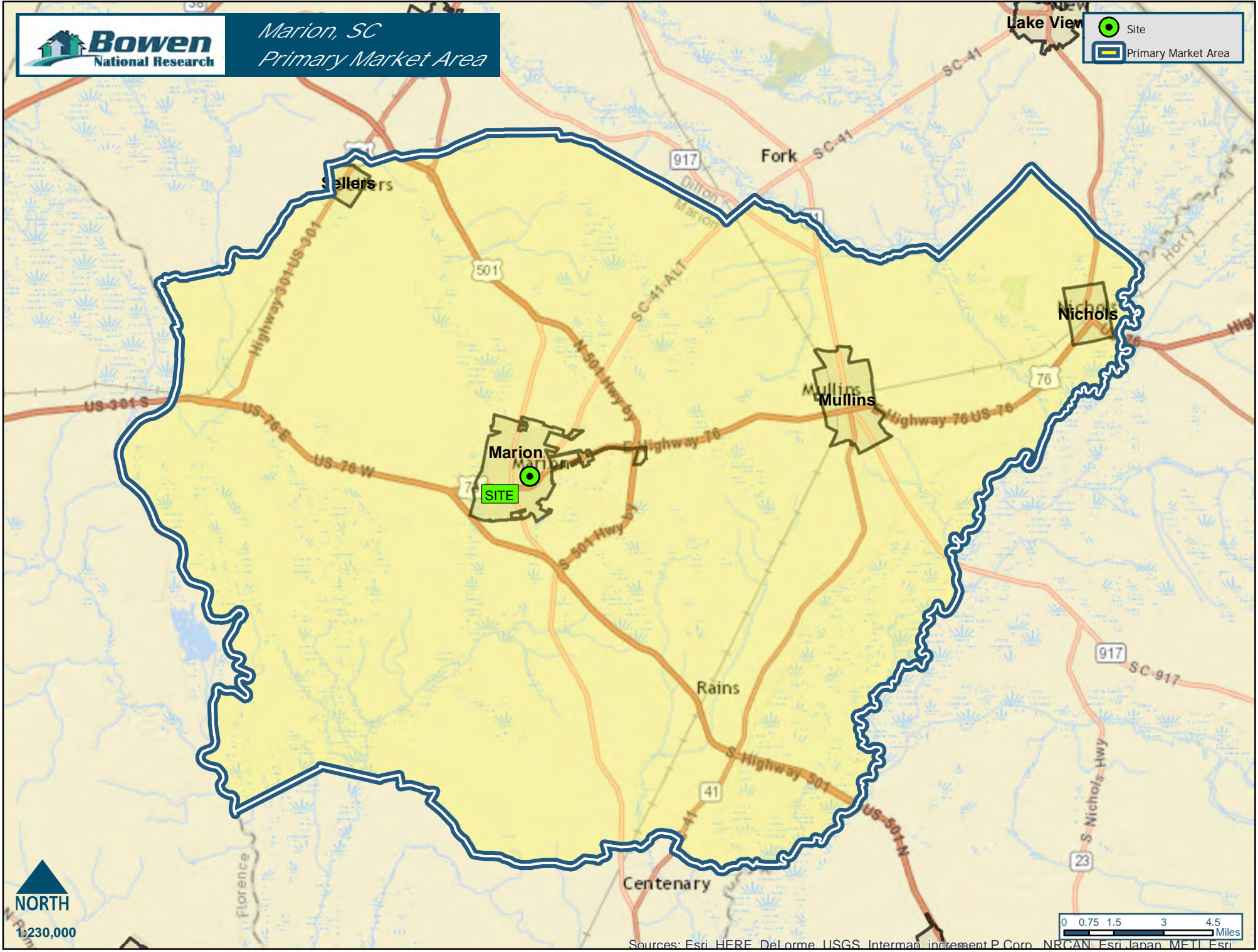
Though we expect a portion of prospective residents to originate from outside the delineated borders of the PMA, due to the rural nature of the surrounding area, we believe the majority of the prospective site population will come from the areas within the PMA. We have therefore not included a secondary market area for this study.

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



Marion, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:230,000

0 0.75 1.5 3 4.5
Miles

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

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

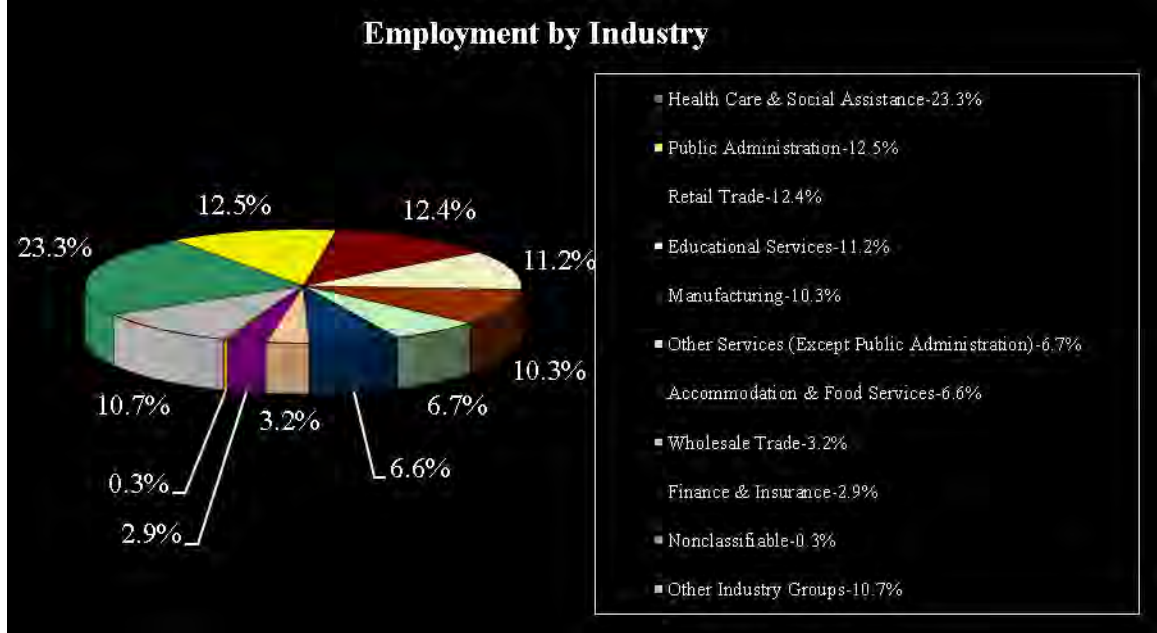
The labor force within the Marion Site PMA is based primarily in five sectors. Health Care & Social Assistance (which comprises 23.3%), Public Administration, Retail Trade, Educational Services and Manufacturing comprise nearly 70% of the Site PMA labor force. Employment in the Marion Site PMA, as of 2015, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	9	0.8%	19	0.2%	2.1
Mining	0	0.0%	0	0.0%	0.0
Utilities	3	0.3%	42	0.4%	14.0
Construction	35	3.3%	229	2.4%	6.5
Manufacturing	28	2.6%	964	10.3%	34.4
Wholesale Trade	40	3.7%	298	3.2%	7.5
Retail Trade	199	18.5%	1,156	12.4%	5.8
Transportation & Warehousing	23	2.1%	169	1.8%	7.3
Information	17	1.6%	103	1.1%	6.1
Finance & Insurance	98	9.1%	269	2.9%	2.7
Real Estate & Rental & Leasing	50	4.6%	138	1.5%	2.8
Professional, Scientific & Technical Services	38	3.5%	118	1.3%	3.1
Management of Companies & Enterprises	1	0.1%	4	0.0%	4.0
Administrative, Support, Waste Management & Remediation Services	22	2.0%	118	1.3%	5.4
Educational Services	32	3.0%	1,045	11.2%	32.7
Health Care & Social Assistance	77	7.2%	2,183	23.3%	28.4
Arts, Entertainment & Recreation	16	1.5%	63	0.7%	3.9
Accommodation & Food Services	63	5.9%	619	6.6%	9.8
Other Services (Except Public Administration)	192	17.8%	625	6.7%	3.3
Public Administration	112	10.4%	1,167	12.5%	10.4
Nonclassifiable	21	2.0%	31	0.3%	1.5
Total	1,076	100.0%	9,360	100.0%	8.7

*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	\$81,030	\$94,200
Business and Financial Occupations	\$54,790	\$59,660
Computer and Mathematical Occupations	\$57,180	\$66,430
Architecture and Engineering Occupations	\$78,640	\$73,960
Community and Social Service Occupations	\$31,920	\$39,440
Art, Design, Entertainment and Sports Medicine Occupations	\$42,680	\$42,760
Healthcare Practitioners and Technical Occupations	\$58,660	\$66,950
Healthcare Support Occupations	\$24,090	\$25,970
Protective Service Occupations	\$31,970	\$34,550
Food Preparation and Serving Related Occupations	\$18,900	\$19,990
Building and Grounds Cleaning and Maintenance Occupations	\$22,340	\$22,570
Personal Care and Service Occupations	\$24,340	\$22,390
Sales and Related Occupations	\$25,990	\$31,130
Office and Administrative Support Occupations	\$29,720	\$32,050
Construction and Extraction Occupations	\$32,100	\$37,440
Installation, Maintenance and Repair Occupations	\$36,610	\$41,420
Production Occupations	\$34,330	\$35,220
Transportation and Moving Occupations	\$32,010	\$31,030

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

Most annual blue-collar salaries range from \$18,900 to \$42,680 within the nonmetropolitan area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$66,060. It is important to note that most occupational types within the nonmetropolitan area 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 ten largest employers within the Marion County area comprise a total of 2,777 employees (as of November 2013). These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Marion County School District	Education	850
Marion County Regional Health Care System	Health Care	575
AVM Industries LLC	Automotive Components Manufacturer	362
SOPAKCO Assembly, Incorporated	Package Military Rations	282
Marion County	Government	265
Beneteau Incorporated	Sailboat Builder	175
Coca-Cola Bottling Company	Distribution Center	147
Precision Southeast, Incorporated	Injection Molding & Plastics	69
Canfor Southern Pine	Wood Molding	35
Elite Lighting Company	Distribution	17
Total		2,777

Source: Marion County Economic Development Commission (November 2013)

According to a representative with the Marion County Economic Development Commission, the Marion economy is improving. In the past 12 months, Marion has announced the recruitment of two new industries and three existing industry expansion projects. Together, these announcements total nearly \$24 million in capital investment and 250 new full-time permanent jobs in Marion County. In addition, there have been new retail establishments in the county, such as Tractor Supply, Burger King and Taco Bell (opening soon). Below are summaries of other key economic 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 from the current 680 employees to approximately 900 employees. 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. The project was completed and operational in early 2014.

