



**A MARKET FEASIBILITY STUDY OF
MAGNOLIA TOWNHOMES
233 Ag Street
Bennettsville, Marlboro County, South Carolina 29512**

**Effective Date: February 28, 2016
Report Date: March 9, 2016**

Prepared For

**Prepared For
Mr. Thompson Gooding
Oracle Design Group, Inc.
1221 S. 4th Street
Louisville, KY 40203**

Prepared By

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March 9, 2016

Prepared For:
Mr. Thompson Gooding
Oracle Design Group, Inc.
1221 S. 4th Street
Louisville, KY 40203

Re: Market Study for Magnolia Townhomes, Bennettsville, South Carolina

Dear Mr. Gooding:

At your request, Novogradac & Company LLP performed a study of the multifamily rental housing market in the Bennettsville, Marlboro County, South Carolina area relative to the above-referenced proposed Low-Income Housing Tax Credit (LIHTC) project known as Magnolia Townhomes, the Subject.

The purpose of this market study is to assess the viability of Magnolia Townhomes, a proposed new construction multifamily apartment development consisting of 42 units. The property will offer affordable rental units restricted to general households earning 50 and 60 percent or less of the Area Median Gross Income (AMGI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy levels for the market area.
- Investigating the health and conditions of the multifamily housing market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, both affordable and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.


Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Magnolia Townhomes, the Subject, is a proposed new construction 42-unit multifamily LIHTC development that will be restricted to households earning 50 and 60 percent of the AMI or less.

Targeted Tenancy: Family

Proposed Rents, Unit Mix, and Utility Allowance: The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

Unit Type	Square Feet	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent
			<i>50% AMI</i>			
2BR/2BA	963	3	\$399	\$120	\$519	\$531
2BR/2BA	1,068	3	\$399	\$120	\$519	\$531
3BR/2BA	1,266	3	\$455	\$145	\$600	\$613
			<i>60% AMI</i>			
2BR/2BA	963	3	\$495	\$120	\$615	\$637
2BR/2BA	1,068	13	\$495	\$120	\$615	\$637
3BR/2BA	1,234	1	\$564	\$145	\$709	\$736
3BR/2BA	1,266	<u>16</u>	\$564	\$145	\$709	
Total		42				

Notes (1) Source of Utility Allowance provided by the Developer.

Market Vacancy: The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bennettsville Green Apartments	LIHTC	40	1	2.5%
Bennettsville Lofts	LIHTC	22	1	4.5%
Glenfield I	LIHTC/RD	40	1	2.5%
Glenfield II	LIHTC/RD	40	2	5.0%
Bentree Apartments*	Market	132	3	2.3%
Charles Pointe*	Market	168	0	0.0%
Garden Apartments	Market	24	1	4.2%
Lakeside Apartments	Market	64	5	7.8%
Magnolia Village	Market	28	0	0.0%
Woodlake Apartments*	Market	<u>120</u>	<u>3</u>	<u>2.5%</u>
Total		678	17	2.5%

*Located outside the PMA

OVERALL - COMPARABLE LIHTC VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bennettsville Green Apartments	LIHTC	40	1	2.5%
Bennettsville Lofts	LIHTC	22	1	4.5%
Glenfield I	LIHTC/RD	40	1	2.5%
Glenfield II	LIHTC/RD	<u>40</u>	<u>2</u>	<u>5.0%</u>
Total		142	5	3.5%

OVERALL - MARKET RATE VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bentree Apartments*	Market	132	3	2.3%
Charles Pointe*	Market	168	0	0.0%
Garden Apartments	Market	24	1	4.2%
Lakeside Apartments	Market	64	5	7.8%
Magnolia Village	Market	28	0	0.0%
Woodlake Apartments*	Market	<u>120</u>	<u>3</u>	<u>2.5%</u>
Total		536	12	2.2%

*Located outside the PMA

The comparables reported vacancy rates ranging from zero to 7.8 percent, with an overall weighted average of 2.5 percent. With the exception of Lakeside Apartments, all of the comparables reported vacancy rates of 5.0 percent or lower.

The LIHTC comparables have vacancy ranging from 2.5 to 5.0 percent, with an average of 3.5 percent. All of the surveyed LIHTC properties maintain waiting lists. The low vacancy rates and waiting lists at the LIHTC comparables is indicative of strong demand for affordable rental housing in the PMA.

The market rate comparables have vacancy ranging from zero to 7.8 percent, with an average of 2.2 percent. According to management at Lakeside Apartments, the five vacant units have pending applications. Therefore, we do not believe the slightly elevated vacancy rate at Lakeside Apartments is cause for concern.

Based upon the performance of the surveyed LIHTC and market rate properties, we believe the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization, per state guideline standards.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
2BR at 50% AMI	56	0	56	6	10.8%
2BR at 60% AMI	59	0	59	16	26.9%
2BR All LIHTC	87	0	87	22	25.2%
3BR at 50% AMI	56	0	56	3	5.4%
3BR at 60% AMI	59	0	59	17	28.6%
3BR All LIHTC	87	0	87	20	23.0%
Overall at 50% AMI	112	0	112	9	8.1%
Overall at 60% AMI	119	0	119	33	27.8%
Overall All LIHTC Units	174	0	174	42	24.1%

*Note the demand totals have been refined to only include size-appropriate households.

As the analysis illustrates, the Subject’s overall capture rates range from 8.1 percent for units at 50 percent AMI to 27.8 percent for units at 60 percent AMI, with an overall capture rate of 24.1 percent. The Subject’s capture rates are within the acceptable demand thresholds and we believe that there is sufficient demand for the Subject’s units in the PMA.

Projected Absorption Period:

The newest LIHTC property in the PMA is Bennettsville Green Apartments, which opened in 2010. It consists of 40 two and three-bedroom units restricted at 50 and 60 percent AMI. Bennettsville Green Apartments is 97.5 percent occupied with a waiting list of 10 households. It experienced an absorption rate of 13 units per month. Based on the absorption rate experienced by Bennettsville Green Apartments, as well as the low vacancy rates in the market, waiting lists at the existing LIHTC comparables, and the Demand Analysis, we estimate that the Subject will experience an absorption rate of 13 units per month. This equates to an absorption period of approximately three to four months.

Market Conclusions:

The vacancy rates among the multifamily comparables range from zero to 7.8 percent, with an overall vacancy rate of 2.5 percent. With the exception of Lakeside Apartments, all of the comparables reported vacancy rates of 5.0 percent or lower. According to management at Lakeside Apartments, the five vacant units have pending applications. Therefore, we do not believe the slightly elevated vacancy rate at Lakeside Apartments is cause for concern. The weighted average vacancy rate among the LIHTC comparables is 3.5 percent, and the weighted average vacancy rate among the market rate comparables is 2.2 percent. Overall, the market is performing well. None of the comparables are offering rental concessions and all of the surveyed LIHTC properties maintain waiting lists. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable and achievable. The Subject's proposed rents will have advantages of 23.85 to 43.00 percent over the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 24.1 percent, which is within acceptable demand threshold. Given the Subject's rural location, we believe this capture rate is reasonable. The Subject site is located within 2.0 miles of many community services and facilities that families would utilize on a frequent basis.

The LIHTC projects in the PMA all have low vacancy rates and maintain waiting lists, indicating a strong market for affordable LIHTC units. Most market rate properties surveyed also exhibit low vacancy rates. The developer's proposed LIHTC rents will have a 23.85 to 43.00 percent rent advantage over the achievable market rents. The proposed rents will also compete well with the LIHTC rents at the existing family LIHTC comparables we surveyed. Given these factors, we would anticipate the Subject can achieve a stabilized occupancy rate of 93 percent or higher within approximately four months of opening.

Long Term Impact on Existing LIHTC Properties in PMA:

The comparable LIHTC units have an overall vacancy rate of 3.5 percent and all of the properties maintain waiting lists, indicating strong demand for affordable rental housing in the PMA. There are no proposed LIHTC properties in the PMA. The most recently completed LIHTC property in the PMA is

Bennettsville Green Apartments. This property is 97.5 percent occupied with a 10 household waiting list. As such, the proposed project should be able to fill a current void in this market. We do not believe that the Subject will have a long-term impact on the existing area LIHTC apartments. Since the Subject will operate without subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

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

Development Name:	Magnolia Townhomes	Total # Units:	42
Location:	233 Ag Street	# LIHTC Units:	42
PMA Boundary:	Marlboro County		
Development Type: <input type="checkbox"/> Family <input type="checkbox"/> Older Persons		Farthest Boundary Distance to Subject:	21.6 miles

RENTAL HOUSING STOCK (found on pages 2, 56-103)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	678	17	97.5 %
Market-Rate Housing	6	536	12	97.8 %
Assisted/Subsidized Housing not to include LIHTC	0	0	0	N/A
LIHTC (All that are stabilized)*	4	142	5	96.5 %
Stabilized Comps**	4	142	5	96.5 %
Non-stabilized Comps	0	0	0	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	2	2	963	\$ 399	\$ 650	\$ 0.67	38.62%	\$ 925	\$ 0.89
3	2	2	1,068	\$ 399	\$ 700	\$ 0.66	43.00%	\$ 925	\$ 0.89
3	2	2	963	\$ 495	\$ 650	\$ 0.67	23.85%	\$ 925	\$ 0.89
13	2	2	1,068	\$ 495	\$ 700	\$ 0.66	29.29%	\$ 925	\$ 0.89
3	3	2	1,266	\$ 455	\$ 750	\$ 0.59	39.33%	\$ 1,025	\$ 0.84
1	3	2	1,234	\$ 564	\$ 750	\$ 0.61	24.80%	\$ 1,025	\$ 0.84
16	3	2	1,266	\$ 564	\$ 750	\$ 0.59	24.80%	\$ 1,025	\$ 0.84
Gross Potential Rent Monthly*				\$ 21,267	\$ 30,100		29.35%		

*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 pages 36, 37)

	2010		2015		2018	
Renter Households	3,586	34.5%	3,752	36.4%	3,709	36.4%
Income-Qualified Renter HHs (LIHTC)	760	21.2%	795	21.2%	786	21.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 52-53)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	-6	-6				-9
Existing Households (Overburd + Substand)	173	184				271
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	167	178				261

CAPTURE RATES (found on pages 52-53)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	8.1%	27.8%				24.1%

ABSORPTION RATE (found on page 53)

Absorption Period	4 months
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# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross		Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
			Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent			
	0 BR		\$0			\$0	
	0 BR		\$0			\$0	
	0 BR		\$0			\$0	
	1 BR		\$0			\$0	
	1 BR		\$0			\$0	
	1 BR		\$0			\$0	
3	2 BR	\$399	\$1,197	\$650		\$1,950	
3	2 BR	\$399	\$1,197	\$700		\$2,100	
3	2 BR	\$495	\$1,485	\$650		\$1,950	
13	2 BR	\$495	\$6,435	\$700		\$9,100	
3	3 BR	\$455	\$1,365	\$750		\$2,250	
1	3 BR	\$564	\$564	\$750		\$750	
16	3 BR	\$564	\$9,024	\$750		\$12,000	
	3 BR		\$0			\$0	
	4 BR		\$0			\$0	
	4 BR		\$0			\$0	
	4 BR		\$0			\$0	
Totals	42		\$21,267			\$30,100	29.35%

Source: SCSHFDA, February 2016

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location:	The Subject site is located at 233 Ag Street in Bennettsville, Marlboro County, South Carolina.
Construction Type	The Subject will consist of newly constructed townhouses with brick veneer and cement fiberboard siding.
Occupancy Type:	Family
Target Income Group:	The Subject will target households with incomes of 50 and 60 percent AMI or less.
Special Population Target:	None
Number of Units by Unit Type:	The Subject will include 22 two-bedroom units and 20 three-bedroom units.
Number of Buildings And Stories:	The Subject will be constructed in six, one and two-story residential buildings and one, one-story community building.
Unit Size:	The Subject will offer six, two-bedroom units with 963 square feet (one-story units), 16 two-bedroom units with 1,068 square feet (two-story units), one, three-bedroom unit with 1,234 square feet, and 19 three-bedroom units with 1,266 square feet (two-story units).
Structure Type/Design:	The Subject will offer townhouse-style units.

Proposed Rents and Utility Allowance:

The following table details the Subject’s proposed rents and utility allowances.

PROPOSED RENTS

Unit Type	Square Feet	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent
			<i>50% AMI</i>			
2BR/2BA	963	3	\$399	\$120	\$519	\$531
2BR/2BA	1,068	3	\$399	\$120	\$519	\$531
3BR/2BA	1,266	3	\$455	\$145	\$600	\$613
			<i>60% AMI</i>			
2BR/2BA	963	3	\$495	\$120	\$615	\$637
2BR/2BA	1,068	13	\$495	\$120	\$615	\$637
3BR/2BA	1,234	1	\$564	\$145	\$709	\$736
3BR/2BA	1,266	<u>16</u>	\$564	\$145	\$709	
Total		42				

Notes (1) Source of Utility Allowance provided by the Developer.

Utility Structure/Allowance:

The landlord will pay for water, sewer, and trash expenses. The tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage. The developer-provided estimated tenant-paid utility allowances for the Subject are \$120 for the two-bedroom units and \$145 for the three-bedroom units.

Existing or Proposed Project Based Rental Assistance:

The Subject is planned new construction and will not receive project-based rental assistance.

Community Amenities:

See Subject Profile

Unit Amenities:

See Subject Profile

Current Occupancy/Rent Levels:

The Subject will be proposed new construction.

Scope of Renovation:

The Subject will be proposed new construction.

Magnolia Townhomes												
Comp #	Subject											
Effective Rent Date	2/24/2016											
Location	233 Ag Street Bennettsville, SC 29512 Marlboro County											
Units Type	42 Townhouse (2 stories)											
Year Built / Renovated	Proposed											
Contact Name	Thompson Gooding											
Utilities												
A/C	not included -- central						Other Electric	not included				
Cooking	not included -- electric						Water	included				
Water Heat	not included -- electric						Sewer	included				
Heat	not included -- electric						Trash Collection	included				
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	2	Townhouse (2 stories)	3	963	\$399	\$0	@50%	N/A	N/A	N/A	no	
2	2	Townhouse (2 stories)	3	1,068	\$399	\$0	@50%	N/A	N/A	N/A	no	
2	2	Townhouse (2 stories)	3	963	\$495	\$0	@60%	N/A	N/A	N/A	no	
2	2	Townhouse (2 stories)	13	1,068	\$495	\$0	@60%	N/A	N/A	N/A	no	
3	2	Townhouse (2 stories)	3	1,266	\$455	\$0	@50%	N/A	N/A	N/A	no	
3	2	Townhouse (2 stories)	1	1,234	\$564	\$0	@60%	N/A	N/A	N/A	no	
3	2	Townhouse (2 stories)	16	1,266	\$564	\$0	@60%	N/A	N/A	N/A	no	
Amenities												
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Oven Refrigerator Washer/Dryer hookup						Security	none				
Property	Clubhouse/Meeting Room/Community Room Business Center/Computer Lab Central Laundry Courtyard Exercise Facility Off-Street Parking On-Site Management						Premium	none				
Services	none						Other	none				



B. SITE DESCRIPTION

B. SITE DESCRIPTION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as access issues and traffic flow.

Date of Site Visit: February 28, 2016

Aerial Map:



Size of Site: The Subject site is 3.1 acres.

Shape: The site is generally irregular in shape.

Topography/Existing Improvements: The site is currently wooded undeveloped land. The topography is generally level.

Frontage: The site has frontage along the west side of South Parsonage Street and the north side of Ag Street.

Surrounding Land Uses:

The following map and pictures illustrate the surrounding land uses.



Physical Features of Site:

The Subject site is currently wooded, undeveloped land.

Location/Surrounding Uses:

The Subject site is located in a mixed-use neighborhood consisting of undeveloped land, residential uses, institutional uses, and numerous retail and commercial uses. The primary commercial corridor in the Subject’s neighborhood is Highway 15, located approximately two blocks north of the Subject site. Uses along Highway 15 include fast food restaurants, a hotel, a bank, a Ford dealership, Family Dollar, and a variety of other retail and commercial uses. Immediately north of the Subject site is Food Lion, a grocery store and pharmacy. Immediately east of the Subject site is a subsidized public housing development in average condition. To the south and southeast of the Subject site are several local government buildings including Marlboro County Sheriff’s Department, Marlboro County Service Center, and Marlboro County Detention Center. Further south of the Subject site are a National Guard Battery and mobile homes. Immediately west of the Subject site is vacant land and several warehouses. The retail uses in the Subject’s neighborhood are in average to good condition and appeared to be 90 percent occupied. Overall, the Subject

site is considered an adequate building site for an affordable multifamily housing development.

