

Tab 19

Market Study

Full Report Submitted Electronically



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

A MARKET FEASIBILITY STUDY OF:
HAVENWOOD
WOODLAND

A MARKET FEASIBILITY STUDY OF:

HAVENWOOD WOODLAND

**South side of Highway 521 Bypass
Lancaster, Lancaster County, SC 29720**

**Effective Date: January 25, 2019
Report Date: March 1, 2019**

**Prepared for:
Mr. Max Elbe
Principal
Lowcountry Housing Communities
1831 Village Crossing Drive
Daniel Island, SC 29492**

**Prepared by:
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& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

March 1, 2019

Mr. Max Elbe
Principal
Lowcountry Housing Communities
1831 Village Crossing Drive
Daniel Island, SC 29492

Re: Market Study for Havenwood Woodland, located in Lancaster, Lancaster County, South Carolina

Dear Mr. Elbe:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Lancaster, Lancaster County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Havenwood Woodland, (the Subject).

The purpose of this market study is to assess the viability of Havenwood Woodland, a proposed 50-unit senior (55+) LIHTC project. The property will be a newly constructed affordable senior (55+) LIHTC project, with 50 revenue generating units restricted to senior (55+) households earning 50 and 60 percent of the Area Median Income (AMI) or less. Of these, ten units will operate with HOME subsidy. 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 and Development Agency (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed Subject's 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 Low-Income Housing Tax Credit (LIHTC) 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.

LOWCOUNTRY HOUSING COMMUNITIES
HAVENWOOD WOODLAND
MARCH 1, 2019
PAGE 2

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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TABLE OF CONTENTS

Executive Summary	1
A. Project Description	8
B. Site Description	12
C. Market Area	22
Primary Market Area	23
D. Market Area Economy	26
Regional and Local Economic Overview	27
Commuting Patterns	37
Conclusion	37
E. Community Demographic Data	38
Household Trends	41
Renter Households by Number of Persons in the Household	44
Conclusion	44
F. Project-Specific Demand Analysis	45
Project Specific Demand Analysis.....	46
G. Supply Analysis	59
Survey of Comparable Projects	60
Reasonability of Rents	69
Summary Evaluation of the Proposed Project.....	72
H. Interviews	74
Interviews.....	75
I. Recommendations	76
J. Signed Statement Requirements	78

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Havenwood Woodland, the Subject, is a proposed 50-unit apartment community restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. Of these, ten units will operate with HOME subsidy. The Subject will be located along the south side of Highway 521 Bypass and west side of Woodland Drive. 12 units will be contained in a one-story design, and 38 units will be contained in a three-story, elevator-serviced lowrise design. As proposed, the Subject will contain one, one-story residential building and one, three-story, elevator-serviced residential building.

Targeted Tenancy:

Elderly (55+).

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents. Low HOME rents are set at the lower of the two maximum allowable rents; thus, the Low HOME rents at the Subject are set at the LIHTC maximum allowable levels. Additionally, as the Subject qualifies as a rural area under the 2008 Housing Act, the Subject’s 60 percent LIHTC rents are bound by the 2018 national non-metropolitan maximum allowable rents.

PROPOSED RENTS

Unit Type	Design	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
@50% (HOME)								
1BR / 1BA	Lowrise	750	1	\$406	\$127	\$533	\$547	\$626
1BR / 1BA	One-story	750	1	\$406	\$127	\$533	\$547	\$626
2BR / 2BA	Lowrise	950	6	\$470	\$170	\$640	\$657	\$796
2BR / 2BA	One-story	950	2	\$470	\$170	\$640	\$657	\$796
@60%								
1BR / 1BA	Lowrise	750	5	\$515	\$127	\$642	\$657	\$626
1BR / 1BA	One-story	750	3	\$515	\$127	\$642	\$657	\$626
2BR / 2BA	Lowrise	950	26	\$575	\$170	\$745	\$789	\$796
2BR / 2BA	One-story	950	6	\$575	\$170	\$745	\$789	\$796
			50					

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

Market Vacancy

The following tables illustrate the market vacancy at the comparable properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Azalea Gardens	LIHTC	Senior	36	0	0.0%
Miller Grove	LIHTC	Family	48	1	2.1%
Millers Ridge	LIHTC/ Market	Family	72	2	2.8%
Northwest Apartments	LIHTC	Family	72	0	0.0%
Parr Place Apartments	LIHTC/ Market	Senior	17	0	0.0%
Sycamore Run	LIHTC	Family	48	0	0.0%
The Cottages At Azalea	LIHTC	Family	48	0	0.0%
Dalton Ridge Apartments	Market	Family	87	0	0.0%
Oakhaven Apartments	Market	Family	68	0	0.0%
Waterford Terrace*	Market	Family	226	9	4.0%
Windsor Apartments*	Market	Family	168	2	1.2%
Woodhaven Apartments	Market	Family	54	0	0.0%
Overall Total			944	14	1.5%
Overall Total in PMA			550	3	0.5%

*Located outside of the PMA

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Azalea Gardens	LIHTC	Senior	36	0	0.0%
Miller Grove	LIHTC	Family	48	1	2.1%
Millers Ridge	LIHTC/ Market	Family	72	2	2.8%
Northwest Apartments	LIHTC	Family	72	0	0.0%
Parr Place Apartments	LIHTC/ Market	Senior	17	0	0.0%
Sycamore Run	LIHTC	Family	48	0	0.0%
The Cottages At Azalea	LIHTC	Family	48	0	0.0%
Total LIHTC			341	3	0.9%
Total LIHTC in PMA			341	3	0.9%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Dalton Ridge Apartments	Market	Family	87	0	0.0%
Oakhaven Apartments	Market	Family	68	0	0.0%
Waterford Terrace*	Market	Family	226	9	4.0%
Windsor Apartments*	Market	Family	168	2	1.2%
Woodhaven Apartments	Market	Family	54	0	0.0%
Total Market Rate			603	11	1.8%
Total Market Rate in PMA			209	0	0.0%

*Located outside of the PMA

Overall vacancy among the 12 comparables is very low at 1.5 percent. All of the comparable LIHTC properties are located inside the PMA. These comparables demonstrate an overall weighted vacancy of 0.9 percent, and six of the seven properties maintain waiting lists, indicating strong demand for affordable housing in the area. Both of the senior properties maintain waiting lists, indicating strong demand for affordable senior housing in the area.

Among the market rate properties, vacancy is also very low at 1.8 percent, indicating strong support for conventional apartments. All of the market-rate comparable properties reported vacancy rates at or below 4.0 percent. Additionally, our contact at Windsor Apartments reports that both vacant units are pre-leased. Further, all of the market rate comparables located in the PMA are fully-occupied. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists at six of those properties, and both of the senior properties, we expect that after completion of absorption, the Subject will operate with a waiting list.