- In June 2014, SoPakCo, a ready-to-serve food maker, announced plans to expand its Marion County facility, a \$3.4 million investment. The expansion will create more than 120 full-time jobs and, as of May 2015, they are currently hiring/training for those new positions. The company just announced that they are investing another \$4.5 million to install a new fitment pouch line at its headquarters in Mullins. The investment is expected to create 56 new jobs.
- In December 2014, Precision Southeast Incorporated, a manufacturer of injection molded plastic parts, announced that it will be expanding its facility, a \$16.6 million investment, and is expected to create 140 new jobs. Hiring began in March 2015.
- In February 2015, the Carolina amphitheater was purchased by new investors and is now the Swamp Fox Entertainment Complex. It reopened in Marion County after sitting stagnant for many years. It is estimated that the amphitheater will create nearly 272 permanent jobs over a five-year period.
- In December 2014, Quality Farms announced they will open its first facility in Mullins, a \$1.9 million investment expected to bring 27 jobs.
- Boxcar Grille, which already has locations in Claremont and Statesville, will take over the old Sagebrush Steakhouse building on U.S. Highway 221, right next to Interstate 40 South. The new restaurant opened in September 2015 and is expected to hire 70 employees.
- In June 2015, a permit was issued to Waffle House for the construction of a second restaurant in Marion. The second Waffle House will be located at the intersection of Sugar Hill Road and Condrey Road, just north of Fastenal, and across from Walmart and the Grandview Station Shopping Center.
- In addition, a restaurant called Japanese Express has been issued permits to open in Suite 4 of the Grandview Station Shopping Center on Sugar Hill Road.

WARN (layoff notices):

According to the South Carolina Department of Employment & Workforce, there have been no WARN notices of large-scale layoffs/closures reported for Marion County since January 1, 2014.

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.

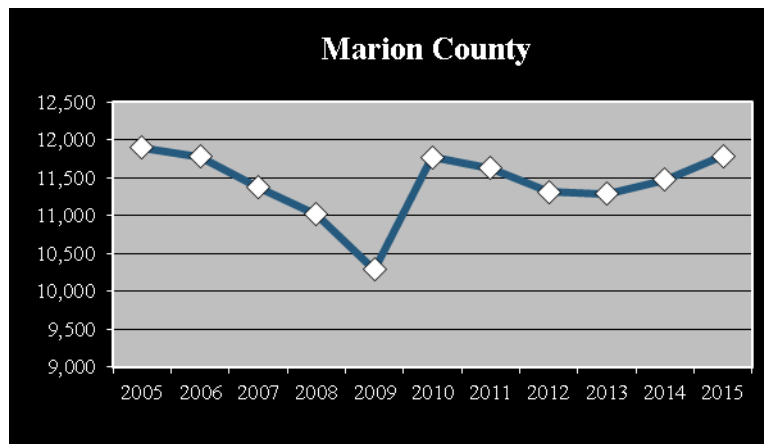
Excluding 2015, the employment base has declined by 2.5% over the past five years in Marion County, while the state of South Carolina increased by 7.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Marion County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	11,905	-	1,929,233	-	142,222,734	-
2006	11,781	-1.0%	1,973,337	2.3%	145,000,042	2.0%
2007	11,372	-3.5%	2,005,686	1.6%	146,388,400	1.0%
2008	11,015	-3.1%	1,996,409	-0.5%	146,047,748	-0.2%
2009	10,286	-6.6%	1,910,670	-4.3%	140,696,560	-3.7%
2010	11,775	14.5%	1,915,045	0.2%	140,469,405	-0.2%
2011	11,632	-1.2%	1,942,109	1.4%	141,793,976	0.9%
2012	11,319	-2.7%	1,978,328	1.9%	143,692,766	1.3%
2013	11,286	-0.3%	2,013,452	1.8%	145,141,024	1.0%
2014	11,476	1.7%	2,056,136	2.1%	147,569,657	1.7%
2015*	11,795	2.8%	2,113,066	2.8%	149,753,758	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through November



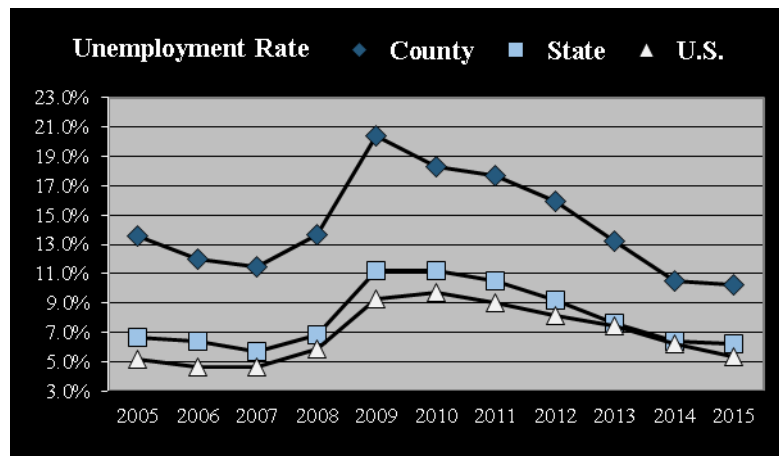
As the preceding illustrates, the Marion County employment base experienced a significant decline between 2006 and 2009, similar to trends experienced by much of the country during the national recession. Since 2009, the employment base within the county has generally been experiencing growth, increasing by 1,509 jobs, or 14.7%, through November 2015 and is near prerecession levels. In light of the recent expansion announcements, it is expected that the county's employment base will continue to increase in the foreseeable future.

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

Year	Total Unemployment					
	Marion County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2005	1,878	13.6%	139,366	6.7%	7,752,574	5.2%
2006	1,610	12.0%	135,760	6.4%	7,134,635	4.7%
2007	1,482	11.5%	120,205	5.7%	7,190,052	4.7%
2008	1,748	13.7%	145,823	6.8%	9,059,270	5.8%
2009	2,630	20.4%	242,075	11.2%	14,430,158	9.3%
2010	2,633	18.3%	240,623	11.2%	15,070,063	9.7%
2011	2,504	17.7%	228,937	10.5%	14,035,512	9.0%
2012	2,137	15.9%	199,830	9.2%	12,698,735	8.1%
2013	1,709	13.2%	166,641	7.6%	11,644,109	7.4%
2014	1,343	10.5%	141,451	6.4%	9,794,950	6.2%
2015*	1,345	10.2%	140,151	6.2%	8,503,727	5.4%

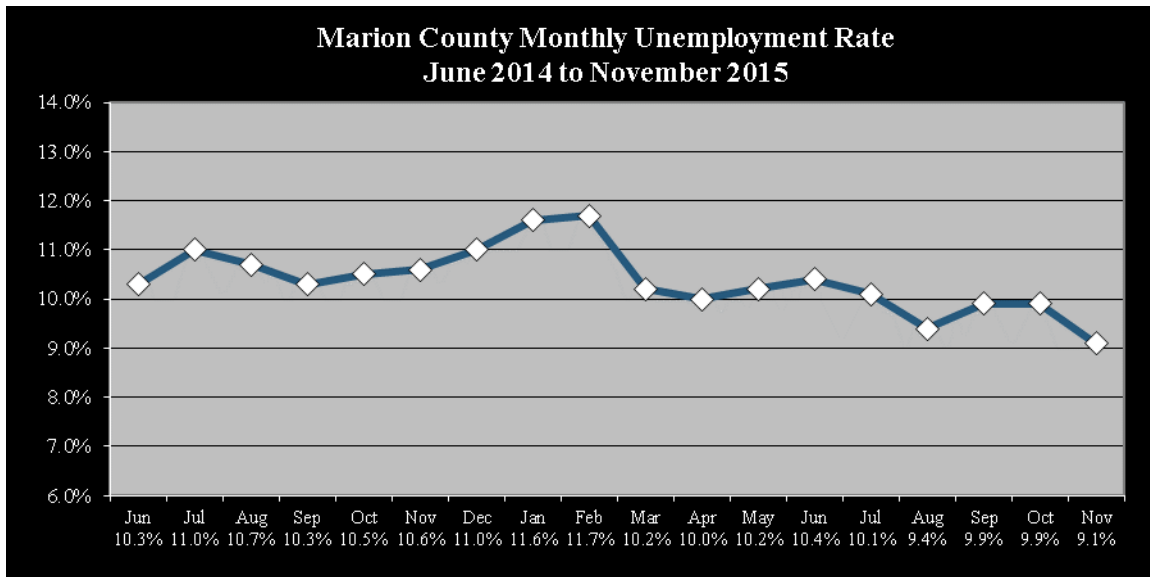
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Marion County has ranged between 10.2% and 20.4%, significantly above both state and national averages since 2005. Between 2007 and 2009, the unemployment rate increased by nearly nine percentage points as a result of the national recession. On a positive note, the unemployment rate has consistently decreased over the preceding six-year period; however, it is still considered high at 10.2% (through November 2015).

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



The unemployment rate in Marion County has been high over the past 18 months. The rate, which has fluctuated generally between 9.0% and 12.0%, peaked at 11.7% in February 2015. Since February, the rate has generally decreased, although it remains high at 9.1%, as reported in November 2015.

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 Marion County.

In-Place Employment Marion County			
Year	Employment	Change	Percent Change
2005	9,363	-	-
2006	9,037	-326	-3.5%
2007	8,717	-320	-3.5%
2008	8,322	-395	-4.5%
2009	7,483	-839	-10.1%
2010	7,055	-428	-5.7%
2011	6,880	-175	-2.5%
2012	6,504	-376	-5.5%
2013	6,437	-67	-1.0%
2014	6,520	83	1.3%
2015*	6,465	-55	-0.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2014, the most recent year that year-end figures are available, indicates in-place employment in Marion County to be 56.8% of the total Marion County employment. This means that Marion County has a high share of employed persons leaving the county for daytime employment. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. However, most potential residents of the subject project will likely be accustomed to the extensive commute to their place of employment. Therefore, we do not expect the share of in-place employment to have any significant impact on the overall marketability of the subject project.