Pictures of Site and Surrounding Uses



Subject site



Subject site



Subject site



Subject site



View west on Ag Street



View east on Ag Street



Bank in Subject's neighborhood



Restaurant in Subject's neighborhood



Food Lion north of Subject site



Family Dollar northwest of Subject site



Government offices south of Subject site



Multifamily property east of Subject site

Visibility/Views:

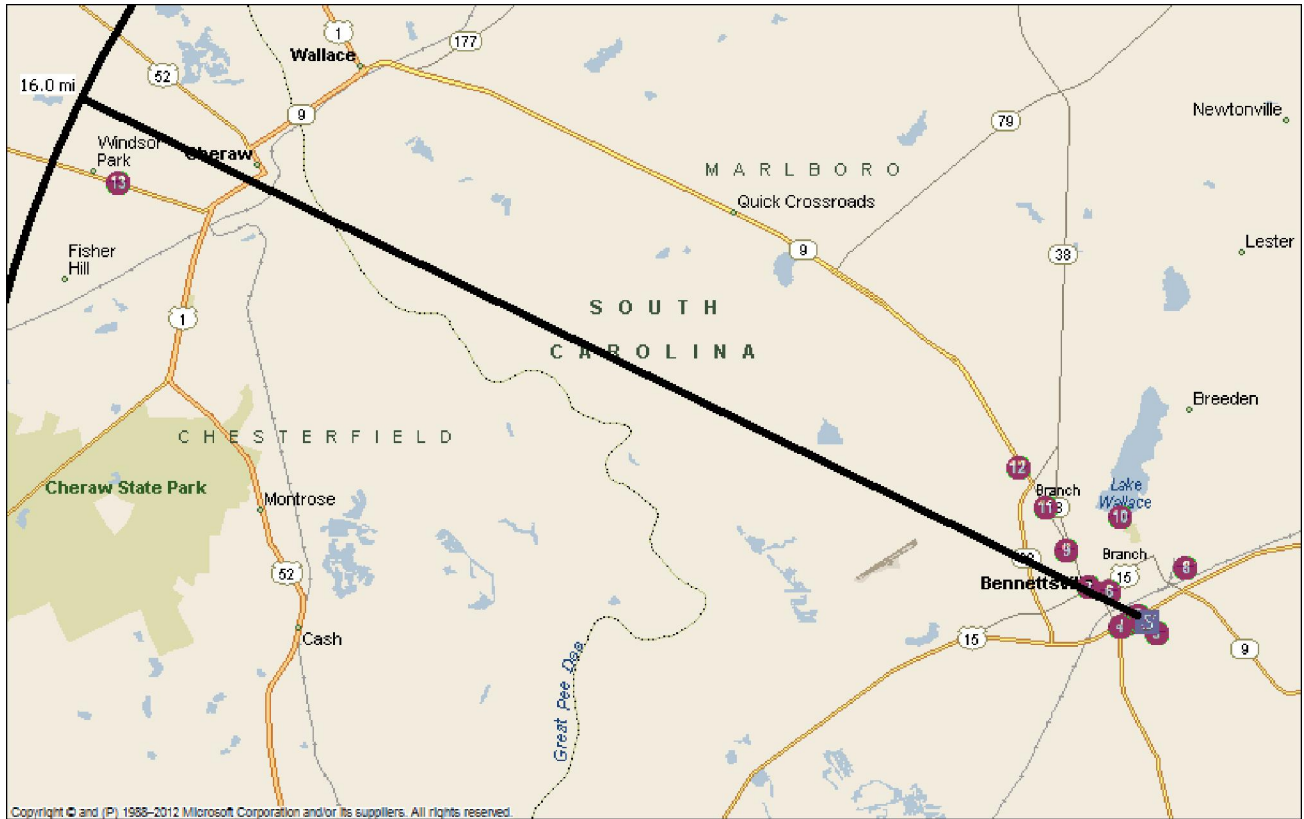
Views from the Subject site include undeveloped land, a single-family home, warehouses, Food Lion, Marlboro County Service Center, and a multifamily public housing development. Views are considered average. The Subject will be visible from South Parsonage Street and Ag Street. South Parsonage Street and Ag Street are lightly-trafficked two-lane residential streets. Visibility is considered good.

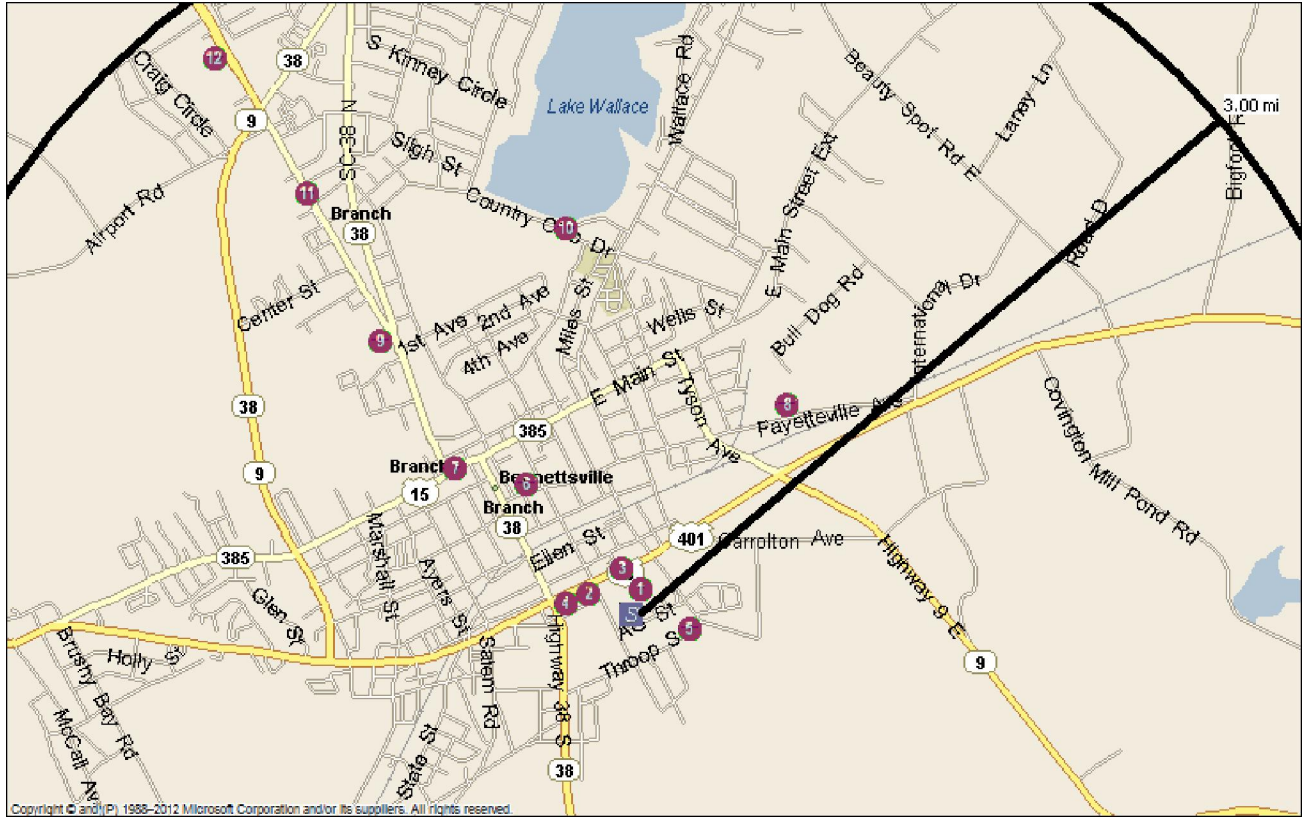
Detrimental Influences:

There are two potentially detrimental uses in the Subject’s immediate neighborhood. Immediately west of the Subject site there are several warehouses. Approximately 0.2 miles east of the Subject is the Marlboro County Detention Center, which may pose as a detrimental influence to the Subject site.

Proximity to Local Services:

The following table and maps detail the Subject’s distance from key locational amenities.





LOCATIONAL AMENITIES

Map Number	Amenity	Miles from Subject
1	Food Lion - grocery and pharmacy	0.1 miles
2	Family Dollar	0.2 miles
3	First Capital Bank	0.3 miles
4	Shell - gas station	0.3 miles
5	Marlboro County Sheriff's Department	0.4 miles
6	Marian Wright Edelman Public Library	0.7 miles
7	US Post Office	1.1 miles
8	Marlboro High School	1.6 miles
9	Bennettsville Middle School	1.7 miles
10	Bennettsville Elementary School	1.9 miles
11	Marlboro Medical Complex	2.3 miles
12	Walmart Supercenter	3.0 miles
13	McLeod Health Cheraw	19.3 miles

Availability of Public Transportation:

There is no public transportation service in Bennettsville, SC.

Road/Infrastructure Proposed Improvements:

We witnessed no current road improvements within the Subject's immediate neighborhood.

Crime Rates:

Based upon our site inspection, there appeared to be limited crime issues in the Subject’s neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject’s PMA compared to the SMA, both areas will be defined later in this report.

2015 CRIME RISK INDICES

	PMA	SMA
Total Crime*	125	118
Personal Crime*	205	194
Murder	241	207
Rape	147	125
Robbery	111	92
Assault	257	251
Property Crime*	114	107
Burglary	155	150
Larceny	104	95
Motor Vehicle Theft	87	85

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

*Unweighted aggregations

The total crime risk index in the PMA is slightly higher than the SMA, and both the PMA and SMA have higher total crime risk indices than the nation as a whole. Additionally, total personal crime risks and total property crime risks in the PMA are higher than in the SMA. Given the Subject’s location in a well-trafficked mixed-use area, we do not anticipate crime will be a concern at the proposed Subject. The Subject will not offer security features, similar to the majority of comparable properties in the PMA.

Access and Traffic Flow:

The Subject site will have access from South Parsonage Street and Ag Street. South Parsonage Street and Ag Street are lightly-trafficked two-lane residential streets. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have good visibility, average views, and good access. The Subject will be very convenient to area retail and restaurants, and is adjacent to a grocery store that will be a short walk from the site for residents. The primary commercial corridor in the Subject’s neighborhood is Highway 15, located approximately two blocks north of the Subject site. The Subject will be located within one mile of a grocery store, pharmacy, bank, gas station, discount store, sheriff’s department, library, post office, and public schools. There are two potentially detrimental uses in the Subject’s immediate neighborhood. Immediately west of the Subject site there are

several warehouses. Approximately 0.2 miles east of the Subject is the Marlboro County Detention Center, which may pose as a detrimental influence to the Subject site.

C. MARKET AREA

C. MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The proposed Subject will be a 42-unit family new construction development in Bennettsville, South Carolina. Bennettsville is the county seat. The Primary Market Area (PMA) is defined as Marlboro County, which includes the city of Bennettsville and other small communities and rural areas in the county. Marlboro County is bordered by the North Carolina/South Carolina state border to the north, the Great Pee Dee River to the west and south, and the Marlboro County/Dillon County border to the east. According to management at Bennettsville Lofts, Bennettsville Green Apartments, and Glenfield I and II, most of their tenants originate from Bennettsville and other towns in Marlboro County. Therefore, we anticipate that the majority of the Subject’s tenants will originate from within the boundaries of the PMA. The PMA has a drivetime zone of approximately 25 minutes, which is reasonable for a rural area such as Bennettsville.

The Bennettsville, SC Micropolitan Statistical Area (MSA) consists of Marlboro County. Given that the PMA encompasses the entire MSA, we used Chesterfield, Marlboro, and Dillon Counties as the Secondary Market Area (SMA).

The PMA includes all or part of the following census tracts:

Census Tracts in PMA
450699606.00
450699601.00
450699602.00
450699603.01
450699603.02
450699604.00
450699605.00

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Bennettsville community in an effort to better identify the Subject’s PMA. It is important to note; however, that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

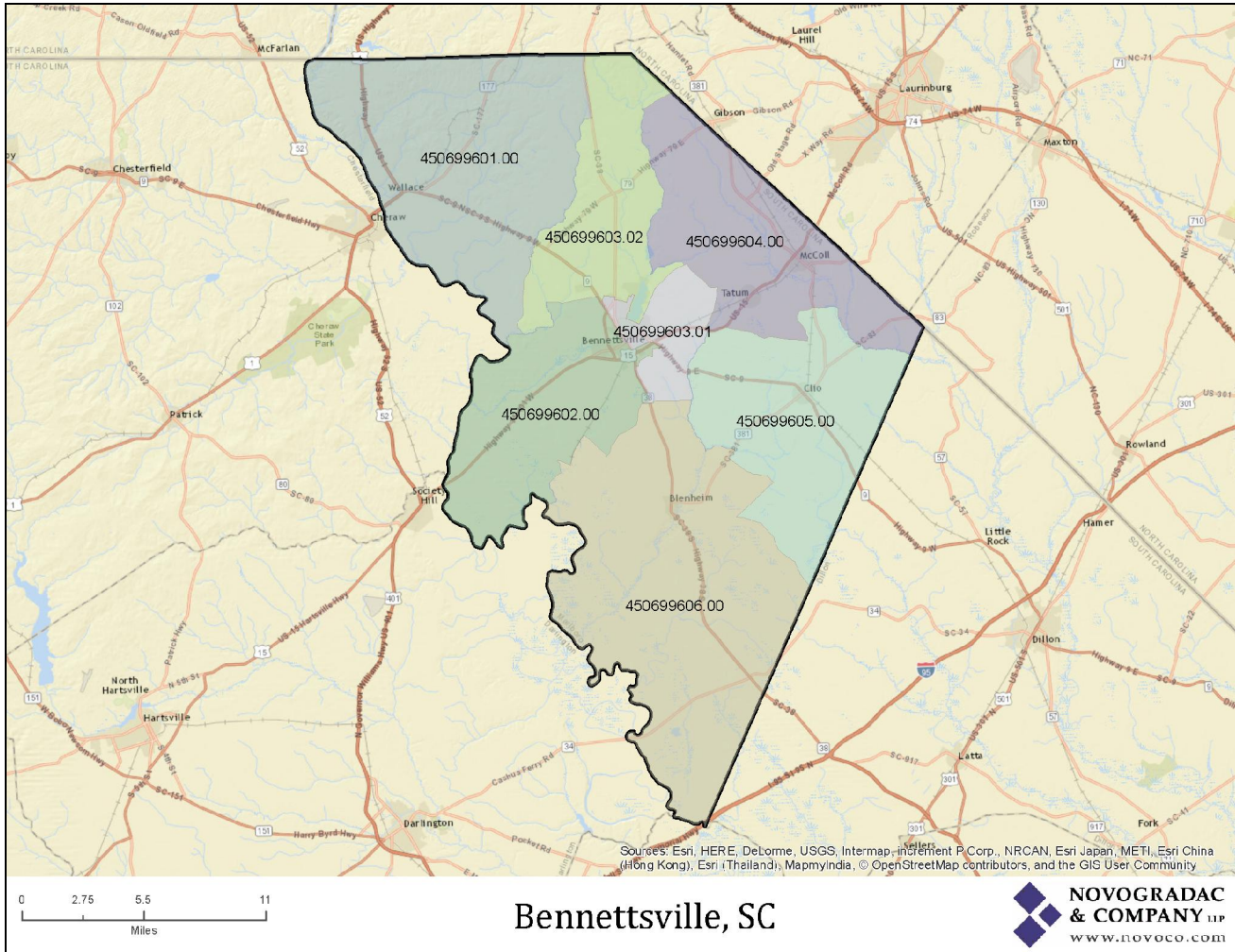
As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, SMA, and nation.

2010 Population by Race						
	PMA		SMA		USA	
Total	28,933	Percentage	107,729	Percentage	308,745,538	Percentage
White	11,987	41.4%	56,738	52.7%	223,553,265	72.4%
Black	14,729	50.9%	44,764	41.6%	38,929,319	12.6%
American Indian	1,308	4.5%	2,335	2.2%	2,932,248	0.9%
Asian	75	0.3%	325	0.3%	14,674,252	4.8%
Pacific	4	0.0%	24	0.0%	540,013	0.2%
Other	306	1.1%	1,732	1.6%	19,107,368	6.2%
Two or More Races	524	1.8%	1,811	1.7%	9,009,073	2.9%
Total Hispanic	800		3,299		50,477,594	
Hispanic: White	330	41.3%	1,139	34.5%	26,735,713	53.0%
Hispanic: Black	77	9.6%	203	6.2%	1,243,471	2.5%
Hispanic: American Indian	43	5.4%	96	2.9%	685,150	1.4%
Hispanic: Asian	1	0.1%	4	0.1%	209,128	0.4%
Hispanic: Pacific	1	0.1%	4	0.1%	58,437	0.1%
Hispanic: Other	283	35.4%	1,625	49.3%	18,503,103	36.7%
Hispanic: Two or More Races	65	8.1%	228	6.9%	3,042,592	6.0%

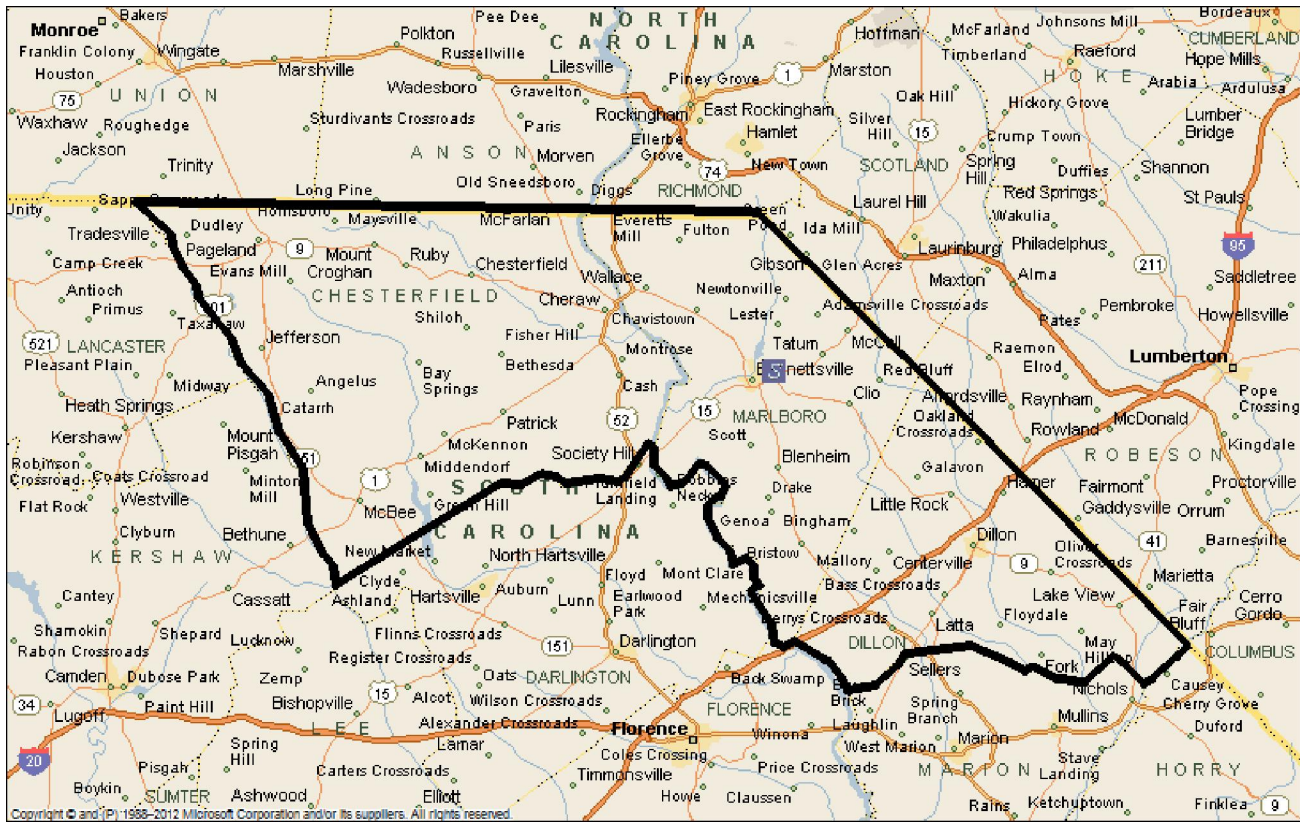
Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

Per SCSHFDA Guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.