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
1BR @50%	41	0	41	2	4.8%
1BR @60%	36	0	36	8	22.0%
1BR Overall	57	0	57	10	17.4%
2BR @50%	97	0	97	8	8.3%
2BR @60%	85	0	85	32	37.6%
2BR Overall	134	0	134	40	29.8%
@50% Overall	138	0	138	10	7.2%
@60% Overall	122	0	122	40	32.9%
Overall	192	0	192	50	26.1%

As the analysis illustrates, the Subject’s capture rates vary from 4.8 to 37.6 percent with an overall capture rate of 26.1 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

One of the surveyed comparable properties, Azalea Gardens, was able to provide absorption data. However, this property was constructed in 2007 and the data is therefore outdated. We considered absorption data from recently-constructed LIHTC properties located in nearby Mecklenburg County, North Carolina and York County, South Carolina, just beyond the PMA. It should be noted that this is the most proximate absorption information available. Absorption rates at these properties are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/Month
Renaissance At Antiquity	LIHTC	Senior	2015	86	18
The Danelly Catawba Senior Apartments	LIHTC	Senior	2014	62	31
Chambers Point At Ayrley	LIHTC	Senior	2013	86	43
Rock Pointe Phase I	LIHTC	Family	2011	48	25
Average					29

On average, these properties reported an absorption rate of 29 units per month. With the stable demographic base of moderate income seniors in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the average. The LIHTC comparables report few vacancies and six maintain waiting lists, indicating strong demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number income-qualified households, and the Subject's senior tenancy, we believe that the Subject could absorb approximately 30 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

Market Conclusions

Overall vacancy in the local market is performing well with a 0.5 percent vacancy rate in the PMA and a 1.5 percent vacancy rate among all 12 surveyed comparable projects. The seven LIHTC properties reported three total vacancies and six of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. Further, both of the senior properties maintain waiting lists, indicating strong demand for affordable senior housing in the area. Market rate comparables are also performing well, with an overall vacancy rate of 1.8 percent among all of the market-rate comparables. Further, none of the market rate comparables in the PMA report vacant units.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 38 percent below our estimated 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 26.1 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 4.8 to 37.6 percent, which are all considered achievable in the PMA, where moderate-income senior renter households are stable. In addition, the Subject is in a community (Lancaster) that has few affordable senior housing alternatives. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.8 percent annually in the PMA. The Subject site is located within 0.6 miles of most community services and facilities that tenants would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables. The developer's LIHTC rents represent greater than a 38 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in the PMA

There are three total comparable vacant LIHTC units surveyed, and six of the seven LIHTC comparables maintain waiting lists. There are seven LIHTC properties we surveyed in the PMA, two of which are age-restricted. Both age-restricted properties are fully-occupied and maintain waiting lists. With a limited supply of affordable housing options for seniors in the market and a stable base of moderate-income seniors, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.8 percent annually in the PMA. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

2019 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:	
Development Name: Havenwood Woodland	Total # Units: 50
Location: South side of Highway 521 Bypass	# LIHTC Units: 50
PMA Boundary: North: South Carolina border and Chester County line; East: Lancaster County line and Highway 601; South: Highway 521, Highway 522, and Highway 97; West: Interstate 77	
Development Type: <input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 17 miles

RENTAL HOUSING STOCK (found on page 58)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,351	14	99.0%
Market-Rate Housing	5	603	11	98.2%
Assisted/Subsidized Housing not to include LIHTC	7	407	0	100.0%
LIHTC (All that are stabilized)*	7	341	3	99.1%
Stabilized Comps**	19	1,351	14	99.0%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* 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
2	1	1	750	\$406	\$800	\$1.07	49.3%	\$968	\$1.29
8	1	1	750	\$515	\$800	\$1.07	35.6%	\$968	\$1.29
8	2	2	950	\$470	\$900	\$0.95	47.8%	\$1,085	\$1.14
32	2	2	950	\$575	\$900	\$0.95	36.1%	\$1,085	\$1.14
Gross Potential Rent Monthly*				\$27,092	\$44,000		38.4%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page 46)						
	2010		2018		2021	
Renter Households	1,764	17.9%	1,883	15.4%	2,162	16.5%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	354	18.8%	387	17.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 55)						
Type of Demand	50%	60%	Market- rate	Other: __	Other: __	Overall Affordable
Renter Household Growth	25	17				34
Existing Households (Overburd + Substand)	107	95				159
Homeowner conversion (Seniors)	4	3				5
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	163	144				227

CAPTURE RATES (found on page 56)						
Targeted Population	50%	60%	Market- rate	Other: __	Other: __	Overall
Capture Rate	7.2%	32.9%				26.1%

ABSORPTION RATE (found on page 56)
 Absorption Period 1 - 2 months

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
2	1 BR	\$406	\$812	\$800	\$1,600	49.3%
8	1 BR	\$515	\$4,120	\$800	\$6,400	35.6%
8	2 BR	\$470	\$3,760	\$900	\$7,200	47.8%
32	<u>2 BR</u>	\$575	<u>\$18,400</u>	\$900	<u>\$28,800</u>	<u>36.1%</u>
Totals	50		\$27,092		\$44,000	38.4%

Source: SCSHFDA, Novogradac & Company LLP, January 2019

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject will be located along the south side of Highway 521 Bypass in Lancaster, Lancaster County, South Carolina.

Construction Type: The new construction Subject will be constructed in one, one-story residential building and one, three-story, elevator-serviced residential building.

Occupancy Type: Elderly (55+).

Target Income Group: The Subject will be restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. The minimum allowable household income for the Subject is \$15,990 based on affordability for the Subject’s least expensive rent (one-bedroom unit at 50 percent AMI) and the maximum allowable household income will be \$28,020 (the 60 percent AMI income for a two-person household).

Special Population Target: None.

Number of Units by Unit Type: The Subject will include ten, one and 40 two-bedroom units.

Number of Buildings and Stories: The Subject will be constructed in one, one-story residential building and one, three-story, elevator-serviced residential building.

Unit Mix: One-bedroom units will be 750 square feet and two-bedroom units will be 950 square feet. The following table summarizes the Subject’s proposed unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	6	750	4,500
1BR / 1BA	4	750	3,000
2BR / 2BA	32	950	30,400
2BR / 2BA	8	950	7,600
TOTAL	50		45,500

Structure Type/Design: The Subject will offer one, one-story residential building and one, three-story, elevator-serviced residential building.

Proposed Rents and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents. Low HOME rents are set at the lower of the two maximum allowable rents; thus, the Low HOME rents at the Subject are set at the LIHTC maximum allowable levels. Additionally, as the Subject qualifies as a rural area under the 2008 Housing Act, the Subject’s 60 percent LIHTC rents are bound by the 2018 national non-metropolitan maximum allowable rents.

PROPOSED RENTS

Unit Type	Design	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@50% (HOME)</i>								
1BR / 1BA	Lowrise	750	1	\$406	\$127	\$533	\$547	\$626
1BR / 1BA	One-story	750	1	\$406	\$127	\$533	\$547	\$626
2BR / 2BA	Lowrise	950	6	\$470	\$170	\$640	\$657	\$796
2BR / 2BA	One-story	950	2	\$470	\$170	\$640	\$657	\$796
<i>@60%</i>								
1BR / 1BA	Lowrise	750	5	\$515	\$127	\$642	\$657	\$626
1BR / 1BA	One-story	750	3	\$515	\$127	\$642	\$657	\$626
2BR / 2BA	Lowrise	950	26	\$575	\$170	\$745	\$789	\$796
2BR / 2BA	One-story	950	6	\$575	\$170	\$745	\$789	\$796
			50					

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

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$127 and \$170 for the one and two-bedroom units, respectively.

Existing or Proposed Project-Based Rental Assistance: The Subject is proposed and will not operate with project-based rental assistance subsidy.


Community Amenities See following Subject Profile sheet.

Unit Amenities See following Subject Profile sheet.

Current Occupancy/Rent Levels: The Subject will be proposed new construction.

Scope of Renovations: The Subject will be proposed new construction.