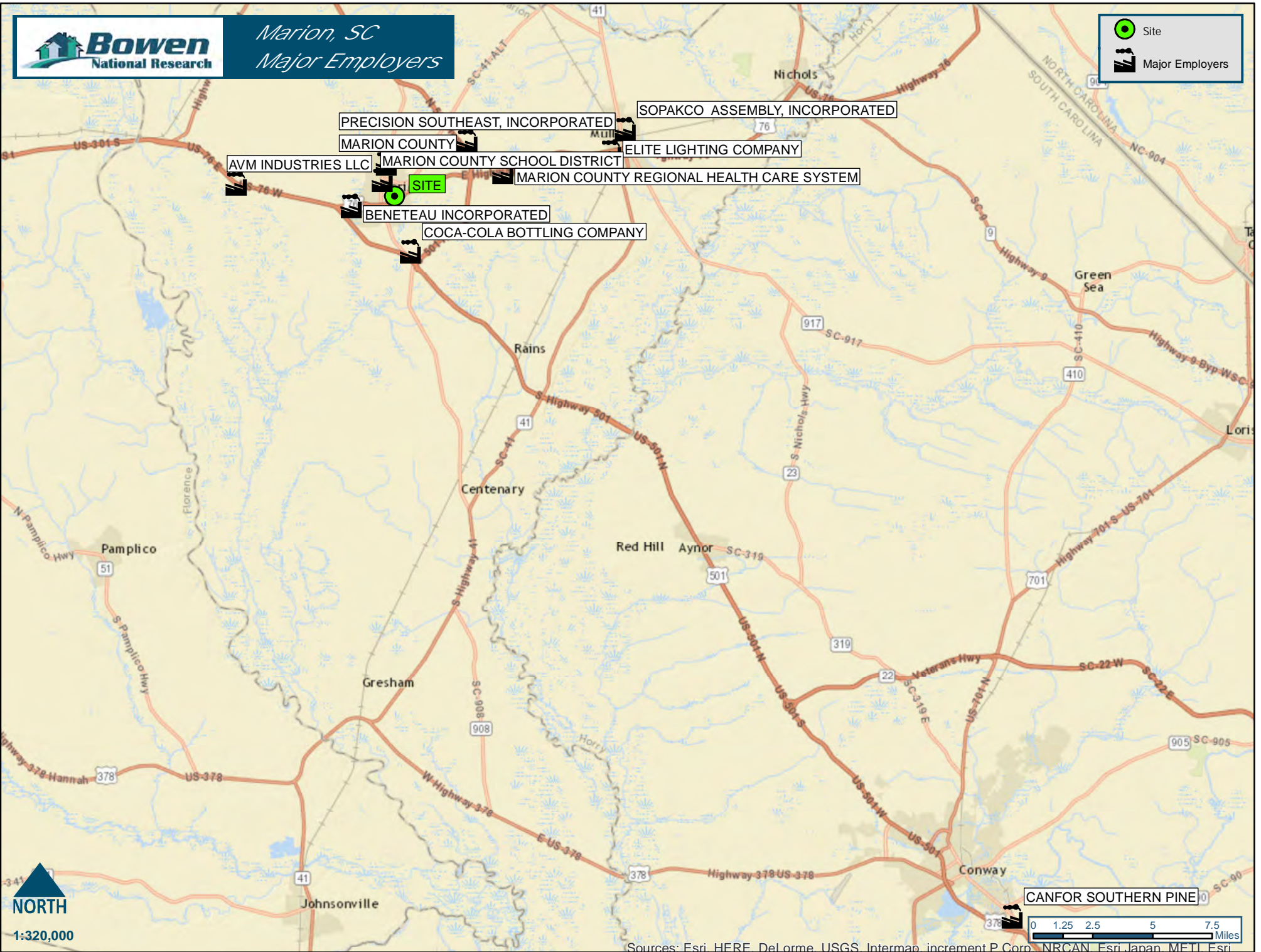
5. EMPLOYMENT CENTERS MAP

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

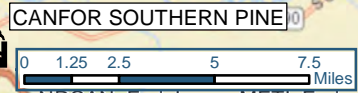


Marion, SC
Major Employers

- Site
- Major Employers



NORTH
1:320,000



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

6. COMMUTING PATTERNS

Based on the American Community Survey (2009-2013), 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	8,889	82.9%
Carpooled	1,137	10.6%
Public Transit	116	1.1%
Walked	98	0.9%
Other Means	86	0.8%
Worked at Home	403	3.8%
Total	10,729	100.0%

Source: American Community Survey (2009-2013); ESRI; Urban Decision Group; Bowen National Research

Nearly 83% of all workers drove alone, 10.6% carpooled and only 1.1% 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	3,757	35.0%
15 to 29 Minutes	2,618	24.4%
30 to 44 Minutes	1,853	17.3%
45 to 59 Minutes	1,343	12.5%
60 or More Minutes	754	7.0%
Worked at Home	403	3.8%
Total	10,728	100.0%

Source: American Community Survey (2009-2013); ESRI; Urban Decision Group; Bowen National Research

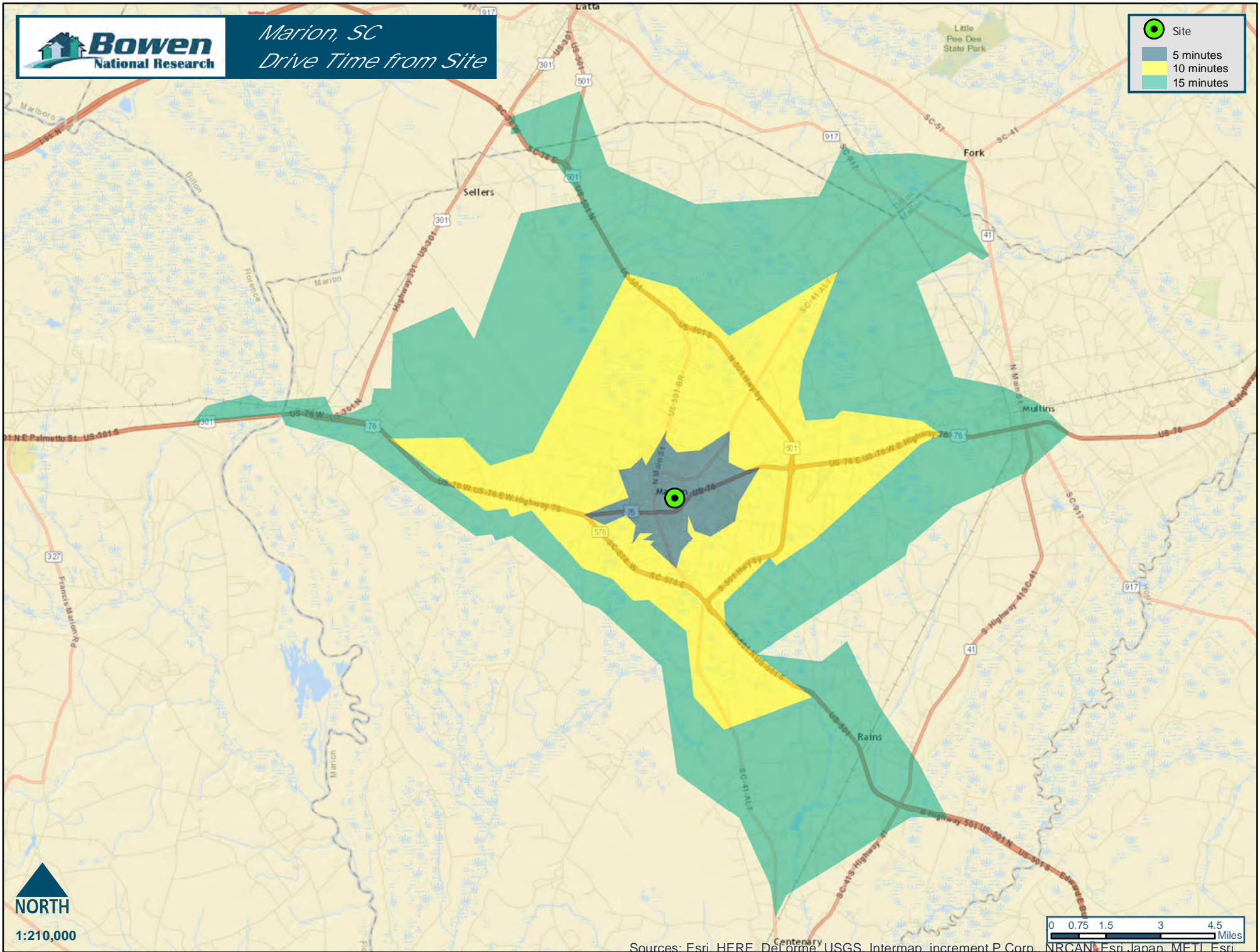
The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. At less than a 30-minute commute, the average drive time of the subject site to many large employers is considered reasonable and should contribute to the project's marketability. A drive-time map for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



Marion, SC
Drive Time from Site

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:210,000



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

7. ECONOMIC FORECAST AND HOUSING IMPACT

According to a representative with the Marion County Economic Development Commission and based on data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Marion County has been consistently improving since the impact of the national recession between 2007 and 2009. During this time period, the county's employment base declined by 1,086, or 9.5%, and the unemployment rate increased by nearly nine percentage points. On a positive note, since 2009, the employment base within the county has generally been experiencing growth, increasing by 1,509 jobs, or 14.7%, through November 2015 and is near prerecession levels. Similarly, the unemployment rate has consistently declined during the preceding six-year period; however, it is still considered high at 10.2% (through November 2015), significantly above both state and national averages. Considering the recent investment announcements within the county, it is anticipated that the local economy will continue to improve for the foreseeable future. Nonetheless, given the double-digit unemployment rate, the need for affordable housing is anticipated to remain strong. This is further evidenced by the generally strong occupancy rates maintained at the affordable properties surveyed within the market. 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 their current housing costs. The subject site will provide a good quality housing option to low-income households 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 2018 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2018 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2015 (estimated) and 2018 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Population	31,988	29,832	29,269	28,815
Population Change	-	-2,156	-563	-454
Percent Change	-	-6.7%	-1.9%	-1.6%

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

Since 2000, the market's population bases has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2018.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.7% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	203	0.7%
Population not in Group Quarters	29,629	99.3%
Total Population	29,832	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)		2015 (Estimated)		2018 (Projected)		Change 2015-2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,134	27.3%	7,394	25.3%	7,250	25.2%	-144	-1.9%
20 to 24	1,693	5.7%	1,808	6.2%	1,566	5.4%	-242	-13.4%
25 to 34	3,390	11.4%	3,392	11.6%	3,262	11.3%	-130	-3.8%
35 to 44	3,496	11.7%	3,373	11.5%	3,297	11.4%	-76	-2.2%
45 to 54	4,252	14.3%	3,698	12.6%	3,538	12.3%	-160	-4.3%
55 to 64	4,457	14.9%	4,408	15.1%	4,189	14.5%	-219	-5.0%
65 to 74	2,553	8.6%	3,262	11.1%	3,588	12.5%	326	10.0%
75 & Over	1,857	6.2%	1,934	6.6%	2,124	7.4%	190	9.8%
Total	29,832	100.0%	29,269	100.0%	28,815	100.0%	-454	-1.6%

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

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2015. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

e. Minority Concentrations

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%	54.7%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	51.0%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.6%
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%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.7%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2010-2014 5-year estimates, nearly 61% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that nearly all affordable developments within the market are 100.0% occupied, most of which maintain wait lists, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The proposed development will be able to provide a high-quality, modern affordable rental housing option that is much needed within the Census Tract it will be located.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2015 (Estimated)	2018 (Projected)
Households	12,084	11,843	11,808	11,661
Household Change	-	-241	-35	-147
Percent Change	-	-2.0%	-0.3%	-1.2%
Household Size	2.65	2.52	2.46	2.45

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 2018.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	8,006	67.6%	7,699	65.2%	7,606	65.2%
Renter-Occupied	3,837	32.4%	4,109	34.8%	4,055	34.8%
Total	11,843	100.0%	11,808	100.0%	11,661	100.0%

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

In 2015, homeowners occupied 65.2% of all occupied housing units, while the remaining 34.8% were occupied by renters. The 4,109 renter households in 2015 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 Marion Site PMA is summarized as follows:

Household Income	2010 (Census)		2015 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,699	14.3%	1,864	15.8%	1,793	15.4%
\$10,000 to \$19,999	2,249	19.0%	2,321	19.7%	2,231	19.1%
\$20,000 to \$29,999	1,824	15.4%	1,827	15.5%	1,797	15.4%
\$30,000 to \$39,999	1,160	9.8%	1,054	8.9%	1,050	9.0%
\$40,000 to \$49,999	1,116	9.4%	1,077	9.1%	1,036	8.9%
\$50,000 to \$59,999	1,009	8.5%	1,003	8.5%	969	8.3%
\$60,000 to \$74,999	911	7.7%	842	7.1%	879	7.5%
\$75,000 to \$99,999	915	7.7%	906	7.7%	913	7.8%
\$100,000 to \$124,999	506	4.3%	435	3.7%	465	4.0%
\$125,000 to \$149,999	227	1.9%	235	2.0%	247	2.1%
\$150,000 to \$199,999	126	1.1%	154	1.3%	179	1.5%
\$200,000 & Over	100	0.8%	91	0.8%	101	0.9%
Total	11,843	100.0%	11,808	100.0%	11,661	100.0%
Median Income	\$31,284		\$29,412		\$30,086	

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

In 2010, the median household income was \$31,284. This declined by 6.0% to \$29,412 in 2015. By 2018, it is projected that the median household income will be \$30,086, an increase of 2.3% from 2015.