The following map outlines the PMA and identifies the census tracts included within these boundaries.



The following map outlines the SMA.



D. MARKET AREA ECONOMY

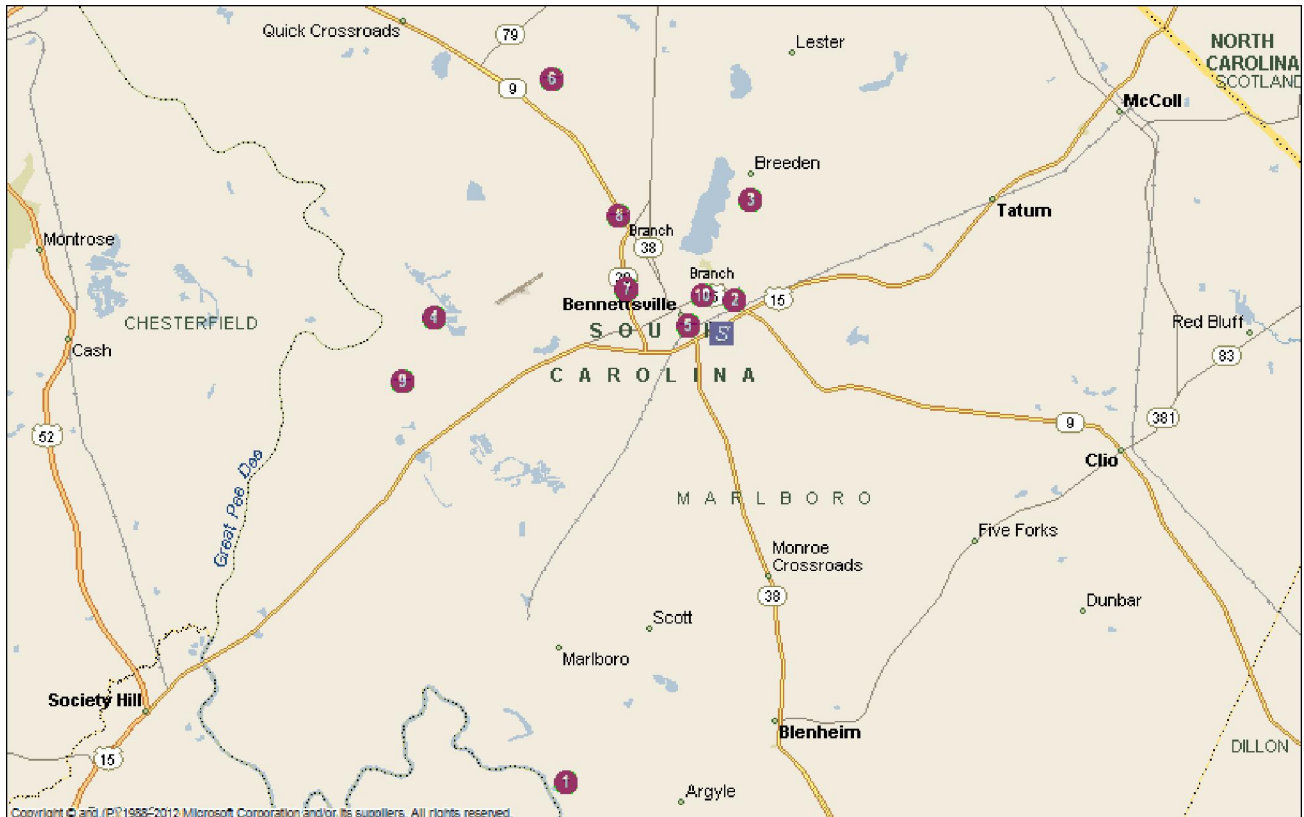
D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

The Subject is located in Bennettsville, Marlboro County, SC and is located within the Bennettsville, SC Micropolitan Statistical Area (MSA). The Bennettsville, SC MSA consists of Marlboro County (this is also the defined PMA of this report). As of the 2010 US Census, the city of Bennettsville’s population was 9,069 persons. Bennettsville is located in the Midlands Region of South Carolina.

Map of Employment Centers

The following map illustrates the Subject’s location compared to major employment centers in the surrounding areas.



MAJOR EMPLOYERS

Marlboro County, SC

#	Employer	Industry	Number Employed
1	Mohawk Industries - Oak River Mill	Manufacturing	1,070
2	Marlboro County Public School District	Education	600
3	Marley Engineered Products	Manufacturing	408
4	Domtar Paper Company	Manufacturing	370
5	SOPAKCO Packaging	Manufacturing	358
6	Federal Correctional Institution	Government	302
7	Evans Correctional Facility	Government	269
8	Walmart	Retail	155
9	Arauco Carolina Particleboard	Manufacturing	147
10	City of Bennettsville	Government	125

Source: Marlboro County Economic Development Partnership, Novogradac & Company LLP, February 2016

Employment by Industry

The following table exhibits employment by industry for the PMA.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	2,909	30.6%	15,651,841	10.6%
Health Care/Social Assistance	1,126	11.8%	20,205,674	13.7%
Retail Trade	993	10.4%	17,089,319	11.6%
Educational Services	784	8.2%	13,529,510	9.2%
Public Administration	633	6.7%	7,099,307	4.8%
Construction	520	5.5%	9,392,204	6.4%
Other Services (excl Publ Adm)	376	4.0%	7,548,482	5.1%
Accommodation/Food Services	373	3.9%	10,915,815	7.4%
Agric/Forestry/Fishing/Hunting	319	3.4%	1,941,156	1.3%
Transportation/Warehousing	316	3.3%	6,200,837	4.2%
Arts/Entertainment/Recreation	204	2.1%	3,193,724	2.2%
Finance/Insurance	191	2.0%	7,026,905	4.8%
Admin/Support/Waste Mgmt Srves	191	2.0%	6,242,568	4.2%
Wholesale Trade	180	1.9%	3,742,526	2.5%
Prof/Scientific/Tech Services	140	1.5%	9,981,082	6.8%
Information	94	1.0%	2,965,498	2.0%
Real Estate/Rental/Leasing	93	1.0%	2,759,067	1.9%
Utilities	59	0.6%	1,190,608	0.8%
Mining	12	0.1%	997,794	0.7%
Mgmt of Companies/Enterprises	0	0.0%	115,436	0.1%
Total Employment	9,513	100.0%	147,789,353	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2016

The largest employment sector in the PMA is manufacturing, followed by the healthcare/social assistance, retail trade and educational services sectors. The manufacturing, construction, and agriculture/forestry/fishing/hunting sectors are overrepresented in the PMA when compared to the nation. Conversely, the accommodation/food services, finance/insurance, administrative/support/waste management services, and professional/scientific/tech services sectors are underrepresented in the PMA when compared with the nation. Notably, the manufacturing and retail trade sectors, two of the top three employment sectors in the PMA, are volatile industries and are susceptible to employment loss and closures during times of economic downturn.

The following table illustrates the changes in employment by industry from 2000 to 2015, in the Subject's PMA.

2000-2015 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2015		2000-2015	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Manufacturing	4,255	38.5%	2,909	30.6%	-90	-2.1%
Retail Trade	1,077	9.8%	993	10.4%	-6	-0.5%
Health Care/Social Assistance	996	9.0%	1,126	11.8%	9	0.9%
Educational Services	810	7.3%	784	8.2%	-2	-0.2%
Public Administration	611	5.5%	633	6.7%	1	0.2%
Construction	534	4.8%	520	5.5%	-1	-0.2%
Other Services (excl Publ Adm)	451	4.1%	376	4.0%	-5	-1.1%
Accommodation/Food Services	435	3.9%	373	3.9%	-4	-1.0%
Transportation/Warehousing	358	3.2%	316	3.3%	-3	-0.8%
Agric/Forestry/Fishing/Hunting	341	3.1%	319	3.4%	-1	-0.4%
Wholesale Trade	234	2.1%	180	1.9%	-4	-1.5%
Arts/Entertainment/Recreation	200	1.8%	204	2.1%	0	0.1%
Finance/Insurance	184	1.7%	191	2.0%	0	0.3%
Admin/Support/Waste Mgmt Srvc	167	1.5%	191	2.0%	2	1.0%
Prof/Scientific/Tech Services	119	1.1%	140	1.5%	1	1.2%
Information	95	0.9%	94	1.0%	0	-0.1%
Real Estate/Rental/Leasing	93	0.8%	93	1.0%	0	0.0%
Utilities	69	0.6%	59	0.6%	-1	-1.0%
Mining	13	0.1%	12	0.1%	0	-0.5%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Total Employment	11,042	100.0%	9,513	100.0%	-102	-0.9%

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2016

*Industry data current as of 2010. Other projections current as of 2015.

* Change in percentage is calculated as a rate of change by industry.

As illustrated, the manufacturing sector has historically had a dominant presence in the local economy, but has declined 2.1 percent annually since 2000. The sectors that experienced significant increases in employment include the professional/scientific/tech services, administrative/support/waste management services, and healthcare/social assistance sectors. Five industries experienced annual employment declines of one percent or higher since 2000. These industries include manufacturing, other services, accommodation/food services, wholesale trade, and utilities.

Major Employers

The following table illustrates the largest employers in the county.

MAJOR EMPLOYERS

Marlboro County, SC

Employer	Industry	Number Employed
Mohawk Industries - Oak River Mill	Manufacturing	1,070
Marlboro County Public School District	Education	600
Marley Engineered Products	Manufacturing	408
Domtar Paper Company	Manufacturing	370
SOPAKCO Packaging	Manufacturing	358
Federal Correctional Institution	Government	302
Evans Correctional Facility	Government	269
Walmart	Retail	155
Arauco Carolina Particleboard	Manufacturing	147
City of Bennettsville	Government	125

Source: Marlboro County Economic Development Partnership, Novogradac & Company LLP, February 2016

The largest employer in Marlboro County is Mohawk Industries – Oak River Mill, followed by the Marlboro County Public School District. The local area is heavily dependent on manufacturing. Employment in manufacturing comprises approximately 62 percent of total employment among the top 10 employers. The education and government sectors also have a heavy presence in the market, primarily due to the Marlboro County Public School District and the local correctional facilities. The education sector tends to provide a stable employment base in times of economic downturn while the manufacturing sector tends to be more volatile.

Expansions/Contractions

We have researched employment expansions and contractions in Marlboro County during the past several years. There have been no WARN notices filed within the county since 2013.

We spoke with Ron King, Executive Director of the Marlboro County Economic Development Partnership, in regards to business expansion and contraction in Marlboro County. Mr. King indicated that the local manufacturing sector is relatively stable. Mohawk Industries, Marley Engineered Products, Domtar Paper County, and Arauco Carolina Particleboard account for nearly 2,000 local manufacturing jobs. According to Mr. King, these businesses were not negatively impacted by the most recent national recession. The following details recent business expansion within the county:

- Arauco Carolina Particleboard recently completed a \$30 million addition to its Bennettsville plant and is creating 43 new jobs.
- Marley Engineered Products expects to hire about 40 new employees over the next year.
- Bennettsville Printing LLC is hiring 20 new employees.
- Service Transportation, a freight shipping and hauling company, is expected to hire 43 new workers in 2016.

The following details recent business contractions in the county:

- The largest business contraction in the county was the May 2015 closure of Marlboro Park Hospital. According to Mr. King, layoffs at the hospital began two years ago and the closure was not unexpected. The hospital was privately operated and poorly managed. Mr. King indicated that most of the remaining former employees of Marlboro Park Hospital work at various hospice care providers and the new Marlboro Medical Complex. Marlboro Medical Complex is a 9,000 square foot facility that was completed in December 2015 and offers primary care, specialty care, and on-site laboratory services. The closest hospitals with emergency care are McLeod Health Cheraw, 19.3 miles northwest of the Subject in Cheraw, SC, or Scotland Health Care System, 16.7 miles northeast of the Subject in Laurinburg, NC.
- Baldor ABB, a manufacturer of conveyor equipment for mining operations, has laid off 50 of 140 employees.
- Carolina Tobacco Services, Inc., a tobacco farming equipment manufacturer, has laid off workers over the past 18 months. The exact number of layoffs was not available.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Bennettsville, SC Micropolitan Statistical Area, which consists of Marlboro County. Given that the PMA encompasses the entire MSA, we used Chesterfield, Marlboro, and Dillon Counties as the Secondary Market Area (SMA). As such, the following table details employment and unemployment trends for the SMA from 2001 to 2015 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	40,380	-	8.6%	-	136,933,000	-	4.7%	-
2002	39,810	-1.4%	8.3%	-0.3%	136,485,000	-0.3%	5.8%	1.1%
2003	39,892	0.2%	10.9%	2.6%	137,736,000	0.9%	6.0%	0.2%
2004	38,925	-2.4%	10.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	39,770	2.2%	10.0%	-0.8%	141,730,000	1.8%	5.1%	-0.4%
2006	40,259	1.2%	9.9%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	39,260	-2.5%	9.3%	-0.6%	146,047,000	1.1%	4.6%	0.0%
2008	38,761	-1.3%	10.3%	1.0%	145,362,000	-0.5%	5.8%	1.2%
2009	37,288	-3.8%	16.8%	6.5%	139,877,000	-3.8%	9.3%	3.5%
2010	38,579	3.5%	16.4%	-0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	38,495	-0.2%	15.3%	-1.1%	139,869,000	0.6%	8.9%	-0.7%
2012	38,749	0.7%	13.6%	-1.7%	142,469,000	1.9%	8.1%	-0.8%
2013	39,176	1.1%	11.1%	-2.6%	143,929,000	1.0%	7.4%	-0.7%
2014	39,837	1.7%	8.5%	-2.5%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	41,347	3.8%	7.8%	-0.7%	148,833,417	1.7%	5.3%	-0.9%
Dec-2014	39,989	-	8.0%	-	147,190,000	-	5.4%	-
Dec-2015	42,024	5.1%	6.9%	-1.2%	149,703,000	1.7%	4.8%	-0.6%

Source: U.S. Bureau of Labor Statistics February 2016

*2015 data is through Mar

Between 2007 and 2009, total employment in the SMA decreased a total of 7.6 percent as a result of the recent national recession. Comparatively, the nation experienced a decrease of 4.9 percent in total employment as a result of the recession. With the exception of 2011, the SMA experienced increases in total employment between 2010 and 2015. From December 2014 to December 2015, total employment in the SMA increased 5.1 percent, which was significantly higher than the 1.7

percent increase experienced in the nation during the same time period. It should be noted that total employment levels in the SMA reached pre-recessionary levels as of 2015.

Historically, the unemployment rate in the SMA has been significantly higher than the nation as a whole. Between 2007 and 2009, the unemployment rate in the SMA increased from 9.3 percent to its peak of 16.8 percent, a 7.6 percentage point increase as a result of the recent economic recession. Comparatively, the nation experienced a 4.7 percentage point increase during the same time period. However, since 2010, the unemployment rate in the SMA has decreased at a faster rate than the nation as a whole. As of December 2015, the unemployment rate in the SMA was 6.9 percent, its lowest point in any year of analysis. Overall, the SMA was more severely impacted by the recent economic recession than the nation as a whole. The SMA has historically experienced high unemployment due to heavy reliance on manufacturing.

We reviewed the Marlboro County Community Profile completed by South Carolina Department of Employment and Workforce's Business Intelligence Department and dated January 2016. According to the report, the largest number of unemployed workers in the county are in the waste management, manufacturing, retail trade, and transportation/warehousing sectors.

Housing and Economy

According to HUD's SOCDS Building Permits Database, there were 10 or less building permits issued annually between 2012 and 2015 in Marlboro County. All of the building permits issued were for single-family homes. We selected four LIHTC properties in the Subject's PMA to utilize as comparables in this report. The overall vacancy rate among the LIHTC properties is 3.5 percent and all of these properties currently maintain waiting lists. There are no proposed affordable or market rate multifamily rental properties proposed or under construction in the county. Based on the performance of the existing affordable properties as well as the lack of new supply, it appears that the Subject will fill a housing void in the local area. Ron King, Executive Director of the Marlboro County Economic Development Partnership, indicated that the most recently constructed LIHTC developments in Bennettville have been well received and there is continued demand for low-income and workforce housing in the local area.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. As illustrated, the average travel time is 24 minutes. Approximately 65 percent of households have commute times of less than 25 minutes. This indicates that the majority of households work within the PMA.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	424	4.0%
Travel Time 5-9 min	1,313	12.3%
Travel Time 10-14 min	1,653	15.5%
Travel Time 15-19 min	1,969	18.4%
Travel Time 20-24 min	1,535	14.4%
Travel Time 25-29 min	672	6.3%
Travel Time 30-34 min	1,338	12.5%
Travel Time 35-39 min	408	3.8%
Travel Time 40-44 min	221	2.1%
Travel Time 45-59 min	461	4.3%
Travel Time 60-89 min	363	3.4%
Travel Time 90+ min	325	3.0%
Average Travel Time	24 minutes	-

Source: US Census 2000, Novogradac & Company, LLP, February 2016

Conclusions

The largest employment sector in the PMA is manufacturing, followed by the healthcare/social assistance, retail trade and educational services sectors. The SMA was affected by the national recession as it experienced significant employment losses, particularly in 2009, and unemployment peaked at a rate above that of the national average. However, employment levels in the SMA reached pre-recessionary levels as of 2015. The unemployment rate in the SMA is currently at its lowest level of any year of analysis between 2001 and 2015. We believe the SMA has fully recovered from the most recent recession and will continue to experience moderate economic growth in the coming years, while continuing to be somewhat constrained by the area's reliance on manufacturing.