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

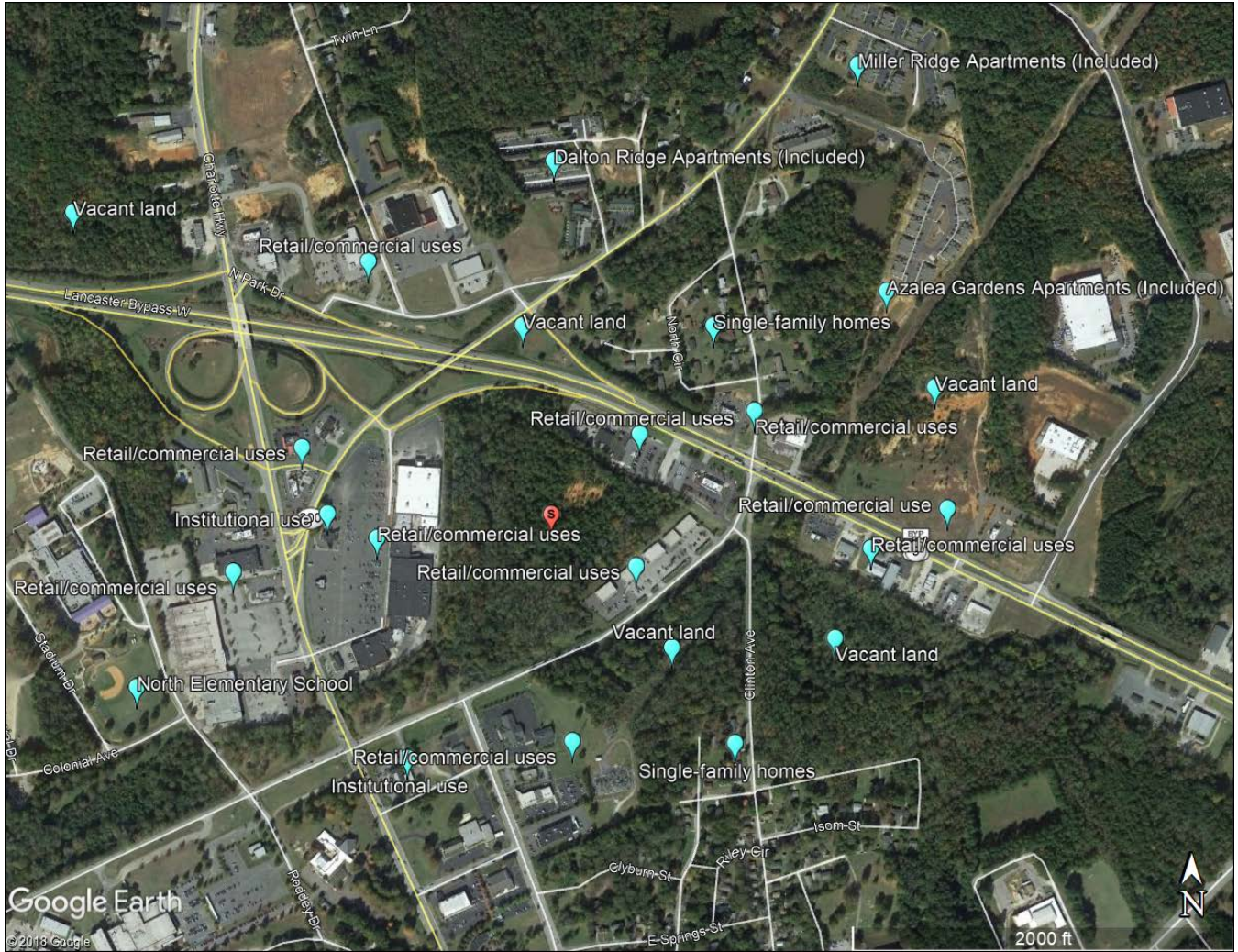
Havenwood Woodland												
Location	South Side Of Highway 521 Bypass Lancaster, SC 29720 Lancaster County											
Units Type	50 Various (age-restricted) (3 stories)											
Year Built / Renovated	2021 / n/a											
Market												
Program	@50% (HOME), @60%						Leasing Pace	n/a				
Annual Turnover Rate	n/a						Change in Rent (Past Year)	n/a				
Units/Month Absorbed	n/a						Concession	n/a				
Section 8 Tenants	n/a											
Utilities												
A/C	not included – central						Other Electric	not included				
Cooking	not included – electric						Water	not included				
Water Heat	not included – electric						Sewer	not 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?	
1	1	Lowrise (3 stories)	1	750	\$406	\$0	@50% (HOME)	n/a	n/a	n/a	yes	
1	1	Lowrise (3 stories)	5	750	\$515	\$0	@60%	n/a	n/a	n/a	no	
1	1	One-story	1	750	\$406	\$0	@50% (HOME)	n/a	n/a	n/a	yes	
1	1	One-story	3	750	\$515	\$0	@60%	n/a	n/a	n/a	no	
2	2	Lowrise (3 stories)	6	950	\$470	\$0	@50% (HOME)	n/a	n/a	n/a	yes	
2	2	Lowrise (3 stories)	26	950	\$575	\$0	@60%	n/a	n/a	n/a	no	
2	2	One-story	2	950	\$470	\$0	@50% (HOME)	n/a	n/a	n/a	yes	
2	2	One-story	6	950	\$575	\$0	@60%	n/a	n/a	n/a	no	
Amenities												
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Grab Bars Hand Rails Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup						Security	none				
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management						Premium	none				
Services	none						Other	Craft room, library				
Comments												
Construction is proposed for March 2020 to March 2021. The Subject will consist of one, one-story residential building and one, three-story elevator-serviced residential building. The proposed utility allowances are \$127 and \$170 for the one and two-bedroom units, respectively. It should be noted that in the two-bedroom two-bathroom units one of the bathrooms will have a shower but no tub.												

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 the layout, access issues, and traffic flow.

Date of Site Visit: January 25, 2019.

Surrounding Land Uses: The following map and pictures illustrate the surrounding land uses.



Source: Google Earth, January 2019

Physical Features of Site: The Subject site is located in Lancaster, South Carolina and is undeveloped forested land.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site are retail/commercial uses that exhibit average condition. Further north is vacant land, retail/commercial uses in average condition, single-family homes in average condition, and three multifamily developments by the names of Dalton Ridge Apartments (market

rate), Miller Ridge Apartments (LIHTC/Market), and Azalea Gardens Apartments (LIHTC), all of which have been included as rental comparables for the purposes of this report. East of the Subject site are retail/commercial uses that exhibit average condition. Further east is vacant land and more retail/commercial uses in average condition. Immediately south of the Subject site is vacant land and retail/commercial uses in average condition. Further south are more retail/commercial uses in average condition and single-family homes in average condition. Immediately west of the Subject site is Food Lion and Belk's department store that exhibit average condition. Further west are more retail/commercial uses in average condition, an institutional use in average condition, and North Elementary School. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of Subject site



View of Subject site



View west along Highway 521 Bypass



View east along Highway 521 Bypass



View southwest along Woodland Drive



View northeast along Woodland Drive



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

Visibility/Views:

Views from the Subject site include retail/commercial uses in average condition, vacant land, and single-family homes in average condition the north, and retail/commercial uses in average condition to the east, south and west. Views from the site are considered average. The Subject will have good visibility from Woodland Drive and average visibility from Highway 521 Bypass. Overall, the Subject site is located within a mixed-use neighborhood with good access and visibility.