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, 2015 and 2018 for the Marion Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	458	139	115	136	109	958
\$10,000 to \$19,999	442	189	168	141	42	982
\$20,000 to \$29,999	142	152	151	78	116	640
\$30,000 to \$39,999	70	144	124	49	18	405
\$40,000 to \$49,999	34	49	36	0	11	131
\$50,000 to \$59,999	34	92	61	31	5	224
\$60,000 to \$74,999	20	46	16	20	77	180
\$75,000 to \$99,999	35	78	3	6	6	130
\$100,000 to \$124,999	7	5	1	19	81	115
\$125,000 to \$149,999	9	5	6	2	5	28
\$150,000 to \$199,999	12	7	3	0	4	27
\$200,000 & Over	3	4	4	3	4	19
Total	1,268	912	690	487	480	3,837

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	554	172	127	148	123	1,124
\$10,000 to \$19,999	446	219	175	153	52	1,045
\$20,000 to \$29,999	153	160	166	79	119	677
\$30,000 to \$39,999	56	154	122	42	17	392
\$40,000 to \$49,999	41	52	56	1	13	163
\$50,000 to \$59,999	40	76	62	33	5	216
\$60,000 to \$74,999	18	41	12	22	68	161
\$75,000 to \$99,999	41	78	3	5	8	135
\$100,000 to \$124,999	12	8	0	16	73	109
\$125,000 to \$149,999	11	5	8	2	12	38
\$150,000 to \$199,999	13	9	2	4	5	33
\$200,000 & Over	2	2	2	5	3	15
Total	1,388	975	735	512	499	4,109

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2018 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	546	161	124	142	117	1,089
\$10,000 to \$19,999	426	207	171	150	46	1,000
\$20,000 to \$29,999	163	157	159	67	112	658
\$30,000 to \$39,999	60	157	122	45	18	402
\$40,000 to \$49,999	44	53	55	0	11	164
\$50,000 to \$59,999	37	74	59	37	5	213
\$60,000 to \$74,999	22	42	13	24	70	172
\$75,000 to \$99,999	44	82	3	5	7	141
\$100,000 to \$124,999	15	9	1	17	76	117
\$125,000 to \$149,999	12	7	7	3	11	40
\$150,000 to \$199,999	17	8	7	5	5	41
\$200,000 & Over	3	3	4	4	4	17
Total	1,387	961	725	500	482	4,055

Source: Ribbon Demographics; ESRI; Urban Decision Group

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 2018. Regardless, the 4,109 renter households in 2015 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 in the market 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 Marion County, South Carolina, which has a four-person median household income of \$41,300 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 \$568 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,816. 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 **\$19,474**.

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)	\$19,474	\$29,200
Tax Credit (Limited To 60% Of AMHI)	\$21,189	\$35,040
Overall Project	\$19,474	\$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 2015 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2018) 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/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

- 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) 2009-2013 5-year estimates, approximately 27.8% to 32.1% (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 2013 ACS 5-Year Estimates Table B25016, 3.7% 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 2015 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2016 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 (2015 to current). We did not identify any projects that were placed in service prior to 2016 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 (\$19,474-\$29,200)	60% AMHI (\$21,189-\$35,040)	Overall (\$19,474-\$35,040)
Demand From New Renter Households (Age- And Income-Appropriate)	665 - 685 = -20	787 - 799 = -12	920 - 937 = -17
+			
Demand From Existing Households (Rent Overburdened)	685 X 32.1% = 220	799 X 27.8% = 222	937 X 30.5% = 286
+			
Demand From Existing Households (Renters In Substandard Housing)	685 X 3.7% = 25	799 X 3.7% = 30	937 X 3.7% = 35
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	225	240	304
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2015)	0	0	0
=			
Net Demand	225	240	304
Proposed Units	7	24	31
Proposed Units/ Net Demand	7 / 225	24 / 240	31 / 304
Capture Rate	= 3.1%	= 10.0%	= 10.2%

The capture rates for units targeting households at 50% and 60% of AMHI, ranging from 3.1% to 10.0%, are considered low and easily achievable. This is especially true, considering the limited availability of affordable units within the Site PMA. The overall capture rate for the subject project is also low and easily achievable at 10.2%, demonstrating that there is a significant base of income-qualified renter households that will be able to support the subject project.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	25.0%
Two-Bedroom	50.0%
Three-Bedroom	25.0%
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 (225 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	56	0	56	-	-
Two-Bedroom (50%)	113	0	113	5	4.4%
Three-Bedroom (25%)	56	0	56	2	3.6%

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

Units Targeting 60% Of AMHI (240 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	60	0	60	-	-
Two-Bedroom (50%)	120	0	120	7	5.8%
Three-Bedroom (25%)	60	0	60	17	28.3%

*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 3.6% to 28.3%. These capture rates are considered low and achievable, especially when considering that nearly all existing non-subsidized Tax Credit units in the Marion Site PMA are occupied.

Considering that the subject project will include 19 three-bedroom units, which comprise 61.3% of all subject units offered, the analysis on the following page has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$22,766-\$29,200)	60% AMHI (\$24,480-\$35,040)	Overall (\$22,766-\$35,040)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	216 - 234 = -18	279 - 291 = -12	337 - 353 = -16
+			
Demand From Existing Households (Rent Overburdened)	234 X 27.9% = 65	291 X 27.8% = 81	353 X 27.8% = 98
+			
Demand From Existing Households (Renters In Substandard Housing)	234 X 3.7% = 9	291 X 3.7% = 11	353 X 3.7% = 13
=			
Total Large Household Demand	56	80	95
-			
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2015)	0	0	0
=			
Net Large Household Demand	56	80	95
Proposed (Three-Br.+) Units	2	17	19
Proposed (Three-Br.+) Units/ Net Large Household Demand	2 / 56	17 / 80	19 / 93
Large-Household Capture Rate	= 3.6%	= 21.3%	= 20.4%

The capture rates for the subject's three-bedroom units targeting households at 50% and 60% of AMHI, ranging from 3.6% to 21.3%, when considering larger (three-person+) household sizes, are considered achievable. This is especially true, considering the lack of available affordable three-bedroom units within the Site PMA. The overall capture rate for the subject project's three-bedroom units is also achievable at 20.4%, demonstrating that there is a sufficient base of larger income-qualified renter households that will be able to support such units.

It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs slightly from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three-bedroom units, regardless of bedroom type preference.

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 2018 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2018. 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 31 LIHTC units at the subject site will experience an average initial absorption rate of approximately seven units per month and reach a stabilized occupancy of 93.0% within approximately four months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

We identified three Low-Income Housing Tax Credit (LIHTC) projects within the Site PMA that are considered comparable to the subject development because they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Eastbrook Estates	2017	31	-	-	-	Families; 50% & 60% AMHI
1	Cedar Creek Apts.	2000	40	100.0%	1.3 Miles	15 H.H.	Families; 50% & 60% AMHI
5	Southern Forest Apts.	1997	40	100.0%	1.8 Miles	6 H.H.	Families; 60% AMHI
6	Anderson Center	2001	22	90.9%	8.3 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households

The three LIHTC projects have a combined occupancy rate of 98.0%, a strong rate for rental housing. In fact, two of these projects are 100.0% occupied and maintain wait lists. This demonstrates that pent-up demand exists for additional affordable housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

As illustrated in the preceding table, Anderson Center (Map ID 6) is operating at a below than stable occupancy rate of 90.9%. However, this is a result of only two vacant units. Note that minimal vacancies located at smaller communities, such as Anderson Center, can have an abnormal impact on occupancy levels.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Eastbrook Estates	-	\$568/50% (5) \$618/60% (7)	\$664/50% (2) \$714/60% (17)	-
1	Cedar Creek Apts.	-	\$558/50% (22/0) \$591/60% (2/0)	\$655/50% (14/0) \$760/60% (2/0)	None
5	Southern Forest Apts.	-	\$561/60% (24/0)	\$710/60% (16/0)	None
6	Anderson Center	\$464/50% (8/0) \$475/60% (8/1)	\$559/50% (3/0) \$566/60% (3/1)	-	None

The proposed gross subject rents, ranging from \$568 to \$714, are generally slightly higher (\$9 to \$27) than the highest LIHTC rents targeting similar income levels within the market. Considering the generally high occupancy levels of the competitive LIHTC developments, it is likely that higher rents can be charged at these projects without having an adverse impact on their occupancy levels. Further, considering that the subject project will be at least 16 years newer than the competitive LIHTC projects, offering larger unit sizes and a superior amenities package (as illustrated later in this section of the report), this will further enable the subject development to achieve higher rents. Overall, the proposed subject rents are considered appropriate for the market.

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

1 Cedar Creek Apts.

1.3 miles to site



Address	400 Wheat Ct. 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		
Parking	Surface Parking		
Waiting List	15 households		
Quality Rating	B-	Neighborhood Rating	C
Remarks	50% & 60% AMHI; HCV (24 units); HOME Funds (40 units)		

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	2	0	959	\$0.44	\$420	60%
2	1	G	22	0	959	\$0.40	\$387	50%
3	2	G	2	0	1183	\$0.46	\$550	60%
3	2	G	14	0	1183	\$0.38	\$445	50%

5**Southern Forest Apts.**

1.8 miles to site



Address	2800 Plaza Ct. Marion, SC 29571		
Phone	(843) 423-4441	Contact	Elizabeth
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1997	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	6 households		
Quality Rating	B-	Neighborhood Rating	C
Remarks	60% AMHI; HCV (12 units); HOME Funds (8 units)		

Features and Utilities

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

Unit Configuration

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

6 Anderson Center

8.3 miles to site



Address	135-151 N. Main St. Mullins, SC 29574		
Phone	(843) 464-6789	Contact	Christopher
Total Units	22	Vacancies	2
		Percent Occupied	90.9%
Project Type	Tax Credit		
Year Open	2001	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	C+	Neighborhood Rating	C
Remarks	50% & 60% AMHI; HCV (22 units); Historic theater renovated into apartments; Square footage estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	8	1	600	\$0.64	\$383	60%
1	1	G	8	0	600	\$0.62	\$372	50%
2	1	G	3	1	800	\$0.55	\$443	60%
2	1	G	3	0	800	\$0.55	\$436	50%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Eastbrook Estates	-	1,000	1,350
1	Cedar Creek Apts.	-	959	1,183
5	Southern Forest Apts.	-	770	995
6	Anderson Center	600	800	-

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Eastbrook Estates	-	2.0	2.0
1	Cedar Creek Apts.	-	1.0	2.0
5	Southern Forest Apts.	-	1.0	1.5
6	Anderson Center	1.0	1.0	-

The proposed development will offer the largest unit sizes, in terms of square footage and number of bathrooms offered, in the market. 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.