E. COMMUNITY DEMOGRAPHIC DATA

E. COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA), are areas of growth or contraction. We used Chesterfield, Marlboro, and Dillon Counties as the SMA. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, SMA, and nation.

Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Population Growth Rate.

TOTAL POPULATION

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	28,817	-	102,310	-	281,421,906	-
2010	28,933	0.0%	107,729	0.5%	308,745,538	1.0%
2015	28,774	-0.1%	107,958	0.0%	318,536,439	0.6%
Projected Mkt Entry May 2018	28,412	-0.4%	107,692	-0.1%	325,385,249	0.8%
2020	28,135	-0.4%	107,489	-0.1%	330,622,575	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry May 2018	2020
0-4	1,916	1,676	1,568	1,483	1,418
5-9	2,112	1,623	1,642	1,555	1,488
10-14	2,153	1,820	1,530	1,581	1,620
15-19	2,139	1,872	1,525	1,477	1,441
20-24	1,916	1,769	1,874	1,703	1,572
25-29	1,978	2,007	2,199	2,115	2,050
30-34	2,020	2,166	2,219	2,169	2,130
35-39	2,239	2,038	2,007	1,958	1,921
40-44	2,226	2,027	1,911	1,863	1,827
45-49	2,052	2,236	1,937	1,866	1,811
50-54	1,928	2,139	2,105	1,946	1,824
55-59	1,483	1,974	2,017	2,014	2,011
60-64	1,106	1,807	1,867	1,899	1,924
65-69	1,026	1,341	1,700	1,735	1,762
70-74	925	902	1,131	1,324	1,471
75-79	745	647	681	815	917
80-84	455	483	451	493	525
85+	399	406	410	417	423
Total	28,818	28,933	28,774	28,412	28,135

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

The total population in the PMA decreased at an annual rate of 0.1 percent from 2010 to 2015. Population decline in a rural area such as the PMA is typical. The SMA’s population remained stable and the nation as a whole experienced population growth during this time period. The population in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.4 percent per annum. The SMA is also expected to experience population decline through the projected market entry date and 2020.

The population in the PMA in 2015 was concentrated most heavily in the age groups of 25 to 39 and 50 to 59, with these ages representing 36.7 percent of the total population in the PMA. Through market entry these age groups will continue to have the highest representation in the PMA.

Household Trends

Total Number of Households, Average Household Size, and Group Quarters

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	10,478	-	38,235	-	105,480,101	-
2010	10,383	-0.1%	40,479	0.6%	116,716,292	1.1%
2015	10,298	-0.2%	40,722	0.1%	120,746,349	0.7%
Projected Mkt Entry May 2018	10,190	-0.4%	40,677	0.0%	123,427,370	0.8%
2020	10,108	-0.4%	40,642	0.0%	125,477,562	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.59	-	2.60	-	2.59	-
2010	2.47	-0.5%	2.55	-0.2%	2.58	-0.1%
2015	2.45	-0.2%	2.53	-0.1%	2.57	0.0%
Projected Mkt Entry May 2018	2.44	-0.1%	2.53	-0.1%	2.57	0.0%
2020	2.43	-0.1%	2.52	-0.1%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

POPULATION IN GROUP QUARTERS

Year	PMA		SMA	
2000	1,635	-	2,721	-
2015	3,580	11.9%	4,905	8.0%
2020	3,580	0.0%	4,905	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

The total number of households in the PMA decreased 0.2 percent per annum between 2010 and 2015. The total number of households in the SMA remained stable and the nation as a whole experienced household growth during this time period. The number of households in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.4 percent per annum. The average household sizes are expected to remain relatively stable for all

areas of analysis from 2015 through 2020. The number of persons in group quarters significantly increased in the PMA and SMA between 2000 and 2015; however, no growth is expected in these categories from 2015 through 2020.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2020.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	7,419	70.8%	3,059	29.2%
2010	6,797	65.5%	3,586	34.5%
2015	6,546	63.6%	3,752	36.4%
Projected Mkt Entry				
May 2018	6,481	63.6%	3,709	36.4%
2020	6,432	63.6%	3,676	36.4%

Source: ESRI Demographics 2015, Novogradac & Company LLP, February 2016

The PMA is dominated by owner-occupied housing units. In 2015, approximately 63.6 percent of households were owners. Through market entry and 2020, the percentage of renter households in the general population is expected to remain stable.

Household Income Distribution

The following table depicts household incomes in the PMA from 2010 to 2020.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry May 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,659	16.0%	1,648	16.0%	1,605	15.8%	1,573	15.6%
\$10,000-19,999	2,088	20.1%	2,026	19.7%	1,983	19.5%	1,950	19.3%
\$20,000-29,999	1,852	17.8%	1,931	18.7%	1,864	18.3%	1,813	17.9%
\$30,000-39,999	1,154	11.1%	1,258	12.2%	1,271	12.5%	1,281	12.7%
\$40,000-49,999	813	7.8%	958	9.3%	964	9.5%	969	9.6%
\$50,000-59,999	828	8.0%	793	7.7%	757	7.4%	729	7.2%
\$60,000-74,999	817	7.9%	650	6.3%	669	6.6%	683	6.8%
\$75,000-99,999	615	5.9%	523	5.1%	537	5.3%	547	5.4%
\$100,000-124,999	336	3.2%	298	2.9%	305	3.0%	311	3.1%
\$125,000-149,999	70	0.7%	72	0.7%	89	0.9%	102	1.0%
\$150,000-199,999	69	0.7%	55	0.5%	58	0.6%	60	0.6%
\$200,000+	82	0.8%	86	0.8%	88	0.9%	90	0.9%
Total	10,383	100.0%	10,298	100.0%	10,190	100.0%	10,108	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2016

The Subject will target households earning between \$18,103 and \$30,600. As the table above depicts, approximately 37.9 percent of households in the PMA earned between \$10,000 and \$29,999 in 2015. Some households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following table depicts renter household incomes in the PMA from 2010 to 2020.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry May 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	935	26.1%	971	25.9%	959	25.9%	950	25.8%
\$10,000-19,999	898	25.0%	904	24.1%	887	23.9%	875	23.8%
\$20,000-29,999	592	16.5%	613	16.3%	589	15.9%	570	15.5%
\$30,000-39,999	414	11.6%	464	12.4%	471	12.7%	477	13.0%
\$40,000-49,999	264	7.4%	318	8.5%	308	8.3%	300	8.2%
\$50,000-59,999	152	4.2%	173	4.6%	162	4.4%	153	4.2%
\$60,000-74,999	162	4.5%	156	4.2%	159	4.3%	161	4.4%
\$75,000-99,999	65	1.8%	63	1.7%	71	1.9%	77	2.1%
\$100,000-124,999	50	1.4%	45	1.2%	52	1.4%	57	1.5%
\$125,000-149,999	19	0.5%	16	0.4%	22	0.6%	26	0.7%
\$150,000-199,999	29	0.8%	20	0.5%	18	0.5%	15	0.4%
\$200,000+	7	0.2%	9	0.2%	12	0.3%	14	0.4%
Total	3,586	100.0%	3,752	100.0%	3,709	100.0%	3,676	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2016

Renter households with incomes between \$10,000 and \$29,999 represented 41.5 percent of the renter households in the PMA in 2015. This is expected to decrease to 39.8 percent through market entry.

Renter Households by Number of Persons in the Household

The following table illustrates household size for renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2015		Projected Mkt Entry May 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,237	40.4%	1,289	35.9%	1,368	36.5%	1,366	36.8%	1,365	37.1%
With 2 Persons	698	22.8%	849	23.7%	886	23.6%	874	23.6%	866	23.6%
With 3 Persons	529	17.3%	627	17.5%	656	17.5%	647	17.4%	640	17.4%
With 4 Persons	306	10.0%	436	12.1%	449	12.0%	440	11.9%	434	11.8%
With 5+ Persons	290	9.5%	386	10.8%	394	10.5%	381	10.3%	371	10.1%
Total Renter	3,059	100.0%	3,586	100.0%	3,752	100.0%	3,709	100.0%	3,676	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, February 2016

The Subject will offer two and three-bedroom units and will generally target households with two or more persons. In 2015, 63.5 percent of renter households in the PMA had two or more people. Through 2020, this percentage is projected to decrease to 62.9 percent.

Conclusion

The total population in the PMA decreased at an annual rate of 0.1 percent from 2010 to 2015. Population decline in a rural area such as the PMA is typical. The population in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.4 percent per annum. The population in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.4 percent per annum. The number of households in the PMA is expected to continue to decrease through the projected market entry date and 2020 at a rate of 0.4 percent per annum. The Subject will target households earning between \$18,103 and \$30,600. Renter households with incomes between \$10,000 and \$29,999 represented 41.5 percent of

the renter households in the PMA in 2015. This is expected to decrease to 39.8 percent through market entry.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

F. PROJECT SPECIFIC DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by SCSHFDA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For senior properties we have assumed a maximum of one person per bedroom with a maximum household size of two persons.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Business Information Solutions to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website.

2. Affordability

As discussed above, the maximum income is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 percent for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis.

3. Minimum and Maximum Income Levels

The following table illustrates the minimum and maximum income levels for the Subject's units.

Unit Type	Minimum Income	Maximum Income
50%	\$18,103	\$25,500
60%	\$21,394	\$30,600
Overall	\$18,103	\$30,600

4. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2015 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2018. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. This does not apply as the Subject is targeted to families. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2015 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to SCSHFDA, there are no recently opened, proposed, or under construction LIHTC properties in the PMA. Therefore, we have not removed any supply units from our demand analysis.

4 and 5. Method - Capture Rates

The above calculations and derived capture rates are illustrated in the following table.

Renter Household Income Distribution 2015-2020							
Magnolia Townhomes							
PMA							
	2015		Projected Mkt Entry May 2018		2020		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	971	25.9%	959	25.9%	950	25.8%	-2.2%
\$10,000-19,999	904	24.1%	887	23.9%	875	23.8%	-3.4%
\$20,000-29,999	613	16.3%	589	15.9%	570	15.5%	-7.4%
\$30,000-39,999	464	12.4%	471	12.7%	477	13.0%	2.8%
\$40,000-49,999	318	8.5%	308	8.3%	300	8.2%	-6.1%
\$50,000-59,999	173	4.6%	162	4.4%	153	4.2%	-12.6%
\$60,000-74,999	156	4.2%	159	4.3%	161	4.4%	2.8%
\$75,000-99,999	63	1.7%	71	1.9%	77	2.1%	18.3%
\$100,000-124,999	45	1.2%	52	1.4%	57	1.5%	20.4%
\$125,000-149,999	16	0.4%	22	0.6%	26	0.7%	38.4%
\$150,000-199,999	20	0.5%	18	0.5%	15	0.4%	-33.7%
\$200,000+	9	0.2%	12	0.3%	14	0.4%	39.4%
Total	3,752	100.0%	3,709	100.0%	3,676	100.0%	0

Households by Tenure Projected Mkt Entry May 2018		
	Number	Percentage
Renter	3,709	36.4%
Owner	6,481	63.6%
Total	10,190	100.0%

Renter Household Size for Projected Mkt Entry May 2018		
Size	Number	Percentage
1	1,366	36.84%
2	874	23.58%
3	647	17.45%
4	440	11.87%
5+	381	10.27%
Total	3,709	100%

50% AMI Demand

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%			
Minimum Income Limit			\$17,794			
Maximum Income Limit			\$25,500			
New Renter Households - Total			5			
Change in Households PMA 2015 to Prj Mrkt Entry May 2018						
Income Category			Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	-11.14	25.9%		0.0%	0	
\$10,000-19,999	-10.30	23.9%	2,205	22.0%	-2	
\$20,000-29,999	-6.84	15.9%	5,500	55.0%	-4	
\$30,000-39,999	-5.47	12.7%		0.0%	0	
\$40,000-49,999	-3.57	8.3%		0.0%	0	
\$50,000-59,999	-1.88	4.4%		0.0%	0	
\$60,000-74,999	-1.85	4.3%		0.0%	0	
\$75,000-99,999	-0.82	1.9%		0.0%	0	
\$100,000-124,999	-0.60	1.4%		0.0%	0	
\$125,000-149,999	-0.25	0.6%		0.0%	0	
\$150,000-199,999	-0.20	0.5%		0.0%	0	
\$200,000+	-0.14	0.3%		0.0%	0	
	-43	100.0%			-6	
Percent of renter households within limits versus total number of renter households						14.0%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%			
Minimum Income Limit			\$17,794			
Maximum Income Limit			\$25,500			
Total Renter Households PMA Prj Mrkt Entry May 2018			5			
Income Category			Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	959	25.9%		0.0%	0	
\$10,000-19,999	887	23.9%	2,205	22.0%	196	
\$20,000-29,999	589	15.9%	5,500	55.0%	324	
\$30,000-39,999	471	12.7%		0.0%	0	
\$40,000-49,999	308	8.3%		0.0%	0	
\$50,000-59,999	162	4.4%		0.0%	0	
\$60,000-74,999	159	4.3%		0.0%	0	
\$75,000-99,999	71	1.9%		0.0%	0	
\$100,000-124,999	52	1.4%		0.0%	0	
\$125,000-149,999	22	0.6%		0.0%	0	
\$150,000-199,999	18	0.5%		0.0%	0	
\$200,000+	12	0.3%		0.0%	0	
	3,709	100.0%			519	
Percent of renter households within limits versus total number of renter households						14.0%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$26,453		
\$29,014		
\$2,561		
8.8%		
0.1%		
0.1%	Two year adjustment	1.0000
\$25,500		
\$25,500		
5		
50%		
\$519		
\$519.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	20%	80%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	85%	15%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

Income Target Population		50%
New Renter Households PMA		-43
Percent Income Qualified		14.0%
New Renter Income Qualified Households		-6

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		3,709
Income Qualified		14.0%
Income Qualified Renter Households		519
Percent Rent Overburdened Prj Mrkt Entry May 2018		32.0%
Rent Overburdened Households		166

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		519
Percent Living in Substandard Housing		1.3%
Households Living in Substandard Housing		7

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		173
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		173
Total New Demand		-6
Total Demand (New Plus Existing Households)		167

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	36.8%	62
Two Persons	23.6%	39
Three Persons	17.4%	29
Four Persons	11.9%	20
Five Persons	10.3%	17
Total	100.0%	167

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	43
Of two-person households in 1BR units	20%	8
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	18
Of two-person households in 2BR units	80%	31
Of three-person households in 2BR units	20%	6
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	80%	23
Of four-person households in 3BR units	90%	18
Of five-person households in 3BR units	85%	15
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	10%	2
Of five-person households in 4BR units	15%	3
Total Demand		167
Check		OK

Total Demand by Bedroom	50%
2 BR	56
3 BR	56
Total Demand	112

Additions To Supply 2015 to Proj Mrkt Entry May 2018	50%
2 BR	0
3 BR	0
Total	0

Net Demand	50%
2 BR	56
3 BR	56
Total	112

Developer's Unit Mix	50%
2 BR	6
3 BR	3
Total	9

Capture Rate Analysis	50%
2 BR	10.8%
3 BR	5.4%
Total	8.1%

60% AMI Demand

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$21,086		
Maximum Income Limit			\$30,600		
New Renter Households - Total			5		
Change in Households PMA 2015 to Prj Mrkt Entry May 2018					
Income Category			Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	-11.14	25.9%		0.0%	0
\$10,000-19,999	-10.30	23.9%		0.0%	0
\$20,000-29,999	-6.84	15.9%	8,913	89.1%	-6
\$30,000-39,999	-5.47	12.7%	600	6.0%	0
\$40,000-49,999	-3.57	8.3%		0.0%	0
\$50,000-59,999	-1.88	4.4%		0.0%	0
\$60,000-74,999	-1.85	4.3%		0.0%	0
\$75,000-99,999	-0.82	1.9%		0.0%	0
\$100,000-124,999	-0.60	1.4%		0.0%	0
\$125,000-149,999	-0.25	0.6%		0.0%	0
\$150,000-199,999	-0.20	0.5%		0.0%	0
\$200,000+	-0.14	0.3%		0.0%	0
	-43	100.0%			-6
Percent of renter households within limits versus total number of renter households					14.9%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$21,086		
Maximum Income Limit			\$30,600		
Total Renter Households PMA Prj Mrkt Entry May 2018			5		
Income Category			Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	959	25.9%		0.0%	0
\$10,000-19,999	887	23.9%		0.0%	0
\$20,000-29,999	589	15.9%	8,913	89.1%	525
\$30,000-39,999	471	12.7%	600	6.0%	28
\$40,000-49,999	308	8.3%		0.0%	0
\$50,000-59,999	162	4.4%		0.0%	0
\$60,000-74,999	159	4.3%		0.0%	0
\$75,000-99,999	71	1.9%		0.0%	0
\$100,000-124,999	52	1.4%		0.0%	0
\$125,000-149,999	22	0.6%		0.0%	0
\$150,000-199,999	18	0.5%		0.0%	0
\$200,000+	12	0.3%		0.0%	0
	3,709	100.0%			553
Percent of renter households within limits versus total number of renter households					14.9%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$26,453		
\$29,014		
\$2,561		
8.8%		
0.1%		
0.1%	Two year adjustment	1.0000
\$30,600		
\$30,600		
-5		
60%		
\$615		
\$615.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	20%	80%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	85%	15%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