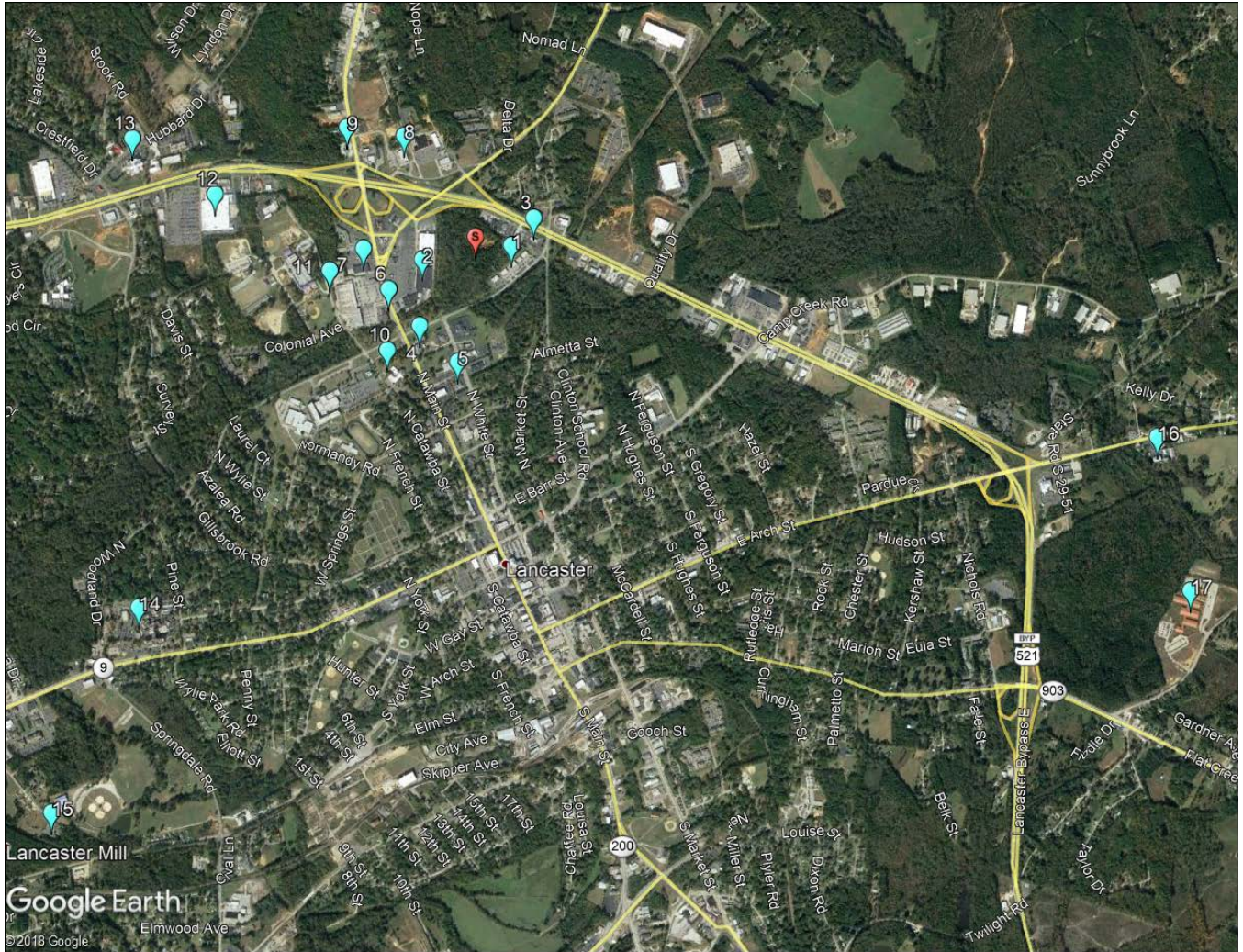
Detrimental Influence:

We did not observe any detrimental influences to the Subject site during our inspection.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including medical services and retail. The following table details the Subject's distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is below.

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY



Source: Google Earth, January 2019

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Carolina Pharmacy - Woodland Drive	Adjacent
2	Food Lion	Adjacent
3	McDonald's	Adjacent
4	Wells Fargo	0.2 miles
5	Lancaster County Fire Rescue	0.2 miles
6	Founders Federal Credit Union	0.2 miles
7	Dollar General	0.4 miles
8	Aldi	0.4 miles
9	Citgo	0.4 miles
10	Lancaster High School	0.4 miles
11	North Elementary School	0.6 miles
12	Walmart Supercenter	0.6 miles
13	University of SC Lancaster	1.0 miles
14	Springs Memorial Hospital	1.1 miles
15	Lancaster County Council on Aging	1.6 miles
16	Lancaster Sherrif's Department	1.8 miles
17	A.R. Rucker Middle School	2.0 miles

Availability of Public Transportation: Lancaster Area Ride Service (LARS) provides public transportation throughout Lancaster County and surrounding areas. Residents can call three business days in advance to schedule transportation. Bus service is available Monday through Friday from 9:00 am to 3:00 pm. Fares are \$2.00 each way for trips within Lancaster County, \$5 each way for trips to and from Rock Hill, and \$10 to and from Columbia or Charlotte.

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 no 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 MSA.

2018 CRIME INDICES

	PMA	Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area
Total Crime*	122	135
Personal Crime*	154	138
Murder	142	117
Rape	119	100
Robbery	64	136
Assault	202	143
Property Crime*	118	135
Burglary	125	151
Larceny	120	134
Motor Vehicle Theft	83	101

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

*Unweighted aggregations

The total crime risk index in the PMA and MSA are above the nation. Like the Subject, several comparable properties do not offer security features. The comparables that do not offer security features report low vacancy and in some instances maintain waiting lists. Thus, a lack of security features does not appear to impact the marketability of multifamily properties in the area. We believe the Subject will be competitive without additional security features.

Access and Traffic Flow:

The Subject site will have access along Highway 521 Bypass. Highway 521 Bypass is a moderately trafficked arterial route that traverses east/west and provides access to Highway 521 just west of the Subject site. Highway 521 traverses north/south and provides access to Charlotte, North Carolina approximately 30 miles north of the Subject site and numerous towns throughout northern South Carolina to the south of the Subject site. Overall, access and traffic flow are considered average.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in Lancaster, most of which are within less than 0.6 miles of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY 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 Subject is a proposed 50-unit senior development to be constructed in Lancaster, South Carolina. The PMA is defined as the South Carolina border and Chester County line to the north, the Lancaster County line and Highway 601 to the east, Highway 521, Highway 522, and Highway 97 to the south, and Interstate 77 to the west. The Subject will be one of few LIHTC properties in Lancaster County, and as such will be able to draw from approximately a 15 to 20-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Lancaster and several other communities in Lancaster County as well as some of the smaller communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 6 miles
- East: 17 miles
- South: 12 miles
- West: 15 miles

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

Census Tracts		
450230207.00	450570102.00	450570108.00
450230208.00	450570103.00	450570109.00
450230209.00	450570104.00	450570110.01
450230210.00	450570105.00	450570110.02
450259501.01	450570106.00	450570111.00
450570101.00	450570107.00	450570112.02

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 Lancaster area 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, as well as data for the MSA.