COMPARABLE PROPERTIES AMENITIES - MARION, SOUTH CAROLINA

MAP ID	APPLIANCES					UNIT AMENITIES											OTHER		
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS
SITE	X	X		X		X		C		X	X	X				B		S	Exterior Storage
1	X	X					X	C			X					B		S	Exterior Storage
5	X	X		X	X		X	C		X	X					B		S	Exterior Storage
6	X	X					X	C				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			
1		X	X		X	X		X											
5		X	X		X			X								X			
6		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 superior to those offered at the comparable Tax Credit rental alternatives in the market. The fact that the proposed development will be one of few properties offering a dishwasher, washer/dryer hookups and ceiling fans, and will be the only project to offer microwave ovens in each kitchen will provide the project with a competitive advantage. The subject project will offer a comprehensive property amenities package that will also be superior to the comparable LIHTC properties, as it will be one of few to offer a picnic area, and the only community to offer a computer center. 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 will generally be slightly higher than the rents offered at the competitive LIHTC projects targeting similar income levels, the subject project will be at least 16 years newer, will offer the largest unit sizes and a superior amenities package relative to the competitive LIHTC projects. These factors will allow the proposed development to charge higher rents in the market.

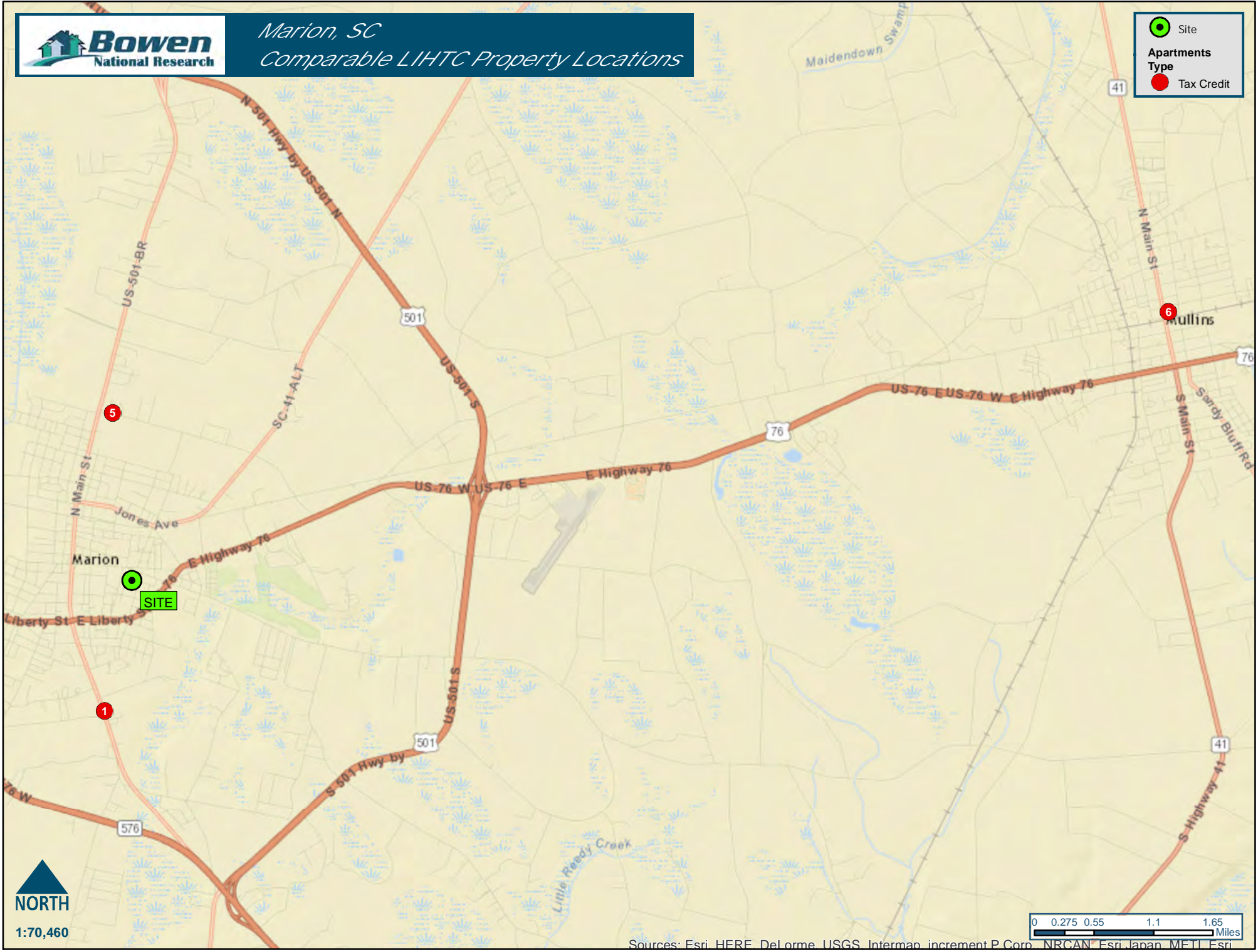
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Marion, SC
Comparable LIHTC Property Locations

● Site
● Apartments Type
● Tax Credit




NORTH
1:70,460



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 Marion Site PMA in 2010 and 2015 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2015 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,843	87.8%	11,808	86.4%
Owner-Occupied	8,006	67.6%	7,699	65.2%
Renter-Occupied	3,837	32.4%	4,109	34.8%
Vacant	1,651	12.2%	1,858	13.6%
Total	13,494	100.0%	13,666	100.0%

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

Based on a 2015 update of the 2010 Census, of the 13,666 total housing units in the market, 13.6% were vacant. In 2015, it was estimated that homeowners occupied 65.2% of all occupied housing units, while the remaining 34.8% were occupied by renters. The share of renters is considered typical for a rural market and the 4,109 renter households in 2015 represent a significant base of potential support in the Site PMA for the proposed development.

We identified and personally surveyed 11 conventional housing projects containing a total of 840 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.6% (a result of only three vacant units), a very strong rate for rental housing. Among these projects, six are non-subsidized (market-rate and Tax Credit) projects containing 115 units. These non-subsidized units are 98.3% occupied. The remaining five projects contain 725 government-subsidized units, which are 99.9% occupied.

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

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	13	0	100.0%
Tax Credit	3	102	2	98.0%
Tax Credit/Government-Subsidized	1	56	0	100.0%
Government-Subsidized	4	669	1	99.9%
Total	11	840	3	99.6%

All rental housing segments surveyed in the market are maintaining very strong occupancy levels, as none are operating below 98.0%. In fact, only three vacant rental units were identified, illustrating that pent-up demand likely exists for additional rental housing within the Marion Site PMA.

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	1	7.7%	0	0.0%	\$545
Two-Bedroom	1.0	8	61.5%	0	0.0%	\$662
Two-Bedroom	1.5	4	30.8%	0	0.0%	\$762
Total Market-rate		13	100.0%	0	0.0%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	15.7%	1	6.3%	\$464
Two-Bedroom	1.0	54	52.9%	1	1.9%	\$561
Three-Bedroom	1.5	16	15.7%	0	0.0%	\$710
Three-Bedroom	2.0	16	15.7%	0	0.0%	\$655
Total Tax Credit		102	100.0%	2	2.0%	-

As the preceding table illustrates, the median gross Tax Credit rents are lower than their corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income residents, as illustrated by the 98.0% combined occupancy rate among the non-subsidized Tax Credit projects within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	4	0.0%
1980 to 1989	1	5	0.0%
1990 to 1999	1	40	0.0%
2000 to 2005	3	66	3.0%
2006 to 2016*	0	0	0.0%
Total	6	115	0.4%

*As of February

As the preceding table illustrates, all rental units surveyed broken out by age are maintaining low vacancy rates, none higher than 3.0%. This illustrates that age has not had an impact on the overall Marion rental housing market.

It should also be pointed out that there have been no conventional non-subsidized rental housing projects built since 2002 within the Site PMA. The subject project will provide a new, modern rental housing alternative that is currently lacking within the market.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	4	0.0%
B	1	4	0.0%
B-	1	5	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B-	2	80	0.0%
C+	1	22	9.1%

The only vacancies that exist among the non-subsidized rental units surveyed in the market are located at the one Tax Credit project with a quality rating of a "C+", Anderson Center (Map ID 6). However, this project only contains two vacant units. It is important to note that minimal vacancies at smaller projects, such as Anderson Center, can have an abnormal impact on occupancy levels. Nonetheless, all non-subsidized rental units with higher quality ratings contain no vacancies. This will bode well for the demand of the subject units, as they are anticipated to be of excellent quality and design.

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 Marion Site PMA is on the following page.