Income Target Population	60%
New Renter Households PMA	-43
Percent Income Qualified	14.9%
New Renter Income Qualified Households	-6

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	3,709
Income Qualified	14.9%
Income Qualified Renter Households	553
Percent Rent Overburdened Prj Mrkt Entry May 2018	32.0%
Rent Overburdened Households	177

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	553
Percent Living in Substandard Housing	1.3%
Households Living in Substandard Housing	7

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		184
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		184
Total New Demand		-6
Total Demand (New Plus Existing Households)		178

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	36.8%	66
Two Persons	23.6%	42
Three Persons	17.4%	31
Four Persons	11.9%	21
Five Persons	10.3%	18
Total	100.0%	178

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	70%	46
Of two-person households in 1BR units	20%	8
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	20
Of two-person households in 2BR units	80%	34
Of three-person households in 2BR units	20%	6
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	80%	25
Of four-person households in 3BR units	90%	19
Of five-person households in 3BR units	85%	16
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	10%	2
Of five-person households in 4BR units	15%	3
Total Demand		178
Check		OK
Total Demand by Bedroom		60%
2 BR		59
3 BR		59
Total Demand		119
Additions To Supply 2015 to Prj Mrkt Entry May 2018		60%
2 BR		0
3 BR		0
Total		0
Net Demand		60%
2 BR		59
3 BR		59
Total		119
Net Demand		60%
2 BR		59
3 BR		59
Total		119
Developer's Unit Mix		60%
2 BR		16
3 BR		17
Total		33
Capture Rate Analysis		60%
2 BR		26.9%
3 BR		28.6%
Total		27.8%

Overall Demand

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall			
Minimum Income Limit			\$17,794			
Maximum Income Limit			\$30,600			
New Renter Households - Total			5			
Change in Households PMA 2015 to Prj Mrkt Entry May 2018						
Income Category			Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	-11.14	25.9%		0.0%	0	
\$10,000-19,999	-10.30	23.9%	2,205	22.0%	-2	
\$20,000-29,999	-6.84	15.9%	9,999	100.0%	-7	
\$30,000-39,999	-5.47	12.7%	600	6.0%	0	
\$40,000-49,999	-3.57	8.3%		0.0%	0	
\$50,000-59,999	-1.88	4.4%		0.0%	0	
\$60,000-74,999	-1.85	4.3%		0.0%	0	
\$75,000-99,999	-0.82	1.9%		0.0%	0	
\$100,000-124,999	-0.60	1.4%		0.0%	0	
\$125,000-149,999	-0.25	0.6%		0.0%	0	
\$150,000-199,999	-0.20	0.5%		0.0%	0	
\$200,000+	-0.14	0.3%		0.0%	0	
	-43	100.0%			-9	
Percent of renter households within limits versus total number of renter households						21.9%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall			
Minimum Income Limit			\$17,794			
Maximum Income Limit			\$30,600			
Total Renter Households PMA Prj Mrkt Entry May 2018			5			
Income Category			Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	959	25.9%		0.0%	0	
\$10,000-19,999	887	23.9%	2,205	22.0%	196	
\$20,000-29,999	589	15.9%	9,999	100.0%	589	
\$30,000-39,999	471	12.7%	600	6.0%	28	
\$40,000-49,999	308	8.3%		0.0%	0	
\$50,000-59,999	162	4.4%		0.0%	0	
\$60,000-74,999	159	4.3%		0.0%	0	
\$75,000-99,999	71	1.9%		0.0%	0	
\$100,000-124,999	52	1.4%		0.0%	0	
\$125,000-149,999	22	0.6%		0.0%	0	
\$150,000-199,999	18	0.5%		0.0%	0	
\$200,000+	12	0.3%		0.0%	0	
	3,709	100.0%			813	
Percent of renter households within limits versus total number of renter households						21.9%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry May 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$26,453		
\$29,014		
\$2,561		
8.8%		
0.1%		
0.1%	Two year adjustment	1.0000
\$30,600		
\$30,600		
\$5		
Overall		
\$519		
\$519.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	70%	30%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	20%	80%	0%	0%	100%
4	0%	0%	0%	90%	10%	0%	100%
5+	0%	0%	0%	85%	15%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry May 2018

Income Target Population		Overall
New Renter Households PMA		-43
Percent Income Qualified		21.9%
New Renter Income Qualified Households		-9

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		3,709
Income Qualified		21.9%
Income Qualified Renter Households		813
Percent Rent Overburdened Prj Mrkt Entry May 2018		32.0%
Rent Overburdened Households		260

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		813
Percent Living in Substandard Housing		1.3%
Households Living in Substandard Housing		11

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		271
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		271
Total New Demand		-9
Total Demand (New Plus Existing Households)		261

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	36.8%	96
Two Persons	23.6%	62
Three Persons	17.4%	46
Four Persons	11.9%	31
Five Persons	10.3%	27
Total	100.0%	261

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	67
Of two-person households in 1BR units	20%	12
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	30%	29
Of two-person households in 2BR units	80%	49
Of three-person households in 2BR units	20%	9
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	80%	36
Of four-person households in 3BR units	90%	28
Of five-person households in 3BR units	85%	23
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	10%	3
Of five-person households in 4BR units	15%	4
Total Demand		261
Check		OK

Total Demand by Bedroom	Overall
2 BR	87
3 BR	87
Total Demand	174

Additions To Supply 2015 to Prj Mrkt Entry May 2018	Overall
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
2 BR	87
3 BR	87
Total	174

Net Demand	Overall
2 BR	87
3 BR	87
Total	174

Developer's Unit Mix	Overall
2 BR	22
3 BR	20
Total	42

Capture Rate Analysis	Overall
2 BR	25.2%
3 BR	23.0%
Total	24.1%

Conclusions

One factor that affects the indicated capture rates is detailed as follows:

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. The surveyed property managers indicated that most tenants originate from Bennettsville and Marlboro County. We expect that approximately 10 percent of the Subject’s tenants will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

The following tables summarize the demand and net demand and capture rates for the Subject.

Demand and Net Demand

	HH at 50% AMI (\$18,103 to 25,500 income)	HH at 60% AMI (\$21,394 to \$30,600 income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	-6	-6	-9
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	7	7	11
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	166	177	260
=			
Sub Total	167	178	261
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	167	178	261
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	167	178	261

Note that the above *Demand and Net Demand* estimates include all income-eligible renter households. These estimates are then adjusted to reflect only the size-appropriate households by bedroom type in the following *Capture Rate Analysis*.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
2BR at 50% AMI	56	0	56	6	10.8%
2BR at 60% AMI	59	0	59	16	26.9%
2BR All LIHTC	87	0	87	22	25.2%
3BR at 50% AMI	56	0	56	3	5.4%
3BR at 60% AMI	59	0	59	17	28.6%
3BR All LIHTC	87	0	87	20	23.0%
Overall at 50% AMI	112	0	112	9	8.1%
Overall at 60% AMI	119	0	119	33	27.8%
Overall All LIHTC Units	174	0	174	42	24.1%

*Note the demand totals have been refined to only include size-appropriate households.

As the analysis illustrates, the Subject's overall capture rates range from 8.1 percent for units at 50 percent AMI to 27.8 percent for units at 60 percent AMI, with an overall capture rate of 24.1 percent. The Subject's capture rates are within the acceptable demand thresholds and we believe that there is sufficient demand for the Subject's units in the PMA.

Absorption Rate

The newest LIHTC property in the PMA is Bennettsville Green Apartments, which opened in 2010. It consists of 40 two and three-bedroom units restricted at 50 and 60 percent AMI. Bennettsville Green Apartments is 97.5 percent occupied with a waiting list of 10 households. It experienced an absorption rate of 13 units per month. Based on the absorption rate experienced by Bennettsville Green Apartments, as well as the low vacancy rates in the market, waiting lists at the existing LIHTC comparables, and the *Demand Analysis*, we estimate that the Subject will experience an absorption rate of 13 units per month. This equates to an absorption period of approximately three to four months.

G. SUPPLY ANALYSIS

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We surveyed many properties that we chose not to use in the survey because they were not as comparable to the Subject as others that were selected.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Subsidized properties were excluded due to differing rent structures from the Subject that will operate without a rent subsidy. The following table illustrates the excluded properties. It should be noted that we attempted to contact all of the excluded properties for vacancy information. Given the small size of the majority of excluded properties, most operate with part-time managers with limited office hours, and therefore, we were unable to obtain vacancy information.

EXCLUDED PROPERTIES LIST

Property Name	City	Type	Tenancy	Reason for Exclusion	Total Units	Unsubsidized LIHTC Units	Vacancy Rate
Bennetts Pointe	Bennettsville	LIHTC/RD	Elderly	Subsidized, tenancy	32	0	N/Av
Oakwood Manor	Bennettsville	LIHTC/RD	Elderly	Mostly subsidized, tenancy	24	2	N/Av
Marlboro Place II	Bennettsville	LIHTC/RD	Elderly	Subsidized, tenancy	24	0	N/Av
Marlboro Place I	Bennettsville	LIHTC/RD	Elderly	Subsidized, tenancy	24	0	N/Av
Briarwood Apartments	Clio	LIHTC/RD	Elderly	Subsidized, tenancy	24	0	N/Av
Ashlyn Park Apartments	McColl	LIHTC/RD	Family	Could not obtain info.	64	10	N/Av
Bellinger Square Apartments	McColl	LIHTC/RD	Elderly	Subsidized, tenancy	24	0	N/Av
Breckenridge Apartments	McColl	LIHTC/RD	Elderly	Subsidized, tenancy	24	0	N/Av
Eastwood Apartments	Bennettsville	RD/S8	Family	Subsidized	62	0	N/Av
Marlboro Court	Bennettsville	RD	Family	Subsidized	56	0	N/Av
South Square Apartments	McColl	RD	Family	Subsidized	24	0	N/Av
Cedar Creek	Bennettsville	Section 8	Elderly	Subsidized, tenancy	30	0	N/Av
Total LIHTC Only					12		
Total Assisted					400		
Total All Affordable					412		

With the exception of Oakwood Manor and Ashlyn Park Apartments, the excluded properties operate with 100 percent project-based subsidy and will not directly compete with the Subject. Oakwood Manor targets the elderly and will not directly compete with the Subject. We contacted Ashlyn Park Apartments on several occasions for vacancy data; however, our phone calls were not returned. Of the 12 excluded affordable properties, eight are restricted to elderly tenants in addition to being subsidized. The Subject will offer unsubsidized LIHTC units targeting family households and will not directly compete with the subsidized senior properties.

The following table illustrates excluded market rate properties in the PMA.

EXCLUDED MARKET RATE PROPERTIES

Property Name	City	Type	Tenancy	Reason for Exclusion	Total Units
Hillcrest Apartments	Bennettsville	Market	Family	Could not obtain information.	56
Northwood Townhomes	Bennettsville	Market	Family	Could not obtain information.	14

LIHTC Competition

Within the PMA, we identified two LIHTC properties that operate without project-based rental assistance. Bennettsville Green and Bennettsville Lofts are the only unsubsidized LIHTC properties in the PMA. Both of these properties have been used as comparables in this report. We also included Glenfield I and Glenfield II, both of which are LIHTC properties with subsidy for 50 percent of their units. According to SCSHFDA, there were no LIHTC allocations in the PMA in 2013, 2014, or 2015.

Pipeline Construction

There are no other new rental developments in the construction pipeline within the PMA, this was determined based on our interviews with the planning and economic development departments in Bennettsville and Marlboro County.

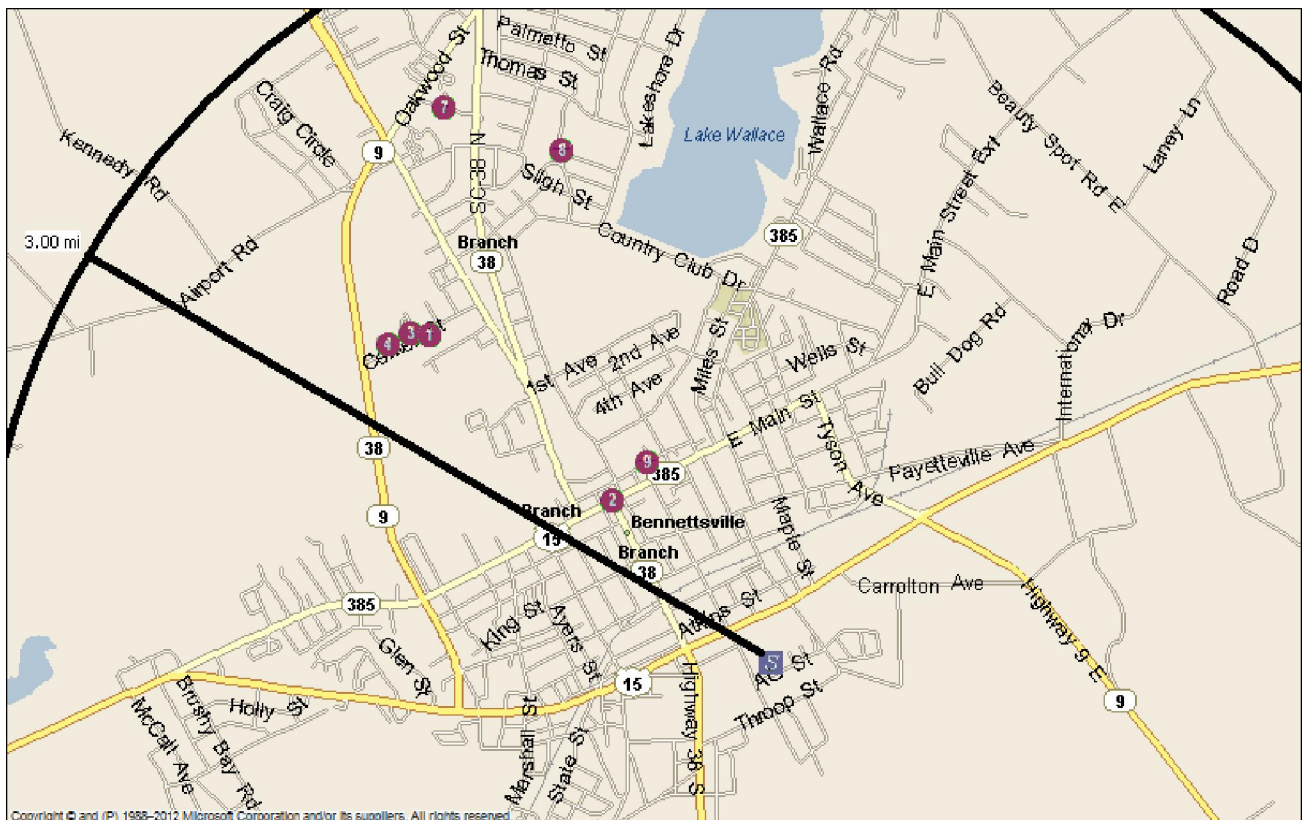
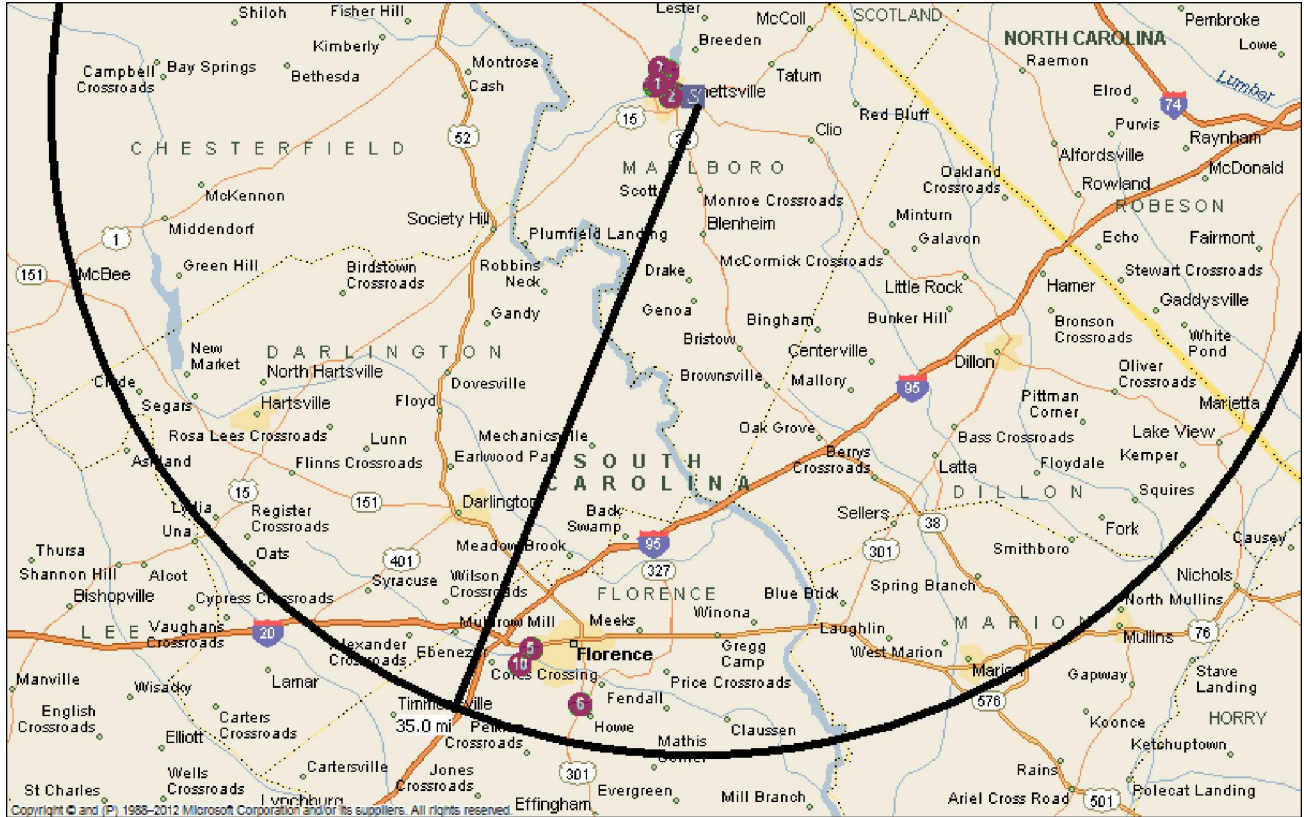
Comparable Properties

Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 10 comparable properties containing 678 units.