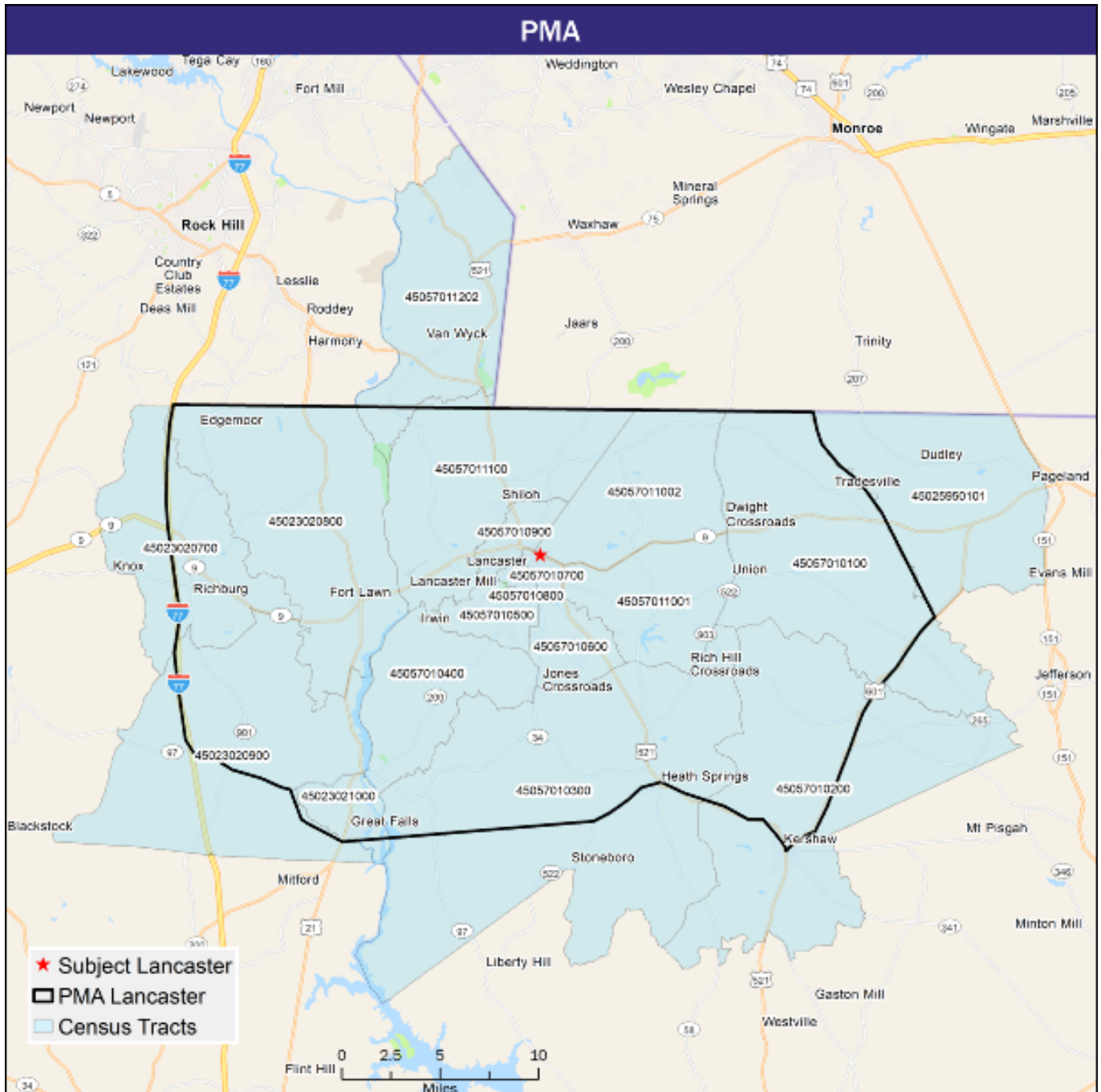
2010 POPULATION BY RACE

	PMA		SMA		USA	
Total	61,079	-	2,217,012	-	308,745,538	-
White	40,405	66.2%	1,511,540	68.2%	223,553,265	72.4%
Black	17,938	29.4%	484,459	21.9%	38,929,319	12.6%
American Indian	184	0.3%	10,155	0.5%	2,932,248	0.9%
Asian	230	0.4%	60,359	2.7%	14,674,252	4.8%
Pacific	10	0.0%	1,116	0.1%	540,013	0.2%
Other	1,516	2.5%	102,531	4.6%	19,107,368	6.2%
Two or More Races	796	1.3%	46,852	2.1%	9,009,073	2.9%
Total Hispanic	2,347	-	202,543	-	50,477,594	-
Hispanic: White	675	28.8%	81,551	40.3%	26,735,713	53.0%
Hispanic: Black	86	3.7%	7,332	3.6%	1,243,471	2.5%
Hispanic: American Indian	14	0.6%	2,368	1.2%	685,150	1.4%
Hispanic: Asian	5	0.2%	546	0.3%	209,128	0.4%
Hispanic: Pacific	2	0.1%	251	0.1%	58,437	0.1%
Hispanic: Other	1,421	60.5%	98,316	48.5%	18,503,103	36.7%
Hispanic: Two or More Races	144	6.1%	12,179	6.0%	3,042,592	6.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

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.

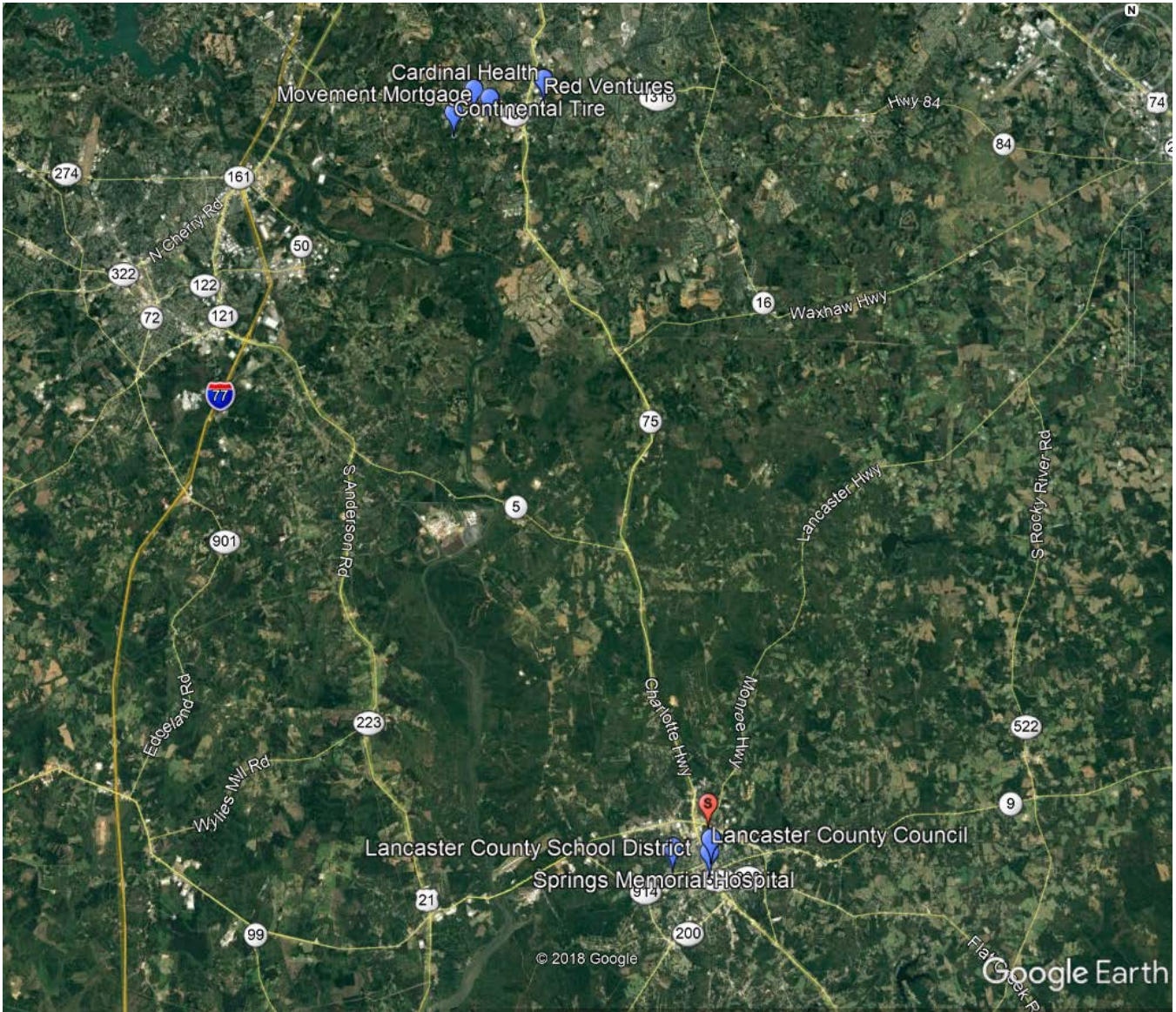


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Source: Google Earth, January 2019