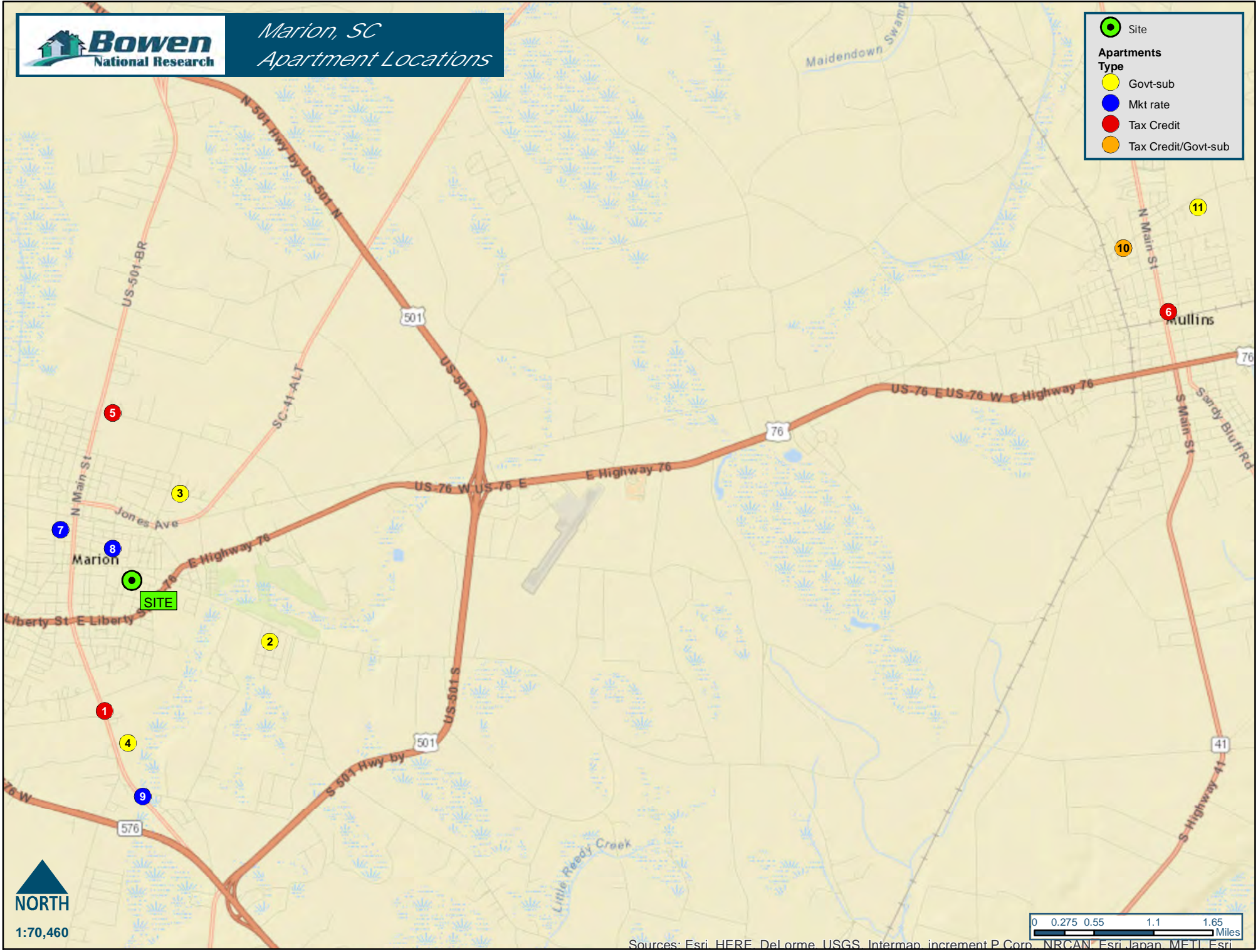


Marion, SC Apartment Locations

Site
● Site

Apartments Type

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



NORTH
1:70,460

0 0.275 0.55 1.1 1.65 Miles

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 there is one multifamily rental project within the development pipeline in the market. Wild Briar Village is to be located at East Liberty Street and Bluff Street in Marion and is proposed to include 44 apartments. The Bennett Group is seeking LIHTC financing. Considering that this project has not received funding, the 44 affordable units proposed at Wild Briar Village have not been considered in our demand analysis.

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 three comparable LIHTC projects within the Site PMA that have received Tax Credit funding, two of which are considered stable. In addition, we identified a total of three projects offering market-rate units of which none are considered to be both economically and conceptually comparable. The two stabilized comparable Tax Credit projects identified in the Site PMA are detailed in the table on the following page.

Stabilized Comparable Tax Credit Projects					
Map I.D.	Project Name	Year Built	Project Type	Total Units	Occupancy Rate
Site	Eastbrook Estates	2017	TC	31	-
1	Cedar Creek Apartments	2000	TC	40	100.0%
5	Southern Forest Apartments	1997	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 three market-rate properties within the Marion Site PMA that we consider most comparable to the subject development. Due to the lack of market-rate product in the Site PMA, we identified and surveyed four additional market-rate properties located outside of the Site PMA in the city of Florence that we consider comparable to the subject development based on their modern design and age. Note, adjustments for the differences between the Marion market and Florence market have been made. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Eastbrook Estates	2017	31	-	-	-	12 (-)	19 (-)
7	Westwood Apts.	1972	4	100.0%	-	-	4 (100.0%)	-
8	309-315 Oak St.	1986	5	100.0%	-	1 (100.0%)	4 (100.0%)	-
9	1130 S. Main St.	2002	4	100.0%	-	-	4 (100.0%)	-
901	Charles Pointe Apts.	2001	168	98.2%	-	42 (100.0%)	114 (97.4%)	12 (100.0%)
902	Patriot Place	1978	168	98.2%	72 (95.8%)	45 (100.0%)	35 (100.0%)	16 (100.0%)
903	Reserve at Mill Creek	2008	268	99.3%	-	122 (100.0%)	122 (99.2%)	24 (95.8%)
904	Sedgefield	1980	272	97.1%	-	67 (97.0%)	160 (96.9%)	45 (97.8%)

Occ. – Occupancy
 900 series Map IDs are located outside the Site PMA

The seven selected market-rate projects have a combined total of 889 units with an overall occupancy rate of 98.2%, a strong rate for housing. This demonstrates that these comparable properties 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	
Eastbrook Estates		Westwood Apts.		309-315 Oak St.		1130 S. Main St.		Charles Pointe Apts.		Reserve at Mill Creek	
Bluff Street		211 W. Fairlee St.		309-315 Oak St.		1130 S. Main St.		201 Millstone Rd.		2350 Freedom Blvd.	
Marion, SC		Marion, SC		Marion, SC		Marion, SC		Florence, SC		Florence, SC	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$500		\$450		\$550		\$835		\$1,075	
2	Date Surveyed	Dec-15		Jan-15		Dec-15		Dec-15		Dec-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		97%		99%	
5	Effective Rent & Rent/ sq. ft	\$500	0.57	\$450	0.50	\$550	0.61	\$835	0.84	\$1,075	0.95
B. Design, Location, Condition											
6	Structure / Stories	R/1		TH/2		TH/2		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2017		1972	\$45	1986	\$31	2002	\$15	2001	\$16
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	F		G	(\$10)	G	(\$10)	F		E	(\$20)
10	Same Market?			Yes		Yes		No	(\$209)	No	(\$269)
C. Unit Equipment/ Amenities											
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	\$30	1	\$30	1.5	\$15	2		2	
13	Unit Interior Sq. Ft.	1000	\$22	875	\$22	900	\$18	1000		1130	(\$23)
14	Balcony/ Patio	Y		Y		N	\$5	Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	HU	\$5	HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		N		Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Exterior Storage	Y/Y	\$10	N/N	\$10	N/N	\$10	Y/Y		Y/N	\$5
D Site Equipment/ Amenities											
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	N		N		N		Y	(\$5)	Y	(\$5)
26	Security Gate	N		N		N		N		Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
28	Pool/ Recreation Areas	F	\$5	N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29	Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y	\$3	N	\$3	N	\$3	Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities											
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash /Recycling	Y/N	\$14	N/N	\$14	N/N	\$14	Y/N		N/N	\$14
F. Adjustments Recap											
40	# Adjustments B to D		2	11	2	13	1	12	5	5	7
41	Sum Adjustments B to D		(\$35)	\$156	(\$35)	\$138	(\$10)	\$102	(\$249)	\$44	(\$337)
42	Sum Utility Adjustments			\$14		\$14		\$14		\$14	
				Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E		\$205	\$135	\$205	\$142	\$162	\$116	\$116	(\$205)	\$293
G. Adjusted & Market Rents											
44	Adjusted Rent (5+ 43)			\$635		\$592		\$666		\$630	
45	Adj Rent/Last rent				127%		131%		121%		75%
46	Estimated Market Rent	\$645		\$0.65		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

THREE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Eastbrook Estates		1130 S. Main St.		Charles Pointe Apts.		Patriot Place		Reserve at Mill Creek		Sedgefield	
Bluff Street		1130 S. Main St.		201 Millstone Rd.		4711 Patriot Ln.		2350 Freedom Blvd.		1300 Valparaiso Dr.	
Marion, SC		Marion, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$550		\$990		\$965		\$1,355		\$800	
2	Date Surveyed	Dec-15		Dec-15		Dec-15		Dec-15		Dec-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		96%		98%	
5	Effective Rent & Rent/ sq. ft	\$550	0.61	\$990	0.80	\$965	0.80	\$1,355	1.05	\$800	0.59
B. Design, Location, Condition											
6	Structure / Stories	SFH/1		TH/2		WU/3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2017		2002	\$15	2001	\$16	1978	\$39	2008	\$9
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	F		F		E	(\$20)	G	(\$10)	E	(\$20)
10	Same Market?			Yes		No	(\$248)	No	(\$241)	No	(\$339)
11	Neighborhood	F		F		E	(\$20)	G	(\$10)	E	(\$20)
10	Same Market?			Yes		No	(\$248)	No	(\$241)	No	(\$339)
10	Same Market?			Yes		No	(\$248)	No	(\$241)	No	(\$339)
10	Same Market?			Yes		No	(\$248)	No	(\$241)	No	(\$339)
C. Unit Equipment/ Amenities											
11	# Bedrooms	3		2	\$50	3		3		3	
12	# Baths	2		1.5	\$15	2		2		2	
13	Unit Interior Sq. Ft.	1350		900	\$88	1230	\$23	1200	\$29	1285	\$13
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L		HU	\$5	HU	\$5	HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Exterior Storage	Y/Y		N/N	\$10	Y/Y		N/N	\$10	Y/N	\$5
D. Site Equipment/ Amenities											
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
26	Security Gate	N		N		N		Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		N	\$5	N	\$5	Y		N	\$5
28	Pool/ Recreation Areas	F		N	\$5	P/F	(\$10)	P/F/S	(\$13)	P/F	(\$10)
29	Computer Center	Y		N	\$3	N	\$3	Y		N	\$3
30	Picnic Area	Y		N	\$3	Y		Y		N	\$3
31	Playground	Y		N	\$3	Y		N	\$3	Y	
32	Social Services	N		N		N		N		N	
E. Utilities											
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash /Recycling	Y/N		N/N	\$14	Y/N		N/N	\$14	Y/N	
F. Adjustments Recap											
40	# Adjustments B to D			13		6	5	6	5	3	6
41	Sum Adjustments B to D			\$222		\$67	(\$288)	\$101	(\$274)	\$27	(\$384)
42	Sum Utility Adjustments			\$14				\$14			
				Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E			\$236	\$236	(\$221)	\$355	(\$159)	\$389	(\$343)	\$425
43	Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)			\$786		\$769		\$806		\$1,012	
45	Adj Rent/Last rent				143%		78%		84%		75%
46	Estimated Market Rent	\$795		\$0.59		← 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 rents for units similar to the subject development are \$645 for a two-bedroom unit and \$795 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	\$400 (50%)	\$645	37.98%
	\$450 (60%)		30.23%
Three-Bedroom	\$445 (50%)	\$795	44.03%
	\$495 (60%)		37.74%
Weighted Average			36.73%

The proposed collected Tax Credit rents represent market rent advantages between 30.23% and 44.03%. 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.