The Subject will not offer rental assistance; therefore, we have generally excluded subsidized properties from the supply analysis. Market data available for market rate apartments in the PMA is limited, as most housing in the PMA consists of LIHTC, Rural Development, and Section 8 properties. We used three market rate projects located in the PMA. Given the lack of market rate data in the local area (specifically three-bedroom data), we had to extend our search outside of the PMA. We included three market rate properties from Florence to utilize as comparables. We also supplemented the market rate data with classified listings from the local area to determine achievable market rents.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. *Comparable Properties Maps*, illustrating the location of the Subject in relation to comparable properties, are also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Bennettsville Green Apartments	Bennettsville	LIHTC	2.3 miles
2	Bennettsville Lofts	Bennettsville	LIHTC	1.1 miles
3	Glenfield I	Bennettsville	LIHTC/RD	2.3 miles
4	Glenfield II	Bennettsville	LIHTC/RD	2.4 miles
5	Bentree Apartments*	Florence	Market	36.9 miles
6	Charles Pointe*	Florence	Market	39.8 miles
7	Garden Apartments	Bennettsville	Market	2.9 miles
8	Lakeside Apartments	Bennettsville	Market	2.6 miles
9	Magnolia Village	Bennettsville	Market	1.0 mile
10	Woodlake Apartments*	Florence	Market	38.3 miles

*Located outside the PMA

The following tables illustrate unit mix by bedroom type and income level, square footage by bedroom type, year built, common area and in-unit amenities, rent per square foot, monthly rents and utilities included, and vacancy information for the comparable properties and the Subject in a comparative framework.

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Magnolia Townhomes 233 Ag Street Bennettsville, SC 29512 Marlboro County	n/a	Townhouse (2 stories) Proposed	LIHTC	2BR / 2BA	3	7.10%	@50%	\$399	963	no		N/A	N/A
					2BR / 2BA	3	7.10%	@50%	\$399	1,068	no		N/A	N/A
					2BR / 2BA	3	7.10%	@60%	\$495	963	no		N/A	N/A
					2BR / 2BA	13	31.00%	@60%	\$495	1,068	no		N/A	N/A
					3BR / 2BA	3	7.10%	@50%	\$455	1,266	no		N/A	N/A
					3BR / 2BA	1	2.40%	@60%	\$564	1,234	no		N/A	N/A
					3BR / 2BA	16	38.10%	@60%	\$564	1,266	no		N/A	N/A
					42	100%							N/A	N/A
1	Bennettsville Green Apartments 501 Center Street Bennettsville, SC 29512 Marlboro County	2.3 miles	Garden (2 stories) 2010	LIHTC	2BR / 1BA	16	40.00%	@50%	\$454	887	yes	Yes	0	0.00%
					2BR / 1BA	12	30.00%	@60%	\$533	887	yes	Yes	1	8.30%
					3BR / 2BA	6	15.00%	@50%	\$502	1,094	yes	Yes	0	0.00%
					3BR / 2BA	6	15.00%	@60%	\$577	1,094	yes	Yes	0	0.00%
						40	100%							
2	Bennettsville Lofts 101 Broad Street Bennettsville, SC 29512 Marlboro County	1.1 miles	Lowrise (2 stories) 1910 / 2003	LIHTC	1BR / 1BA	7	31.80%	@50%	\$363	N/A	yes	Yes	0	0.00%
					2BR / 1BA	14	63.60%	@50%	\$415	N/A	yes	Yes	1	7.10%
					3BR / 2BA	1	4.50%	@50%	\$481	N/A	yes	Yes	0	0.00%
						22	100%							
3	Glenfield I 604 Center St Bennettsville, SC 29512 Marlboro County	2.3 miles	One-story 1985 / 2010	LIHTC/RD	1BR / 1BA	8	20.00%	@60%	\$432	660	no	Yes	1	12.50%
					1BR / 1BA	8	20.00%	@60%	N/A	660	n/a	Yes	0	0.00%
					2BR / 1BA	12	30.00%	@60%	\$463	840	no	Yes	0	0.00%
					2BR / 1BA	12	30.00%	@60%	N/A	840	n/a	Yes	0	0.00%
						40	100%							
4	Glenfield II 606 Center St Bennettsville, SC 29512 Marlboro County	2.4 miles	Garden (2 stories) 1990 / 2010	LIHTC/RD	1BR / 1BA	8	20.00%	@60%	\$433	660	no	Yes	1	12.50%
					1BR / 1BA	8	20.00%	@60%	N/A	660	n/a	Yes	0	0.00%
					2BR / 1BA	12	30.00%	@60%	\$473	840	no	Yes	1	8.30%
					2BR / 1BA	12	30.00%	@60%	N/A	840	n/a	Yes	0	0.00%
						40	100%							
5	Bentree Apartments 200 Bentree Lane Florence, SC 29501 Florence County	36.9 miles	Garden (2 stories) 1981	Market	1BR / 1BA	33	25.00%	Market	\$664	650	n/a	No	0	0.00%
					2BR / 1.5BA	66	50.00%	Market	\$723	850	n/a	No	2	3.00%
					3BR / 2BA	33	25.00%	Market	\$827	1,100	n/a	No	1	3.00%
						132	100%							
6	Charles Pointe 201 West Millstone Road Florence, SC 29505 Florence County	39.8 miles	Garden (3 stories) 2001	Market	1BR / 1BA	42	25.00%	Market	\$774	700	n/a	Yes	0	0.00%
					2BR / 2BA	114	67.90%	Market	\$883	1,010	n/a	No	0	0.00%
					3BR / 2BA	12	7.10%	Market	\$1,047	1,230	n/a	Yes	0	0.00%
						168	100%							
7	Garden Apartments 109 Northwood Drive Bennettsville, SC 29512 Marlboro County	2.9 miles	Garden (2 stories) 1984	Market	2BR / 2BA	24	100.00%	Market	\$375	850	n/a	No	1	4.20%
						24	100%							
8	Lakeside Apartments 503 Sewanee St Bennettsville, SC 29512 Marlboro County	2.6 miles	Garden (2 stories) 1985/1990 / 2009	Market	2BR / 1.5BA	50	78.10%	Market	\$597	900	n/a	Yes	5	10.00%
					2BR / 1.5BA	14	21.90%	Market	\$637	900	n/a	Yes	0	0.00%
						64	100%							
9	Magnolia Village 307 East Market Street Bennettsville, SC 29512 Marlboro County	1 miles	Garden (2 stories) 1973	Market	2BR / 1BA	28	100.00%	Market	\$395	900	n/a	No	0	0.00%
						28	100%							
10	Woodlake Apartments 1347 Jefferson Drive Florence, SC 29501 Florence County	38.3 miles	Garden (3 stories) 2012	Market	2BR / 2BA	N/A	N/A	Market	\$973	1,040	n/a	No	2	N/A
					2BR / 2BA	N/A	N/A	Market	\$948	1,040	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,082	1,222	n/a	No	1	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,032	1,222	n/a	No	0	N/A
						120	100%							

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

Effective Rent Date:	Feb-16	Units Surveyed:	678	Weighted Occupancy:	97.50%
		Market Rate	536	Market Rate	97.80%
		Tax Credit	142	Tax Credit	96.50%

Two Bedrooms Two Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Woodlake Apartments	\$973	Woodlake Apartments	\$1,082		
	Woodlake Apartments	\$948	Charles Pointe	\$1,047		
	Charles Pointe	\$883	Woodlake Apartments	\$1,032		
	Bentree Apartments (1.5BA)	\$723	Bentree Apartments	\$827		
	Lakeside Apartments (1.5BA)	\$637	Bennettsville Green Apartments * (60%)	\$577		
	Lakeside Apartments (1.5BA)	\$597	Magnolia Townhomes * (60%)	\$564		
	Bennettsville Green Apartments * (1BA 60%)	\$533	Magnolia Townhomes * (60%)	\$564		
	Magnolia Townhomes * (60%)	\$495	Bennettsville Green Apartments * (50%)	\$502		
	Magnolia Townhomes * (60%)	\$495	Bennettsville Lofts * (50%)	\$481		
	Glenfield II * (1BA 60%)	\$473	Magnolia Townhomes * (50%)	\$455		
	Glenfield I * (1BA 60%)	\$463				
	Bennettsville Green Apartments * (1BA 50%)	\$454				
	Bennettsville Lofts * (1BA 50%)	\$415				
	Magnolia Townhomes * (50%)	\$399				
	Magnolia Townhomes * (50%)	\$399				
	Magnolia Village (1BA)	\$395				
	Garden Apartments	\$375				
SQUARE FOOTAGE	Magnolia Townhomes * (50%)	1,068	Magnolia Townhomes * (50%)	1,266		
	Magnolia Townhomes * (60%)	1,068	Magnolia Townhomes * (60%)	1,266		
	Woodlake Apartments	1,040	Magnolia Townhomes * (60%)	1,234		
	Woodlake Apartments	1,040	Charles Pointe	1,230		
	Charles Pointe	1,010	Woodlake Apartments	1,222		
	Magnolia Townhomes * (50%)	963	Woodlake Apartments	1,222		
	Magnolia Townhomes * (60%)	963	Bentree Apartments	1,100		
	Lakeside Apartments (1.5BA)	900	Bennettsville Green Apartments * (50%)	1,094		
	Lakeside Apartments (1.5BA)	900	Bennettsville Green Apartments * (60%)	1,094		
	Magnolia Village (1BA)	900	Bennettsville Lofts * (50%)	N/A		
	Bennettsville Green Apartments * (1BA 50%)	887				
	Bennettsville Green Apartments * (1BA 60%)	887				
	Bentree Apartments (1.5BA)	850				
	Garden Apartments	850				
	Glenfield I * (1BA 60%)	840				
	Glenfield II * (1BA 60%)	840				
	Bennettsville Lofts * (1BA 50%)	N/A				
RENT PER SQUARE FOOT	Woodlake Apartments	\$0.94	Woodlake Apartments	\$0.89		
	Woodlake Apartments	\$0.91	Charles Pointe	\$0.85		
	Charles Pointe	\$0.87	Woodlake Apartments	\$0.84		
	Bentree Apartments (1.5BA)	\$0.85	Bentree Apartments	\$0.75		
	Lakeside Apartments (1.5BA)	\$0.71	Bennettsville Green Apartments * (60%)	\$0.53		
	Lakeside Apartments (1.5BA)	\$0.66	Bennettsville Green Apartments * (50%)	\$0.46		
	Bennettsville Green Apartments * (1BA 60%)	\$0.60	Magnolia Townhomes * (60%)	\$0.46		
	Glenfield II * (1BA 60%)	\$0.56	Magnolia Townhomes * (60%)	\$0.45		
	Glenfield I * (1BA 60%)	\$0.55	Magnolia Townhomes * (50%)	\$0.36		
	Bennettsville Green Apartments * (1BA 50%)	\$0.51	Bennettsville Lofts * (50%)	N/A		
	Magnolia Townhomes * (60%)	\$0.51				
	Magnolia Townhomes * (60%)	\$0.46				
	Garden Apartments	\$0.44				
	Magnolia Village (1BA)	\$0.44				
	Magnolia Townhomes * (50%)	\$0.41				
	Magnolia Townhomes * (50%)	\$0.35				
	Bennettsville Lofts * (1BA 50%)	N/A				

PROPERTY PROFILE REPORT

Bennettsville Green Apartments

Effective Rent Date	2/19/2016
Location	501 Center Street Bennettsville, SC 29512 Marlboro County
Distance	2.3 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Glenfield Apartments
Tenant Characteristics	Mostly families from Bennettsville and Marlboro County
Contact Name	Felice
Phone	843-454-9500



Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	13
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 1-4%
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	16	887	\$406	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	12	887	\$485	\$0	@60%	Yes	1	8.3%	yes	None
3	2	Garden (2 stories)	6	1,094	\$445	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,094	\$520	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$406	\$0	\$406	\$48	\$454	2BR / 1BA	\$485	\$0	\$485	\$48	\$533
3BR / 2BA	\$445	\$0	\$445	\$57	\$502	3BR / 2BA	\$520	\$0	\$520	\$57	\$577

Bennettsville Green Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Clubhouse/Meeting
Off-Street Parking
Service Coordination

Premium

None

Other

None

Comments

The waiting list consists of 10 households. Management indicated strong demand for affordable senior housing as well as three and four-bedroom family units.

Bennettsville Green Apartments, continued

Trend Report

Vacancy Rates

4Q09 1Q16
100.0% 2.5%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$385	\$0	\$385	\$433
2016	1	0.0%	\$406	\$0	\$406	\$454

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$430	\$0	\$430	\$487
2016	1	0.0%	\$445	\$0	\$445	\$502

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$445	\$0	\$445	\$493
2016	1	8.3%	\$485	\$0	\$485	\$533

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	100.0%	\$495	\$0	\$495	\$552
2016	1	0.0%	\$520	\$0	\$520	\$577

Trend: Comments

4Q09 The property is a proposed LIHTC development, targeted toward families. The units will be contained in five garden-style apartment buildings, with Hardi-Plank siding and brick (40%) veneer. There will be a separate leasing/community building. There will be 82 parking spaces provided.

1Q16 The waiting list consists of 10 households. Management indicated strong demand for affordable senior housing as well as three and four-bedroom family units.

Bennettsville Green Apartments, continued

Photos



PROPERTY PROFILE REPORT

Bennettsville Lofts

Effective Rent Date	2/23/2016
Location	101 Broad Street Bennettsville, SC 29512 Marlboro County
Distance	1.1 miles
Units	22
Vacant Units	1
Vacancy Rate	4.5%
Type	Lowrise (2 stories)
Year Built/Renovated	1910 / 2003
Marketing Began	3/01/2003
Leasing Began	9/01/2003
Last Unit Leased	3/01/2004
Major Competitors	Bennettsville Green Apartments
Tenant Characteristics	Singles and small families from Bennettsville and Marlboro County
Contact Name	Shannon
Phone	843-479-9882



Market Information

Program	LIHTC
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	7	N/A	\$363	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	14	N/A	\$415	\$0	@50%	Yes	1	7.1%	yes	None
3	2	Lowrise (2 stories)	1	N/A	\$481	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$363	\$0	\$363	\$0	\$363
2BR / 1BA	\$415	\$0	\$415	\$0	\$415
3BR / 2BA	\$481	\$0	\$481	\$0	\$481

Bennettsville Lofts, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven

Carpeting
Coat Closet
Ceiling Fan
Refrigerator

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking

Premium

None

Other

Computer classes

Comments

Management indicated that the unit sizes vary and could not provide an estimate of the square footage. There is a pending application for the vacant unit. The waiting list consists of three households. Management could not provide the number of voucher holders.

Bennettsville Lofts, continued

Trend Report

Vacancy Rates

3Q04	1Q07	4Q09	1Q16
4.5%	9.1%	9.1%	4.5%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	N/A	\$280	\$0	N/A	N/A
2007	1	N/A	\$280	\$0	\$280	\$280
2009	4	0.0%	\$298	\$0	\$298	\$298
2016	1	0.0%	\$363	\$0	\$363	\$363

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	N/A	\$335	\$0	N/A	N/A
2007	1	N/A	\$335	\$0	\$335	\$335
2009	4	14.3%	\$353	\$0	\$353	\$353
2016	1	7.1%	\$415	\$0	\$415	\$415

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	N/A	\$435	\$0	N/A	N/A
2007	1	N/A	\$435	\$0	\$435	\$435
2009	4	0.0%	\$453	\$0	\$453	\$453
2016	1	0.0%	\$481	\$0	\$481	\$481

Trend: Comments

3Q04	Bennettsville Loft Apartments is a LIHTC property offering 22 one, two and three-bedroom units. The property operates at the 50 and 60 percent AMI levels, however rents are set at the same rent for both levels. Units are located in five buildings situated on two city blocks. The property began leasing units in the spring of 2003 and became fully absorbed in the spring of 2004. This equates to an absorption pace of 1.8 units per month. Currently, the property is 95 percent. There have been only two or three move-outs since the property opened. Management reported that there is high unemployment in the area.
1Q07	The property does accept Section 8 Tenants but no one is currently utilizing vouchers at this time. Contact could not specify the Annual Turnover Rate. Contact said that it all depends on the unit for the leasing pace and that it varies from time to time.
4Q09	The contact reported that demand for LIHTC housing in the area appears to be met as there is significant competition from affordable properties that offer rental assistance. The two vacancies at the property have been vacant for less than one month and there are applications pending for these units.
1Q16	Management indicated that the unit sizes vary and could not provide an estimate of the square footage. There is a pending application for the vacant unit. The waiting list consists of three households. Management could not provide the number of voucher holders.