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	4,910	19.6%	15,694,985	9.9%
Retail Trade	3,310	13.2%	17,381,607	11.0%
Healthcare/Social Assistance	2,443	9.7%	22,154,439	14.0%
Educational Services	1,859	7.4%	14,568,337	9.2%
Construction	1,776	7.1%	10,333,928	6.5%
Accommodation/Food Services	1,494	6.0%	11,958,374	7.6%
Finance/Insurance	1,485	5.9%	7,284,572	4.6%
Admin/Support/Waste Mgmt Svcs	1,423	5.7%	6,943,459	4.4%
Other Services	1,367	5.5%	7,758,801	4.9%
Public Administration	1,023	4.1%	7,345,537	4.7%
Transportation/Warehousing	948	3.8%	6,660,099	4.2%
Prof/Scientific/Tech Services	700	2.8%	11,673,939	7.4%
Wholesale Trade	683	2.7%	4,028,405	2.6%
Information	362	1.4%	2,881,691	1.8%
Agric/Forestry/Fishing/Hunting	362	1.4%	2,273,158	1.4%
Utilities	352	1.4%	1,433,069	0.9%
Real Estate/Rental/Leasing	288	1.1%	3,165,171	2.0%
Arts/Entertainment/Recreation	229	0.9%	3,672,444	2.3%
Mining	64	0.3%	591,596	0.4%
Mgmt of Companies/Enterprises	1	0.0%	87,511	0.1%
Total Employment	25,079	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

The largest industries in the PMA are manufacturing, retail trade, healthcare/social assistance, and educational services. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. The retail trade industry is also over represented in the PMA; industries under-represented in the PMA include healthcare/social assistance, accommodation/food services, educational; services, and professional/scientific and tech services. As will be demonstrated in the employment discussion, the manufacturing and wholesale trade industries have been affected by numerous layoffs and employment decreases. Nationwide, these industries have also been affected by the recession.

The following table illustrates the changes in employment by industry from 2000 to 2018, in the Subject's PMA.

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employe	Percent Employe	Number Employe	Percent Employe	Growth	Annualized Percent
Manufacturing	8,887	33.6%	4,910	19.6%	-3,977	-2.5%
Retail Trade	3,118	11.8%	3,310	13.2%	192	0.3%
Healthcare/Social Assistance	2,063	7.8%	2,443	9.7%	380	1.0%
Educational Services	1,770	6.7%	1,859	7.4%	89	0.3%
Construction	2,350	8.9%	1,776	7.1%	-574	-1.4%
Accommodation/Food Services	1,092	4.1%	1,494	6.0%	402	2.0%
Finance/Insurance	970	3.7%	1,485	5.9%	515	2.9%
Admin/Support/Waste Mgmt Svcs	607	2.3%	1,423	5.7%	816	7.5%
Other Services	1,040	3.9%	1,367	5.5%	327	1.7%
Public Administration	811	3.1%	1,023	4.1%	212	1.5%
Transportation/Warehousing	707	2.7%	948	3.8%	241	1.9%
Prof/Scientific/Tech Services	497	1.9%	700	2.8%	203	2.3%
Wholesale Trade	1,040	3.9%	683	2.7%	-357	-1.9%
Information	372	1.4%	362	1.4%	-10	-0.1%
Agric/Forestry/Fishing/Hunting	262	1.0%	362	1.4%	100	2.1%
Utilities	306	1.2%	352	1.4%	46	0.8%
Real Estate/Rental/Leasing	221	0.8%	288	1.1%	67	1.7%
Arts/Entertainment/Recreation	277	1.0%	229	0.9%	-48	-1.0%
Mining	32	0.1%	64	0.3%	32	5.6%
Mgmt of Companies/Enterprises	27	0.1%	1	0.0%	-26	-5.3%
Total Employment	26,449	100.0%	25,079	100.0%	-1,370	-0.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

*Industry data current as of 2010. Other projections current as of 2018.

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

As illustrated, six of the industries in the table above experienced a decrease in employment from 2000 to 2018. The largest decreases were among the manufacturing and construction industries. Job loss in the manufacturing sector is discussed below. The smallest decreases were in the information and management of companies/enterprises industries. Despite job losses in the manufacturing and construction sectors, the PMA has experienced growth in finance/insurance, administrative/support/waste management, and healthcare/social assistance sectors. The administrative/support/waste management sector added the greatest number of employees in the last 18 years, adding 816 new employees to its workforce. Total employment in the MSA has increased each year since 2009, surpassing its pre-recession peak in 2011.

Manufacturing

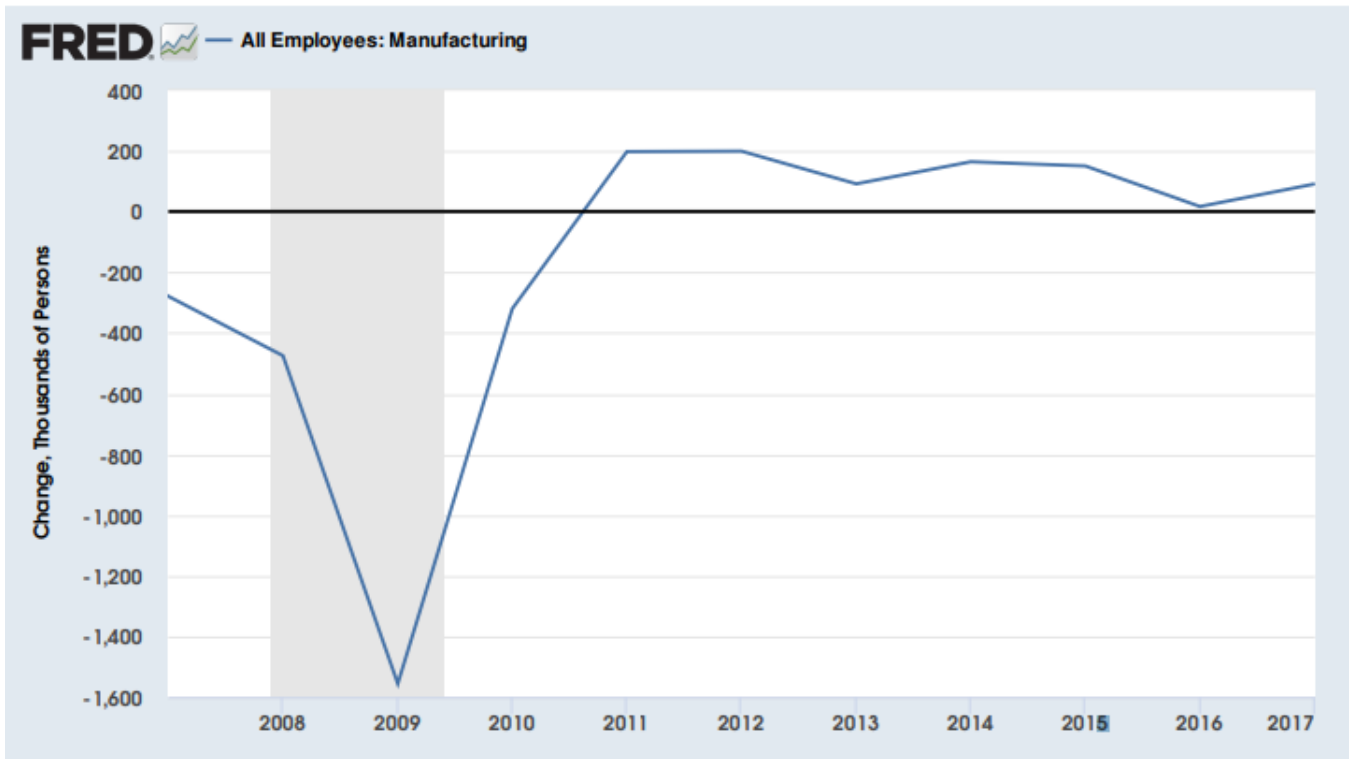
The manufacturing sector in the MSA has yet to fully recover from the most recent recession. However, in recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2018. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their November 2017 publication, U.S. manufacturing is expected to grow at an average of 1.5 percent through 2021. Additionally, despite concerns over the variance in the value of the U.S. dollar, the worldwide economic recovery is linked with a modest rebound in U.S. manufacturing growth after years of stagnation.