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. Six of the seven 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, four of the seven selected properties are located outside of the Marion Site PMA in Florence, which is approximately 22.0 miles west of Marion. The Florence market is significantly larger than Marion 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 Marion market. Therefore, we have adjusted each collected rent at these four 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 than those offered at 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
1	Cedar Creek Apartments	100.0%	95.0%+
5	Southern Forest Apartments	100.0%	95.0%+
6	Anderson Center	90.9%	90.0%+

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, the majority of which are 100.0% occupied. Given the generally high occupancy rates, we expect all Tax Credit projects to operate at or above 90.0%. Given the achievable overall capture rate for the proposed subject project, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on existing Tax Credit projects within the market should the subject project receive Tax Credit allocations and be developed as proposed in this analysis.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$96,808. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$96,808 home is \$582, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$96,808
Mortgaged Value = 95% of Median Home Price	\$91,968
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$466
Estimated Taxes and Insurance*	\$116
Estimated Monthly Mortgage Payment	\$582

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$400 to \$495 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$87 to \$182 greater than the cost of renting at the subject project's Tax Credit units, depending on unit size and targeted income level. Therefore, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. As such, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, there are three competitive Tax Credit projects located within the Marion Site PMA. These projects have an overall occupancy rate of 98.0% (a result of only two vacant units), two of which are 100.0% occupied and maintain a wait list. This indicates that pent-up demand exists for additional affordable rental housing in the market. The proposed subject project will include a total of 31 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 Marion Site PMA. Even though over 92.0% of all non-subsidized projects surveyed were built after 1990, over 75.0% of all rental housing units within the market were constructed prior to 1990, as reported in the 2009-2013 ACS. 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 stakeholders knowledgeable about the Marion County area:

- Dr. Julie Norman, Executive Director of the Marion County Economic Development Commission, stated that there is a need for additional affordable housing for both families and seniors. Ms. Norman continued to explain that in order for the city to continue growing its economy and attracting new businesses, they must have places for people to live.
- Christie Graham, Section 8 Coordinator of the Housing Authority of Marion County, believes the only need for affordable housing is one- and three-bedroom Section 8 housing, or those that are eligible to accept Voucher holders. Ms. Graham explained that when Vouchers are available, families still do not have anywhere to go to use them or that single/disabled individuals can't afford the rent.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 31 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 three Tax Credit properties located within the Marion Site PMA have a combined occupancy rate of 98.0% (a result of only two vacant units), two of which are 100.0% occupied and maintain wait lists. These generally high occupancy rates among Tax Credit product, along with the waiting lists, are indications that pent-up demand exists for additional rental housing targeting low- and moderate-income households within the Marion Site PMA.

The subject project will offer the largest unit sizes and will provide an amenities package that is superior to the existing LIHTC projects within the market. Although the proposed rents are generally slightly higher than the rents offered at the competitive LIHTC projects in the Site PMA targeting similar income levels, the aforementioned project characteristics, along with the fact that minimal vacancies exist among all LIHTC units within the market and the subject project will be at least 16 years newer, will allow the proposed development to achieve higher rents in the Marion Site PMA. As such, we believe the proposed rents are appropriately positioned within the marketplace and we have no recommendations at this time.

K. SIGNED STATEMENT REQUIREMENT

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

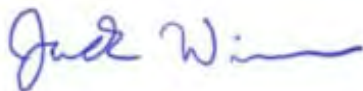
Certified:



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Date: March 1, 2016



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Date: March 1, 2016

L. Qualifications

The Company

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

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

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

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jordana Baker, Market Analyst, is a licensed Realtor with experience in the property management and for-sale housing industries. This experience gives her the ability to analyze site-specific housing conditions and how they may impact the overall market. In addition, her property management experience gives her inside knowledge of the day-to-day operations of rental housing. Ms. Baker obtained her Bachelor of Business Administration from The Ohio State University and her Associate of Science in Real Estate from Columbus State Community College.

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.

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.

Jessica Cassady, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. She is also experienced in evaluating projects in the development pipeline and economic trends. Ms. Cassady graduated from Eastern Kentucky University with a Bachelor of Arts in Public Relations.

Jordan Resnick, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Resnick holds a Bachelor of Science degree in Business Administration for The Ohio State 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 Sweat, 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. Sweat holds a Bachelor of Arts in Communication from the University of Cincinnati.

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.

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

MARION, 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.

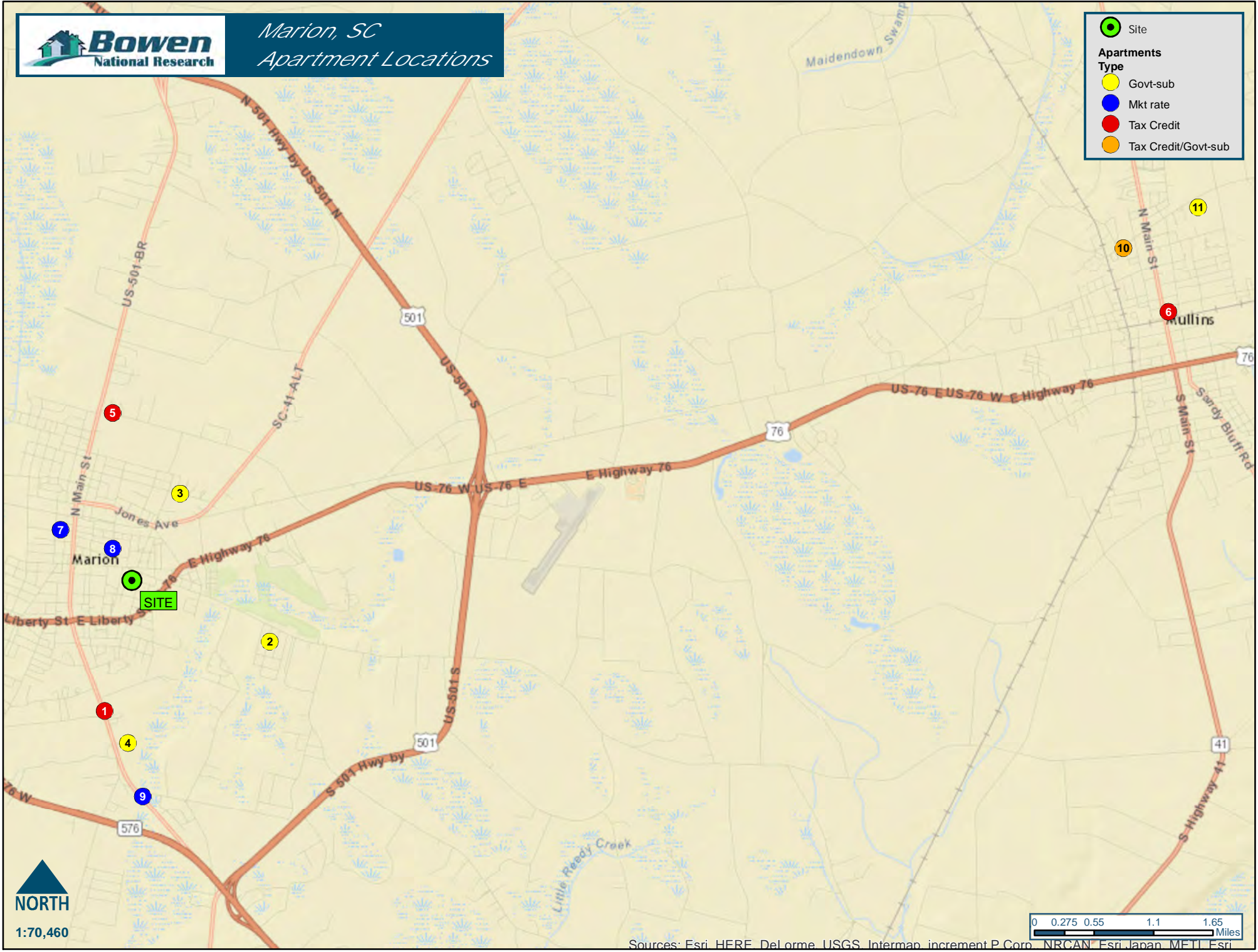


Marion, SC Apartment Locations

Site
● Site

Apartments Type

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



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

MAP IDENTIFICATION LIST - MARION, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Cedar Creek Apts.	TAX	B-	2000	40	0	100.0%	1.3
2	Marion Public Housing	GSS	C	1961	375	0	100.0%	1.4
3	Northside Place	GSS	B+	1981	56	0	100.0%	0.9
4	Silver Trace Apts.	GSS	B	1988	44	1	97.7%	1.6
5	Southern Forest Apts.	TAX	B-	1997	40	0	100.0%	1.8
6	Anderson Center	TAX	C+	2001	22	2	90.9%	8.3
7	Westwood Apts.	MRR	B	1972	4	0	100.0%	0.8
8	309-315 Oak St.	MRR	B-	1986	5	0	100.0%	0.5
9	1130 S. Main St.	MRR	B+	2002	4	0	100.0%	2.0
10	Meadow Park Apts.	TGS	B-	1985	56	0	100.0%	8.4
11	Mullins Housing Authority	GSS	C	1976	194	0	100.0%	9.1

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	3	13	0	100.0%	0
TAX	3	102	2	98.0%	0
TGS	1	56	0	100.0%	0
GSS	4	669	1	99.9%	0

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

* - Drive Distance (Miles)

Survey Date: February 2016

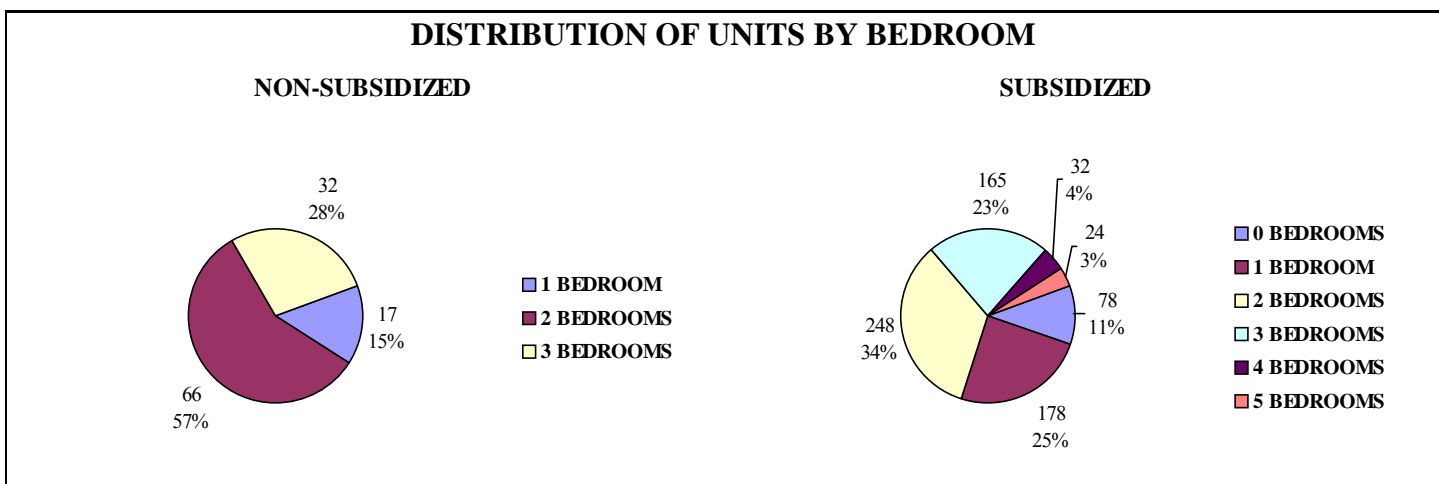
DISTRIBUTION OF UNITS - MARION, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	1	7.7%	0	0.0%	\$545
2	1	8	61.5%	0	0.0%	\$662
2	1.5	4	30.8%	0	0.0%	\$762
TOTAL		13	100.0%	0	0.0%	






TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	15.7%	1	6.3%	\$464
2	1	54	52.9%	1	1.9%	\$561
3	1.5	16	15.7%	0	0.0%	\$710
3	2	16	15.7%	0	0.0%	\$655
TOTAL		102	100.0%	2	2.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	28.6%	0	0.0%	N.A.
2	1	24	42.9%	0	0.0%	N.A.
3	1.5	16	28.6%	0	0.0%	N.A.
TOTAL		56	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	78	11.7%	0	0.0%	N.A.
1	1	162	24.2%	1	0.6%	N.A.
2	1	224	33.5%	0	0.0%	N.A.
3	1	149	22.3%	0	0.0%	N.A.
4	2	32	4.8%	0	0.0%	N.A.
5	2	24	3.6%	0	0.0%	N.A.
TOTAL		669	100.0%	1	0.1%	
GRAND TOTAL		840	-	3	0.4%	



SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA





1 Cedar Creek Apts.			
	Address 400 Wheat Ct. Marion, SC 29571	Phone (843) 423-1111 (Contact in person)	Total Units 40
	Year Built 2000 Comments 50% & 60% AMHI; HCV (24 units); HOME Funds (40 units)	Contact Christy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 15 households
2 Marion Public Housing			
	Address 826 Walnut St. Marion, SC 29571	Phone (843) 423-5242 (Contact in person)	Total Units 375
	Year Built 1961 Comments Public Housing; Washer hookups only; Unit mix & square footage estimated	Contact Anne	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C Waiting List 100 households
3 Northside Place			
	Address 1002 Mason Ct. Marion, SC 29571	Phone (843) 423-7739 (Contact in person)	Total Units 56
	Year Built 1981 Renovated 2013 Comments RD 515, has RA (56 units)	Contact Angie	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List 26 households
4 Silver Trace Apts.			
	Address 106 B Silver Trace Ct. Marion, SC 29571	Phone (843) 423-5538 (Contact in person)	Total Units 44
	Year Built 1988 Comments RD 515, has RA (23 units); HCV (2 unit)	Contact Joyce	Vacancies 1 Occupied 97.7% Floors 1,2 Quality Rating B Waiting List None
5 Southern Forest Apts.			
	Address 2800 Plaza Ct. Marion, SC 29571	Phone (843) 423-4441 (Contact in person)	Total Units 40
	Year Built 1997 Comments 60% AMHI; HCV (12 units); HOME Funds (8 units)	Contact Elizabeth	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 6 households

Project Type

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

Survey Date: February 2016

SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA


6 Anderson Center			
	Address 135-151 N. Main St. Mullins, SC 29574	Phone (843) 464-6789 (Contact in person)	Total Units 22
	Year Built 2001	Contact Christopher	Vacancies 2
	Comments 50% & 60% AMHI; HCV (22 units); Historic theater renovated into apartments; Square footage estimated		Occupied 90.9%
			Floors 2
			Quality Rating C+
			Waiting List None
7 Westwood Apts.			
	Address 211 W. Fairlee St. Marion, SC 29571	Phone (843) 430-2492 (Contact in person)	Total Units 4
	Year Built 1972	Contact John	Vacancies 0
	Comments Does not accept HCV; Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating B
			Waiting List None
8 309-315 Oak St.			
	Address 309-315 Oak St. Marion, SC 29571	Phone (843) 423-1212 (Contact in person)	Total Units 5
	Year Built 1986	Contact Abby	Vacancies 0
	Comments Does not accept HCV; 2-br have washer/dryer hookup		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List None
9 1130 S. Main St.			
	Address 1130 S. Main St. Marion, SC 29571	Phone (843) 742-0888 (Contact in person)	Total Units 4
	Year Built 2002	Contact Beatrice	Vacancies 0
	Comments Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating B+
			Waiting List None
10 Meadow Park Apts.			
	Address 301 W. Dogwood Dr. Mullins, SC 29574	Phone (843) 464-6780 (Contact in person)	Total Units 56
	Year Built 1985 Renovated 2015	Contact Sheila	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (56 units)		Occupied 100.0%
			Floors 2
			Quality Rating B-
			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: February 2016

SURVEY OF PROPERTIES - MARION, SOUTH CAROLINA

11 Mullins Housing Authority			
	Address 244 Blanton Ct. Mullins, SC 29574	Phone (843) 464-9822 (Contact in person)	Total Units 194 Vacancies 0
	Year Built 1976 Comments Public Housing; Scattered sites; Square footage estimated	Contact Beverly	Occupied 100.0% Floors 1 Quality Rating C
			Waiting List 6 months

Project Type

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

Survey Date: February 2016

COLLECTED RENTS - MARION, 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			\$387 to \$420	\$445 to \$550					
5			\$390	\$500					
6		\$372 to \$383	\$436 to \$443						
7							\$500		
8		\$400					\$450		
9							\$550		

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

Survey Date: February 2016

PRICE PER SQUARE FOOT - MARION, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
8	309-315 Oak St.	1	800	\$545	\$0.68
6	Anderson Center	1	600	\$464 to \$475	\$0.77 to \$0.79
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
7	Westwood Apts.	1	875	\$712	\$0.81
8	309-315 Oak St.	1	900	\$662	\$0.74
9	1130 S. Main St.	1.5	900	\$762	\$0.85
1	Cedar Creek Apts.	1	959	\$558 to \$591	\$0.58 to \$0.62
5	Southern Forest Apts.	1	770	\$561	\$0.73
6	Anderson Center	1	800	\$559 to \$566	\$0.70 to \$0.71
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Cedar Creek Apts.	2	1183	\$655 to \$760	\$0.55 to \$0.64
5	Southern Forest Apts.	1.5	995	\$710	\$0.71

◆	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

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AVERAGE GROSS RENT PER SQUARE FOOT - MARION, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.68	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.80	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.66	\$0.64
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.66	\$0.64
TOWNHOUSE	\$0.00	\$0.80	\$0.00

TAX CREDIT UNITS - MARION, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Anderson Center	8	600	1	50%	\$372
6	Anderson Center	8	600	1	60%	\$383
10	Meadow Park Apts.	16	568	1	60%	\$425 - \$506
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Cedar Creek Apts.	22	959	1	50%	\$387
5	Southern Forest Apts.	24	770	1	60%	\$390
1	Cedar Creek Apts.	2	959	1	60%	\$420
6	Anderson Center	3	800	1	50%	\$436
6	Anderson Center	3	800	1	60%	\$443
10	Meadow Park Apts.	24	736	1	60%	\$460 - \$613
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Cedar Creek Apts.	14	1183	2	50%	\$445
10	Meadow Park Apts.	16	914	1.5	60%	\$470 - \$643
5	Southern Forest Apts.	16	995	1.5	60%	\$500
1	Cedar Creek Apts.	2	1183	2	60%	\$550

QUALITY RATING - MARION, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

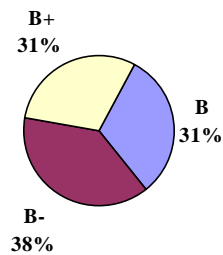
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	4	0.0%			\$762		
B	1	4	0.0%			\$712		
B-	1	5	0.0%		\$545	\$662		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

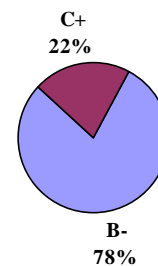
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	2	80	0.0%			\$561	\$710	
C+	1	22	9.1%		\$464	\$559		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - MARION, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	4	0	0.0%	4	3.5%
1980 to 1989	1	5	0	0.0%	9	4.3%
1990 to 1999	1	40	0	0.0%	49	34.8%
2000 to 2005	3	66	2	3.0%	115	57.4%
2006	0	0	0	0.0%	115	0.0%
2007	0	0	0	0.0%	115	0.0%
2008	0	0	0	0.0%	115	0.0%
2009	0	0	0	0.0%	115	0.0%
2010	0	0	0	0.0%	115	0.0%
2011	0	0	0	0.0%	115	0.0%
2012	0	0	0	0.0%	115	0.0%
2013	0	0	0	0.0%	115	0.0%
2014	0	0	0	0.0%	115	0.0%
2015**	0	0	0	0.0%	115	0.0%
TOTAL	6	115	2	1.7%	115	100.0 %

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

** As of February 2016

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APPLIANCES AND UNIT AMENITIES - MARION, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	6	100.0%	115
REFRIGERATOR	6	100.0%	115
ICEMAKER	0	0.0%	
DISHWASHER	3	50.0%	49
DISPOSAL	1	16.7%	40
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	6	100.0%	115
AC - WINDOW	0	0.0%	
FLOOR COVERING	6	100.0%	115
WASHER/DRYER	1	16.7%	4
WASHER/DRYER HOOK-UP	4	66.7%	53
PATIO/DECK/BALCONY	4	66.7%	88
CEILING FAN	1	16.7%	22
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	6	100.0%	115
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - MARION, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	50.0%	102
LAUNDRY	3	50.0%	102
CLUB HOUSE	0	0.0%	
MEETING ROOM	3	50.0%	102
FITNESS CENTER	2	33.3%	62
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	2	33.3%	80
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
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 - MARION, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	10	836	99.5%
GAS	1	4	0.5%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	10	836	99.5%
GAS	1	4	0.5%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	10	836	99.5%
GAS	1	4	0.5%
			100.0%
ELECTRIC			
TENANT	11	840	100.0%
			100.0%
WATER			
LANDLORD	4	647	77.0%
TENANT	7	193	23.0%
			100.0%
SEWER			
LANDLORD	4	647	77.0%
TENANT	7	193	23.0%
TRASH PICK-UP			
LANDLORD	6	727	86.5%
TENANT	5	113	13.5%
			100.0%

UTILITY ALLOWANCE - MARION, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$28	\$16		\$7	\$8	\$14	\$15	\$7	\$43	\$17	\$20	\$14	\$20
1	GARDEN	\$31	\$19		\$8	\$9	\$16	\$15	\$8	\$49	\$18	\$21	\$14	\$20
1	TOWNHOUSE	\$33	\$27		\$11	\$9	\$16	\$15	\$8	\$64	\$18	\$21	\$14	\$20
2	GARDEN	\$33	\$23		\$10	\$13	\$24	\$16	\$10	\$66	\$21	\$27	\$14	\$20
2	TOWNHOUSE	\$35	\$30		\$13	\$13	\$24	\$16	\$10	\$86	\$21	\$27	\$14	\$20
3	GARDEN	\$35	\$27		\$11	\$16	\$29	\$17	\$12	\$85	\$25	\$32	\$14	\$20
3	TOWNHOUSE	\$38	\$24		\$14	\$16	\$29	\$17	\$12	\$107	\$25	\$32	\$14	\$20
4	GARDEN	\$37	\$30		\$13	\$19	\$34	\$18	\$14	\$103	\$29	\$38	\$14	\$20
4	TOWNHOUSE	\$40	\$37		\$15	\$19	\$34	\$18	\$14	\$130	\$29	\$38	\$14	\$20

SC-Midlands Region (1/2016) Fees

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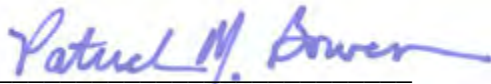


ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

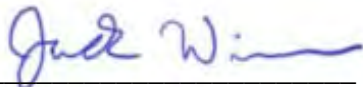
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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