Photos



PROPERTY PROFILE REPORT

Glenfield I

Effective Rent Date	2/23/2016
Location	604 Center St Bennettsville, SC 29512 Marlboro County
Distance	2.3 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	One-story
Year Built/Renovated	1985 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly from Bennettsville
Contact Name	Kathy
Phone	843-479-4968



Market Information

Program	@60%, @60% (Rural Rental Assistance)
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 1-2%
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	8	660	\$379	\$0	@60%	Yes	1	12.5%	no	None
1	1	One-story	8	660	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None
2	1	One-story	12	840	\$401	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	12	840	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$379	\$0	\$379	\$53	\$432
2BR / 1BA	\$401	\$0	\$401	\$62	\$463

Glenfield I, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Refrigerator

Carpeting
Coat Closet
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management indicated that 20 of the units operate with project-based rental assistance. There are 10 voucher holders in the 20 unsubsidized units. The waiting list consists of three households.

Glenfield I, continued

Trend Report

Vacancy Rates

4Q09	1Q16
7.5%	2.5%

Trend: @60%

1BR / IBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	6.2%	\$379	\$0	\$379	\$432

2BR / IBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$401	\$0	\$401	\$463

Trend: Comments

4Q09 The property was allocated tax credits in 2009 but renovations have yet to occur. The property manager reported that the maximum income will be \$20,340 for one person, which equates to units restricted at 60 percent of AMI. Twenty-two units operate with rental assistance. The property manager indicated that for both phases, tenant paid rents for units with rental assistance range from \$0 to \$10 below the basic rents, which are listed in the rent grid. The majority of households in rental assistance units are paying approximately \$200. The note rents are \$594 and \$631. Eight households are using Housing Choice Vouchers. The vacant units have been vacant for less than one month.

1Q16 Management indicated that 20 of the units operate with project-based rental assistance. There are 10 voucher holders in the 20 unsubsidized units. The waiting list consists of three households.

Photos



PROPERTY PROFILE REPORT

Glenfield II

Effective Rent Date 2/23/2016
Location 606 Center St
 Bennettsville, SC 29512
 Marlboro County
Distance 2.4 miles
Units 40
Vacant Units 2
Vacancy Rate 5.0%
Type Garden (2 stories)
Year Built/Renovated 1990 / 2010
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Mostly from Bennettsville
Contact Name Kathy
Phone 843-479-4968



Market Information

Program @60%, @60% (Rural Rental Assistance)
Annual Turnover Rate 15%
Units/Month Absorbed N/A
HCV Tenants 60%
Leasing Pace Within one week
Annual Chg. in Rent Increased 2-3%
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	660	\$380	\$0	@60%	Yes	1	12.5%	no	None
1	1	Garden (2 stories)	8	660	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	12	840	\$411	\$0	@60%	Yes	1	8.3%	no	None
2	1	Garden (2 stories)	12	840	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$380	\$0	\$380	\$53	\$433
2BR / 1BA	\$411	\$0	\$411	\$62	\$473

Glenfield II, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Refrigerator

Blinds
Central A/C
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management indicated that 20 of the units operate with project-based rental assistance. There are 12 voucher holders in the 20 unsubsidized units. The waiting list consists of five households.

Trend Report

Vacancy Rates

4Q09	1Q16
5.0%	5.0%

Trend: @60%**1BR / IBA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	6.2%	\$380	\$0	\$380	\$433

2BR / IBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	4.2%	\$411	\$0	\$411	\$473

Trend: Comments

4Q09 The property was allocated tax credits in 1990 and again in 2009 but renovations have yet to occur. The property manager reported that the maximum income will be \$20,340 for one person, which equates to units restricted at 60 percent of AMI. Twenty units operate with rental assistance. The property manager indicated that for both phases, tenant paid rents for units with rental assistance range from \$0 to \$10 below the basic rents, which are listed in the rent grid. The majority of households in rental assistance units are paying approximately \$200. The note rents are \$550 and \$551.

1Q16 Management indicated that 20 of the units operate with project-based rental assistance. There are 12 voucher holders in the 20 unsubsidized units. The waiting list consists of five households.

Photos



PROPERTY PROFILE REPORT

Bentree Apartments

Effective Rent Date	2/11/2016
Location	200 Bentree Lane Florence, SC 29501 Florence County
Distance	36.9 miles
Units	132
Vacant Units	3
Vacancy Rate	2.3%
Type	Garden (2 stories)
Year Built/Renovated	1981 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge Apartments
Tenant Characteristics	Most of the tenants are from Florence.
Contact Name	Jillian
Phone	843-669-5399



Market Information

Program	Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	33	650	\$625	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	66	850	\$675	\$0	Market	No	2	3.0%	N/A	None
3	2	Garden (2 stories)	33	1,100	\$770	\$0	Market	No	1	3.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$39	\$664
2BR / 1.5BA	\$675	\$0	\$675	\$48	\$723
3BR / 2BA	\$770	\$0	\$770	\$57	\$827

Bentree Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The three vacant units are pre-leased.

Bentree Apartments, continued

Trend Report

Vacancy Rates

4Q11	4Q14	1Q15	1Q16
6.8%	2.3%	0.8%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$585	\$75	\$510	\$549
2014	4	N/A	\$625	\$26	\$599	\$638
2015	1	0.0%	\$625	\$0	\$625	\$664
2016	1	0.0%	\$625	\$0	\$625	\$664

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$620	\$75	\$545	\$593
2014	4	N/A	\$675	\$28	\$647	\$695
2015	1	0.0%	\$675	\$0	\$675	\$723
2016	1	3.0%	\$675	\$0	\$675	\$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$715	\$75	\$640	\$697
2014	4	N/A	\$770	\$32	\$738	\$795
2015	1	3.0%	\$770	\$0	\$770	\$827
2016	1	3.0%	\$770	\$0	\$770	\$827

Trend: Comments

- 4Q11** Bentree is located in the western portion of Florence near the Florence and Magnolia Malls. This 30 year old property is well maintained and in good condition. It is currently 93 percent occupied, only slightly lower than the typical 95 percent rate. A \$75 monthly discount is currently being offered as an incentive. This is one of the few properties in Florence that is offering concessions at this time. Deluxe units, i.e., those that have been recently renovated, have a \$15 to \$20 monthly premium. The reported turnover rate of 10 units per month, or 91 percent annually, appears to be unusually high and a somewhat lower rate is likely. The three-bedroom units have washer/dryer connections. The unit mix is a rough estimate by the manager.
- 4Q14** Bentree is located in the western portion of Florence near the Florence and Magnolia Malls. This 30 year old property is well maintained overall. It is currently 97 percent occupied, similar to the typical 95 percent occupancy rate. One half month of free rent for a one year lease is currently being offered as an incentive. This is perhaps the only property in Florence that is offering concessions at this time. According to the manager, concessions are often offered regardless of the occupancy rate. Upgraded units, i.e., those that have been renovated in the past several years, have a \$30 to \$35 monthly premium. Renovated units generally include newer kitchen cabinets and countertops. The three-bedroom units have washer/dryer connections. The unit mix is an estimate by the manager.
- 1Q15** The property does not accept Housing Choice Vouchers. The property maintains a waiting list of two households on all unit types. When asked about current market conditions, the contact noted that there is strong demand for units at the property.
- 1Q16** The property does not accept Housing Choice Vouchers. The three vacant units are pre-leased.

Bentree Apartments, continued

Photos



PROPERTY PROFILE REPORT

Charles Pointe

Effective Rent Date	2/11/2016
Location	201 West Millstone Road Florence, SC 29505 Florence County
Distance	39.8 miles
Units	168
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Reserve at Mill Creek
Tenant Characteristics	Most of the tenants are from Florence.
Contact Name	Marsha
Phone	843-536-4613



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 2 percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	42	700	\$735	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	114	1,010	\$835	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,230	\$990	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$735	\$0	\$735	\$39	\$774
2BR / 2BA	\$835	\$0	\$835	\$48	\$883
3BR / 2BA	\$990	\$0	\$990	\$57	\$1,047

Charles Pointe, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Car Wash
Garage
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Dog Park

Comments

The property does not accept Housing Choice Vouchers. The property maintains a small waiting list for one and three-bedroom units.

Trend Report

Vacancy Rates

4Q13	4Q14	1Q15	1Q16
3.6%	0.6%	0.6%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	4.8%	\$700	\$0	\$700	\$739
2014	4	0.0%	\$720	\$0	\$720	\$759
2015	1	0.0%	\$720	\$0	\$720	\$759
2016	1	0.0%	\$735	\$0	\$735	\$774

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	1.8%	\$800	\$0	\$800	\$848
2014	4	0.9%	\$820	\$0	\$820	\$868
2015	1	0.9%	\$820	\$0	\$820	\$868
2016	1	0.0%	\$835	\$0	\$835	\$883

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	16.7%	\$955	\$0	\$955	\$1,012
2014	4	0.0%	\$975	\$0	\$975	\$1,032
2015	1	0.0%	\$975	\$0	\$975	\$1,032
2016	1	0.0%	\$990	\$0	\$990	\$1,047

Trend: Comments

- 4Q13** Management reported that the property does not accept Housing Choice Vouchers. The contact reported that they do not currently maintain a waiting list.
- 4Q14** This property is located in the southern portion of Florence off of South Irby Street. It lacks visibility from this street, although there is a monument sign. Occupancy is typically 95 percent or higher. Many tenants are younger, some of which have relocated to Florence for employment purposes. The manager states that many tenants work at area manufacturing firms such as Honda and Otis Elevator. Average annual household income of the tenants is in the \$40,000s. There are few seniors living at this property. The manager states that many seniors who wish to live here cannot afford the rent.
- 1Q15** The property does not accept Housing Choice Vouchers. When asked about current market conditions, the contact replied that there is average demand for units at the property.
- 1Q16** The property does not accept Housing Choice Vouchers. The property maintains a small waiting list for one and three-bedroom units.

Photos



PROPERTY PROFILE REPORT

Garden Apartments

Effective Rent Date	2/25/2016
Location	109 Northwood Drive Bennettsville, SC 29512 Marlboro County
Distance	2.9 miles
Units	24
Vacant Units	1
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1984 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Magnolia Village
Tenant Characteristics	Families from Bennettsville
Contact Name	Jenna
Phone	843-479-7151



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- window
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	24	850	\$375	\$0	Market	No	1	4.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$375	\$0	\$375	\$0	\$375

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking	None	None

Comments

Management would not participate in our interview. We were able to obtain the rental rate and number of vacancies as a prospective tenant. The number of voucher holders, leasing pace, and annual turnover rate were not available. The rent has not changed since 2009.

Garden Apartments, continued

Trend Report

Vacancy Rates

3Q04	4Q09	1Q16
50.0%	4.2%	4.2%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	50.0%	\$340	\$0	N/A	N/A
2009	4	4.2%	\$375	\$0	\$375	\$375
2016	1	4.2%	\$375	\$0	\$375	\$375

Trend: Comments

- 3Q04** Garden Apartments is a market rate property offering 24 two-bedroom units. Currently, the property is about 50 percent occupied. The property is managed by Northside Realty, which also manages Northwood, Hidden Valley and Hillcrest Apartments. Turnover is estimated at 25 percent for all the properties. Management reported that the market is extremely slow due to a suffering economy. Occupancy has been very low at the property for the past three or four months. We previously interviewed this property in February 2003. At that time, the property was fully occupied. Turnover was estimated at 21 percent annually. Rental rates have increased four and one half percent since the property was last interviewed. Northside Realty maintained a common waiting list of six households for all of the properties.
- 4Q09** Occupancy at Garden Apartments has improved dramatically from 50 percent to 96 percent since the last interview in 2004. The property was transferred from Northside Realty to B&P Realty along with Magnolia Village (formerly known as Hidden Valley).
- 1Q16** Management would not participate in our interview. We were able to obtain the rental rate and number of vacancies as a prospective tenant. The number of voucher holders, leasing pace, and annual turnover rate were not available. The rent has not changed since 2009.

Garden Apartments, continued

Photos



PROPERTY PROFILE REPORT

Lakeside Apartments

Effective Rent Date	2/19/2016
Location	503 Sewanee St Bennettsville, SC 29512 Marlboro County
Distance	2.6 miles
Units	64
Vacant Units	5
Vacancy Rate	7.8%
Type	Garden (2 stories)
Year Built/Renovated	1985/1990 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hillcrest Apartments, Garden Apartments
Tenant Characteristics	Mostly couples and small families from Marlboro County
Contact Name	Martha Hodge
Phone	843-479-2452



Market Information

Program	Market
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	50	900	\$535	\$0	Market	Yes	5	10.0%	N/A	None
2	1.5	Garden (2 stories)	14	900	\$575	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$535 - \$575	\$0	\$535 - \$575	\$62	\$597 - \$637

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Dishwasher		
Refrigerator		
Carpeting		
Coat Closet		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking	None	None
Swimming Pool		
Playground		

Lakeside Apartments, continued

Comments

There are pending applications for the five vacant units. The 14 units at \$575 are renovated. The waiting list consists of five households. According to management, the property is currently undergoing exterior renovations.

Lakeside Apartments, continued

Trend Report

Vacancy Rates

4Q09	1Q16
0.0%	7.8%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	0.0%	\$480	\$0	\$480	\$542
2016	1	7.8%	\$535 - \$575	\$0	\$535 - \$575	\$597 - \$637

Trend: Comments

4Q09 The contact reported that the property typically remains full and that rents increase minimally every year.

1Q16 There are pending applications for the five vacant units. The 14 units at \$575 are renovated. The waiting list consists of five households. According to management, the property is currently undergoing exterior renovations.

Lakeside Apartments, continued

Photos



PROPERTY PROFILE REPORT

Magnolia Village

Effective Rent Date 2/25/2016
Location 307 East Market Street
 Bennettsville, SC 29512
 Marlboro County
Distance 1 mile
Units 28
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1973 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Garden Apartments
Tenant Characteristics Families from Bennettsville
Contact Name Jenna
Phone 843-479-7151



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. in Rent None
Concession None

Utilities

A/C not included -- window
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	28	900	\$395	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$395	\$0	\$395	\$0	\$395

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven Carpeting Coat Closet Refrigerator	None	None
Property	Premium	Other
Central Laundry Off-Street Parking	None	None

Comments

Management would not participate in our interview. We were able to obtain the rental rate and number of vacancies as a prospective tenant. The number of voucher holders, leasing pace, and annual turnover rate were not available. The rent has not changed since 2009.

Magnolia Village, continued

Trend Report

Vacancy Rates

3Q04	4Q09	1Q16
75.0%	3.6%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	75.0%	\$320	\$0	N/A	N/A
2009	4	3.6%	\$395	\$0	\$395	\$395
2016	1	0.0%	\$395	\$0	\$395	\$395

Trend: Comments

- 3Q04** Hidden Valley is a market rate property offering 28 two-bedroom units. Currently, the property is 25 percent occupied. The property is managed by Northside Realty, which also manages Northwood, Garden and Hillcrest Apartments. Turnover is estimated at 25 percent for all the properties. Management reported that the market is extremely slow due to a suffering economy. Occupancy has been extremely low at the property for the past three or four months. We previously interviewed this property in February 2003. At that time, the property was 75 percent occupied. Rental rates have increased three percent since the property was last interviewed. Management was unable to explain why this property has a higher vacancy rate than the other properties managed by Northside Realty.
- 4Q09** The property underwent a name change when Northside Realty transferred the property to B&P Realty. Overall, B&P properties are performing relatively well in the market as each appear to have only one vacancy.
- 1Q16** Management would not participate in our interview. We were able to obtain the rental rate and number of vacancies as a prospective tenant. The number of voucher holders, leasing pace, and annual turnover rate were not available. The rent has not changed since 2009.

Magnolia Village, continued

Photos



PROPERTY PROFILE REPORT

Woodlake Apartments

Effective Rent Date	2/16/2016
Location	1347 Jefferson Drive Florence, SC 29501 Florence County
Distance	38.3 miles
Units	120
Vacant Units	3
Vacancy Rate	2.5%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	9/01/2011
Leasing Began	1/01/2012
Last Unit Leased	8/31/2012
Major Competitors	None identified
Tenant Characteristics	Mostly younger tenants; few seniors
Contact Name	Scott
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	15
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to 5 percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	N/A	1,040	\$925	\$0	Market	No	2	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,040	\$900	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,222	\$1,025	\$0	Market	No	1	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,222	\$975	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$900 - \$925	\$0	\$900 - \$925	\$48	\$948 - \$973
3BR / 2BA	\$975 - \$1,025	\$0	\$975 - \$1,025	\$57	\$1,032 - \$1,082

Woodlake Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Exercise Facility
Swimming Pool

Off-Street Parking

Premium

None

Other

None

Comments

The vacancy rate is typically under five percent according to the manager. Higher priced units are located on the ground floor.

Woodlake Apartments, continued

Trend Report

Vacancy Rates

4Q13	4Q14	1Q16
4.2%	3.3%	2.5%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$825 - \$875	\$0	\$825 - \$875	\$873 - \$923
2014	4	N/A	\$850 - \$925	\$0	\$850 - \$925	\$898 - \$973
2016	1	N/A	\$900 - \$925	\$0	\$900 - \$925	\$948 - \$973

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$925 - \$975	\$0	\$925 - \$975	\$982 - \$1,032
2014	4	N/A	\$950 - \$1,025	\$0	\$950 - \$1,025	\$1,007 - \$1,082
2016	1	N/A	\$975 - \$1,025	\$0	\$975 - \$1,025	\$1,032 - \$1,082

Trend: Comments

- 4Q13** Management reported that the property does not accept Housing Choice Vouchers. The contact reported that the property opened in January 2012 and was fully occupied by late August 2012 for an absorption pace of 15 units per month.
- 4Q14** This attractive market rate property is located in the southwestern portion of Florence. The contact reported that the property opened in January 2012 and was fully occupied by late August 2012 for an absorption pace of 15 units per month. This property has an extensive unit amenity package but there are no common area amenities such as on-site management. The vacancy rate is typically under five percent according to the manager. Most tenants are younger and many are new to the Florence area who moved here for employment purposes.
- 1Q16** The vacancy rate is typically under five percent according to the manager. Higher priced units are located on the ground floor.

Woodlake Apartments, continued

Photos



COMPARABLE PROPERTY ANALYSIS

Vacancy

The following tables summarize overall vacancy rates for the comparable properties.