According to Federal Reserve Economic Data (FRED), the manufacturing sector added 285,000 jobs since June of 2017. This follows a 13-year high in expansions of U.S. factories during the month of September, according to a separate report from Bloomberg for November 2017. The Bloomberg report also stated that growth in manufacturing has been steady for approximately two years, fueled mostly by consumer spending and business investment. Continued manufacturing expansions in December 2017 and positive projections for 2018 have the manufacturing sector primed to outpace growth in the overall U.S. economy for 2018.

Although recent employment growth in the U.S. manufacturing sector bodes well for the Oklahoma City MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 12 percent of the U.S. economy- and as a major source of employment for the Oklahoma City MSA- manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2007.



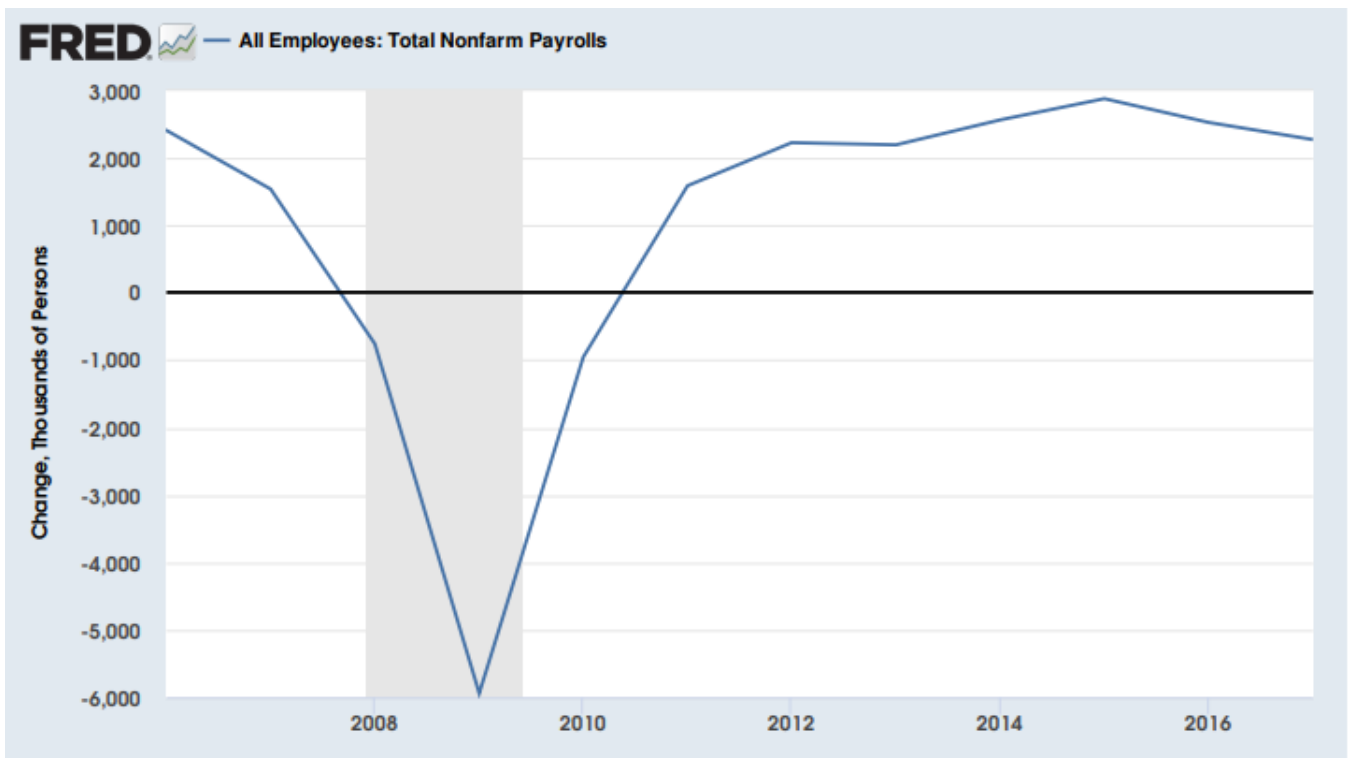
Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

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Source: Federal Reserve Bank of St. Louis, 8/2018.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