OVERALL VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bennettville Green Apartments	LIHTC	40	1	2.5%
Bennettville Lofts	LIHTC	22	1	4.5%
Glenfield I	LIHTC/RD	40	1	2.5%
Glenfield II	LIHTC/RD	40	2	5.0%
Bentree Apartments*	Market	132	3	2.3%
Charles Pointe*	Market	168	0	0.0%
Garden Apartments	Market	24	1	4.2%
Lakeside Apartments	Market	64	5	7.8%
Magnolia Village	Market	28	0	0.0%
Woodlake Apartments*	Market	<u>120</u>	<u>3</u>	<u>2.5%</u>
Total		678	17	2.5%

*Located outside the PMA

OVERALL - COMPARABLE LIHTC VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bennettville Green Apartments	LIHTC	40	1	2.5%
Bennettville Lofts	LIHTC	22	1	4.5%
Glenfield I	LIHTC/RD	40	1	2.5%
Glenfield II	LIHTC/RD	<u>40</u>	<u>2</u>	<u>5.0%</u>
Total		142	5	3.5%

OVERALL - MARKET RATE VACANCY

Comparable Property	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bentree Apartments*	Market	132	3	2.3%
Charles Pointe*	Market	168	0	0.0%
Garden Apartments	Market	24	1	4.2%
Lakeside Apartments	Market	64	5	7.8%
Magnolia Village	Market	28	0	0.0%
Woodlake Apartments*	Market	<u>120</u>	<u>3</u>	<u>2.5%</u>
Total		536	12	2.2%

*Located outside the PMA

The comparables reported vacancy rates ranging from zero to 7.8 percent, with an overall weighted average of 2.5 percent. With the exception of Lakeside Apartments, all of the comparables reported vacancy rates of 5.0 percent or lower.

The LIHTC comparables have vacancy ranging from 2.5 to 5.0 percent, with an average of 3.5 percent. All of the surveyed LIHTC properties maintain waiting lists. The low vacancy rates and waiting lists at the LIHTC comparables is indicative of strong demand for affordable rental housing in the PMA.

The market rate comparables have vacancy ranging from zero to 7.8 percent, with an average of 2.2 percent. According to management at Lakeside Apartments, the five vacant units have pending applications. Therefore, we do not believe the slightly elevated vacancy rate at Lakeside Apartments is cause for concern.

Based upon the performance of the surveyed LIHTC and market rate properties, we believe the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization, per state guideline standards.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 142 total family LIHTC units in the PMA that we included in this comparable analysis. The LIHTC comparables have vacancy ranging from 2.5 to 5.0 percent, with an average of 3.5 percent. All of the surveyed LIHTC properties maintain waiting lists. This indicates healthy demand for LIHTC units in the PMA.

Reasonability of Rents

This report is written to SCSHFDA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the Subject development to ensure the proposed rents are acceptable to all.

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using Utility Allowances for the South Carolina Midlands Region effective January 2016. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 50 percent AMI net rent compared to the maximum allowable 50 percent AMI rents for the county, the net rents at the comparables, and the average comparable net rent.

LIHTC Rent Comparison - @50%

Property Name	2BR	3BR
Magnolia Townhomes (Subject)	\$399	\$455
LIHTC Maximum (Net)	\$402	\$459
Bennettsville Green Apartments	\$454	\$502
Bennettsville Lofts	\$415	\$481
Average (excluding Subject)	\$435	\$492

The Subject’s proposed 50 percent AMI rents are set slightly below the maximum allowable 50 percent AMI rents for 2015. Bennettsville Green and Bennettsville Lofts appear to have 50 percent rents above the maximum allowable levels. It is likely that these properties have different utility allowances than the Subject and are held harmless at the 2010 maximum allowable levels.

The Subject is most similar to Bennettsville Green Apartments, a LIHTC property that was constructed in 2010. Bennettsville Green consists of 40 two and three-bedroom units and is currently 97.5 percent occupied with a waiting list of 10 households. The Subject will be similar to Bennettsville Green in terms of age/condition, location, and property amenities. Bennettsville Green

offers a garbage disposal and walk-in closet, neither of which will be offered by the Subject. The Subject will be slightly inferior to Bennettsville Green in terms of unit amenities. The Subject’s two-bedroom units will be 76 to 181 square feet larger than the two-bedroom units at Bennettsville Green. The Subject’s three-bedroom units will be 140 to 172 square feet larger than the three-bedroom units at Bennettsville Green. The Subject will be superior to Bennettsville Green in terms of unit sizes. Overall, the Subject is similar to Bennettsville Green. We believe the Subject’s rents are reasonable and achievable as proposed. Further, we believe the Subject could achieve maximum allowable 50 percent rents.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents for the county, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @60%

Property Name	2BR	3BR
Magnolia Townhomes (Subject)	\$495	\$564
LIHTC Maximum (Net)	\$508	\$582
Bennettsville Green Apartments	\$533	\$577
Glenfield I	\$463	-
Glenfield II	\$473	-
Average (excluding Subject)	\$490	\$577

The Subject’s proposed 60 percent AMI rents are set below the maximum allowable 60 percent AMI rents for 2015. The Subject will be slightly superior to superior to Glenfield I and Glenfield II in terms of age/condition, unit sizes, in-unit amenities, and common area amenities. Therefore, we believe the Subject could achieve higher 60 percent AMI rents than Glenfield I and Glenfield II. As mentioned previously, the Subject will be similar to Bennettsville Green Apartments. We believe the Subject’s rents are reasonable and achievable as proposed, when compared to Bennettsville Green. Further, we believe the Subject could achieve maximum allowable 60 percent rents.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are well below the achievable market rates for the Subject’s area. The following table illustrates both market rent comparisons and achievable market rents.

Subject Comparison to Market Rents

Unit Type	Square Footage	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
50% AMI							
2 BR	963	\$399	\$375	\$973	\$691	\$650	38.62%
2 BR	1,068	\$399	\$375	\$973	\$691	\$700	43.00%
3 BR	1,266	\$455	\$827	\$1,082	\$997	\$750	39.33%
60% AMI							
2 BR	963	\$495	\$375	\$973	\$691	\$650	23.85%
2 BR	1,068	\$495	\$375	\$973	\$691	\$700	29.29%
3 BR	1,234	\$564	\$827	\$1,082	\$997	\$750	24.80%
3 BR	1,266	\$564	\$827	\$1,082	\$997	\$750	24.80%

The market rate properties were built between 1973 and 2012 and are similar to inferior to the proposed Subject in terms of age and condition. Lakeside Apartments underwent interior renovations in 2009 and is currently undergoing exterior renovations. This property is slightly inferior to the proposed Subject in terms of age and condition.

Bentree Apartments, Charles Pointe, and Woodlake Apartments are located in Florence. Florence is larger than Bennettsville and offers significantly more community amenities, entertainment options, restaurants, and employment options. The properties located in Florence are superior to the proposed Subject in terms of location. The remaining surveyed market rate properties are located in Bennettsville and offer similar locations.

The Subject will be similar to superior to the market rate properties in terms of unit size. The Subject will offer similar to superior amenities when compared to the market rate properties in Bennettsville. The properties located in Florence generally offer similar to superior amenities when compared to the proposed Subject. Overall, we believe the Subject could achieve two and three-bedroom market rents above the surveyed properties located in Bennettsville but below the surveyed properties located in Florence. We have estimated achievable market rents of \$650, \$700, and \$750 for the Subject’s two-bedroom 963 square foot units, two-bedroom 1,068 square foot units, and three-bedroom units, respectively. The Subject’s proposed rents will have advantages of 23.85 to 43.00 percent over the achievable market rents.

Classified Listings

There is limited rent data from the comparable properties in the Subject’s immediate market area to support the Subject’s three-bedroom rents; therefore, we also obtained classified rental listings for single-family homes and manufactured homes in the PMA. It should be noted that we made utility adjustments to the comparable data.

RENTAL CLASSIFIED LISTINGS - BENNETTSVILLE, SC

BR/BA	Type	Location	Utilities Included	Rent	Utility Adjustment	Adjusted Rent	Size (SF)	Rent PSF
3BR/2BA	Manufactured	18 Highway 9 West	None	\$650	\$71	\$721	1,450	\$0.50
3BR/2BA	Manufactured	12 Marlboro Rd	T	\$550	\$57	\$607	1,100	\$0.55
3BR/2BA	Manufactured	39 Marlboro Rd	T	\$550	\$57	\$607	1,100	\$0.55
3BR/2BA	Manufactured	4 Marlboro Rd	T	\$550	\$57	\$607	1,100	\$0.55
3BR/1BA	Manufactured	1540 Old Wire Rd E	None	\$400	\$71	\$471	N/Av	N/Av
3BR/1BA	Single-family	402 College Heights Dr	None	\$500	\$71	<u>\$571</u>	<u>876</u>	<u>\$0.65</u>
Classified Average						\$597	1,125	\$0.53

Source: Craigslist, Herald-Advocate Newspaper, February 2016

H: heat, HW: hot water, W: water, S: sewer, T: trash, E: electricity

As illustrated in the previous table, the three-bedroom classified rents in the Subject’s market area fall below the range of market rate rents illustrated at the comparable properties located in Florence. None of the market rate properties located in Bennettsville offer three-bedroom units. The three-bedroom classified units are in fair to good condition with limited or no property amenities. In addition, five of the six comparables are manufactured homes, which some renters would view as being less desirable than an apartment. Also, renting a single-family residence often requires that the tenant maintain the yard, which would not appeal to some renters. The Subject will be newly constructed and in excellent condition. The Subject’s three-bedroom unit size will be larger than

most of the classified unit sizes. Overall, we believe the Subject could achieve a three-bedroom market rent above the classified rents. We have concluded to an achievable three-bedroom market rent of \$750, or \$0.59 to \$0.61 per square foot for the 1,266 and 1,234 square foot units, respectively. The rent per square for the Subject's achievable three-bedroom market rent is within the range of classified listings and is considered reasonable.

Cost and Availability of Homeownership

We performed an analysis of the cost to own versus cost to rent. The scenarios presented employ estimated median sales prices for a three-bedroom starter home in the Subject's neighborhood. The data demonstrates that home ownership is generally more expensive on a monthly basis than renting. However, of importance within the affordable housing arena is the necessary 10 percent down payment and credit qualification issues, which are sometimes a hurdle for lower income families.

Re-Sale Starter Three-Bedroom Home

Unit Price:	\$100,000 for a three-bedroom
Equity Required:	10%
Financing:	90% for 30 years at 4.5% fixed.
Real Estate Taxes:	Calculated based on 2.0% of market of value.
Mortgage Insurance:	Estimated at 0.50% of total mortgage amount.
Insurance:	Estimated at 0.50% of total mortgage amount.

For three-bedroom units, the Subject's proposed rents provide an advantage when compared to the cost of home ownership. Utilizing the Subject's highest LIHTC rent, it is \$124 more expensive per month to own than to rent.

The calculations are as follows:

RENT BUY ANALYSIS				
THREE-BEDROOM RENT BUY ANALYSIS - 4.5% MORTGAGE				
Inputs	Assumptions	Ownership	Rental	Notes
Average Price		\$100,000		Zillow, three-bedroom home
Closing Costs	3%	\$3,000		
Downpayment	10%	\$10,000		
Principal		\$90,000		
Interest Rate	4.50%			bankrate.com
Amortization period	30			
Monthly Payment		\$456		
Annual Payment		\$5,472		
Real Estate Taxes	2.00%	\$2,000		
Private Mortgage Insurance	0.50%	\$450		
Homeowner's Insurance	0.50%	\$500		
Utilities		\$852		Water, sewer, and trash estimated cost for one year.
Maintenance and Repairs	0.50%	\$500		Assumes a 0.5% cost for maintenance and repairs.
Tax Benefit				Assumes taxable income of \$35,000
Marginal Tax Bracket	25%			
Annual Interest		\$4,050		Assumes first year
Annual Tax Savings		(\$1,513)		
Rental Costs				
Annual Rent			\$6,768	3 BR 60% Net Rent, \$564 per month
Insurance (renter)			\$150	Typical annual cost based on insurance industry articles
Total Annual Cost		\$8,262	\$6,768	
Total Monthly Cost		\$688	\$564	
Differential per year	\$1,494			
Differential per month	\$124			
Cash Due at Occupancy		\$13,000	\$1,714	For renters, first month's rent plus security deposit and renter's insurance

It is also important to note that the cash due at the closing of a home and sometimes credit qualification issues is a significant barrier for many households.

Impact of Subject on Other Affordable Units in Market

The comparable LIHTC units have an overall vacancy rate of 3.5 percent and all of the properties maintain waiting lists, indicating strong demand for affordable rental housing in the PMA. There are no proposed LIHTC properties in the PMA. The most recently completed LIHTC property in the PMA is Bennettsville Green Apartments. This property is 97.5 percent occupied with a 10 household waiting list. As such, the proposed project should be able to fill a current void in this market. We do not believe that the Subject will have a long-term impact on the existing area LIHTC apartments. Since the Subject will operate without subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is a limited supply of LIHTC units without subsidies in the PMA. The surveyed LIHTC properties have limited vacancy and all maintain waiting lists. Overall, the local LIHTC market is performing well. Despite the current and projected decline in the PMA’s population, the availability of LIHTC housing targeting moderate income households is considered to be inadequate given the low vacancy rates and waiting lists at the comparable LIHTC properties in the PMA.

Summary Evaluation of the Proposed Project

The vacancy rates among the multifamily comparables range from zero to 7.8 percent, with an overall vacancy rate of 2.5 percent. With the exception of Lakeside Apartments, all of the comparables reported vacancy rates of 5.0 percent or lower. According to management at Lakeside Apartments, the five vacant units have pending applications. Therefore, we do not believe the slightly elevated vacancy rate at Lakeside Apartments is cause for concern. The weighted average vacancy rate among the LIHTC comparables is 3.5 percent, and the weighted average vacancy rate among the market rate comparables is 2.2 percent. Overall, the market is performing well. None of the comparables are offering rental concessions and all of the surveyed LIHTC properties maintain waiting lists. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable and achievable. The Subject's proposed rents will have advantages of 23.85 to 43.00 percent over the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

H. INTERVIEWS

Planning

We spoke to Holly Swann (843-479-9001) of the Bennettsville Planning and Zoning Department. According to Ms. Swann, there are no multifamily rental developments planned, under construction, or recently completed in Bennettsville. The Subject is the only proposed multifamily rental development in the local area. Ms. Swann indicated that there is demand for affordable housing in the city.

Section 8/Public Housing

We spoke to Yvonne Campbell (843-479-3857) of the Housing Authority of Bennettsville. Ms. Campbell indicated that the housing authority is authorized to issue 62 tenant-based Housing Choice Vouchers. Currently, all 62 vouchers are issued. The waiting list is currently closed with 71 households. The waiting list is expected to be closed for at least the next year. The following table illustrates the current payment standards in Bennettsville:

2015 GROSS PAYMENT STANDARDS	
2BR	3BR
\$643	\$801

The Subject's proposed 50 and 60 percent AMI rents are below the local payment standards. This indicates the Subject's tenants could utilize vouchers.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports.

I. RECOMMENDATIONS

I. RECOMMENDATIONS

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 24.1 percent, which is within acceptable demand threshold. Given the Subject's rural location, we believe this capture rate is reasonable. The Subject site is located within 2.0 miles of many community services and facilities that families would utilize on a frequent basis.

The LIHTC projects in the PMA all have low vacancy rates and maintain waiting lists, indicating a strong market for affordable LIHTC units. Most market rate properties surveyed also exhibit low vacancy rates. The developer's proposed LIHTC rents will have a 23.85 to 43.00 percent rent advantage over the achievable market rents. The proposed rents will also compete well with the LIHTC rents at the existing family LIHTC comparables we surveyed. Given these factors, we would anticipate the Subject can achieve a stabilized occupancy rate of 93 percent or higher within approximately four months of opening.

J. SIGNED STATEMENT REQUIREMENTS

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for new rental LIHTC units. I understand that any misrepresentation of this statement may result in denial of further participation in the South Carolina State Housing Finance and Development Authority’s programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCHFDA’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.

Respectfully submitted,
Novogradac & Company LLP

March 9, 2016
Date



Edward R. Mitchell, MAI
Manager
678-867-2333
Ed.Mitchell@novoco.com

ADDENDA

Addendum A: Analyst Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Designated Member of the Appraisal Institute (MAI)
 Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of Commercial Real Estate Women (CREW) Network
Member of National Council of Housing Market Analysts (NCHMA)

State of Arkansas Certified General Real Estate Appraiser No. CG2682N
State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Michigan Certified General Real Estate Appraiser No. 1201074011
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of New Mexico Certified General Real Estate Appraiser No. 02511-G
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
Forecasting Revenue, December 2012
USPAP Update, May 2012
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
Business Practices and Ethics, December 2010

HUD MAP Third Party Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL, MAI

I. Education

Master of Science – Financial Planning
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management
San Antonio College, San Antonio, Texas

II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Certifications & Licenses

- Alabama State Certified General Real Property Appraiser #G01192
- Florida State Certified General Real Property Appraiser #RZ3784
- Georgia State Certified General Real Property Appraiser #4649
- Mississippi State Certified Real Property Appraiser #GA 1135
- North Carolina State Certified General Real Property Appraiser #A7996
- South Carolina State Certified General Property Appraiser #7354
- West Virginia State Certified Real Property Appraiser #CG 524
- Licensed Real Estate Salesperson (Georgia)

STATEMENT OF PROFESSIONAL QUALIFICATIONS BRENDAN KELLY

I. Education

Pennsylvania State University, University Park, PA
Bachelor of Science in Finance

II. Professional Experience

Independent Real Estate Analyst
Senior Real Estate Analyst, Novogradac & Company LLP
Research Assistant, Novogradac & Company LLP

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Work assignments completed in various states include: Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, and Virginia.