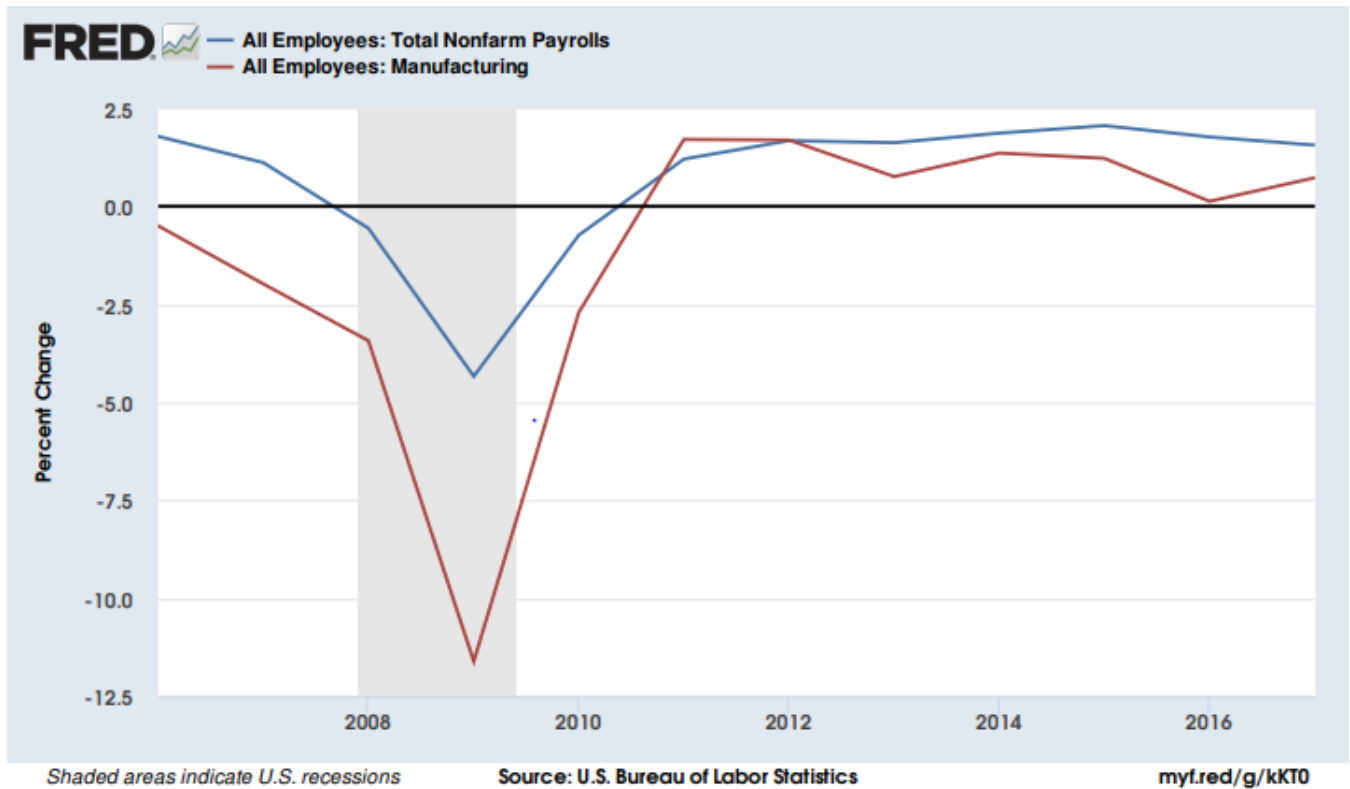


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

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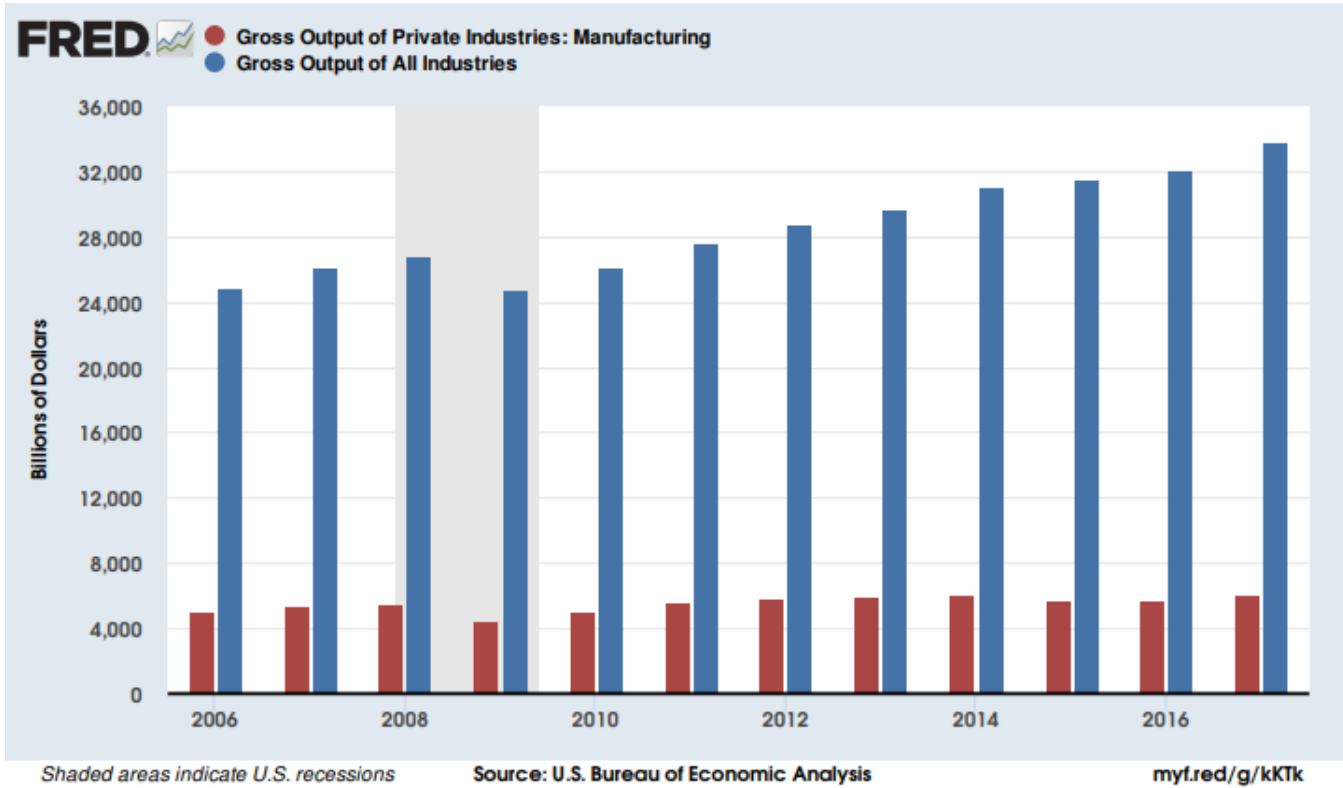
Source: Federal Reserve Bank of St. Louis, 8/2018.



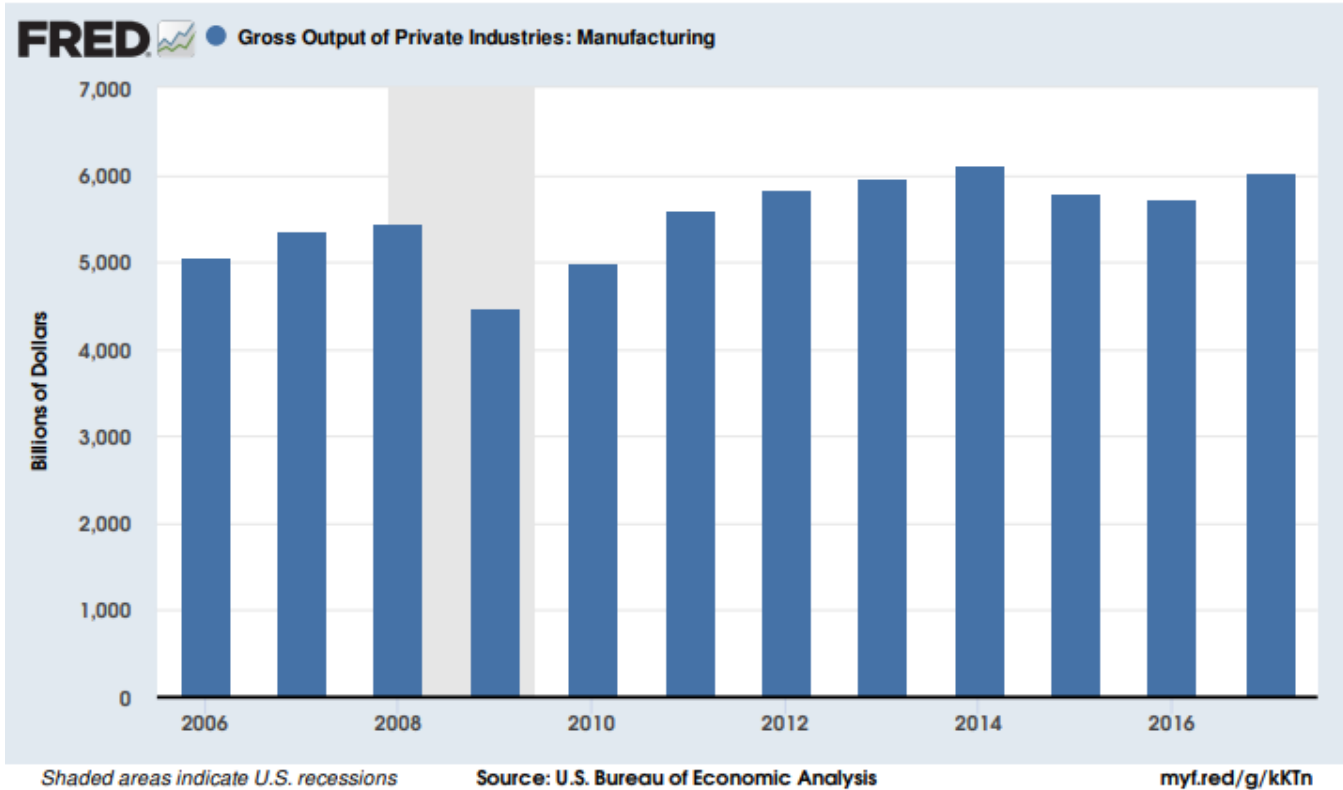
Source: Federal Reserve Bank of St. Louis, 8/2018.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries from 2007 through 2016.



Source: Federal Reserve Bank of St. Louis, 8/2018.



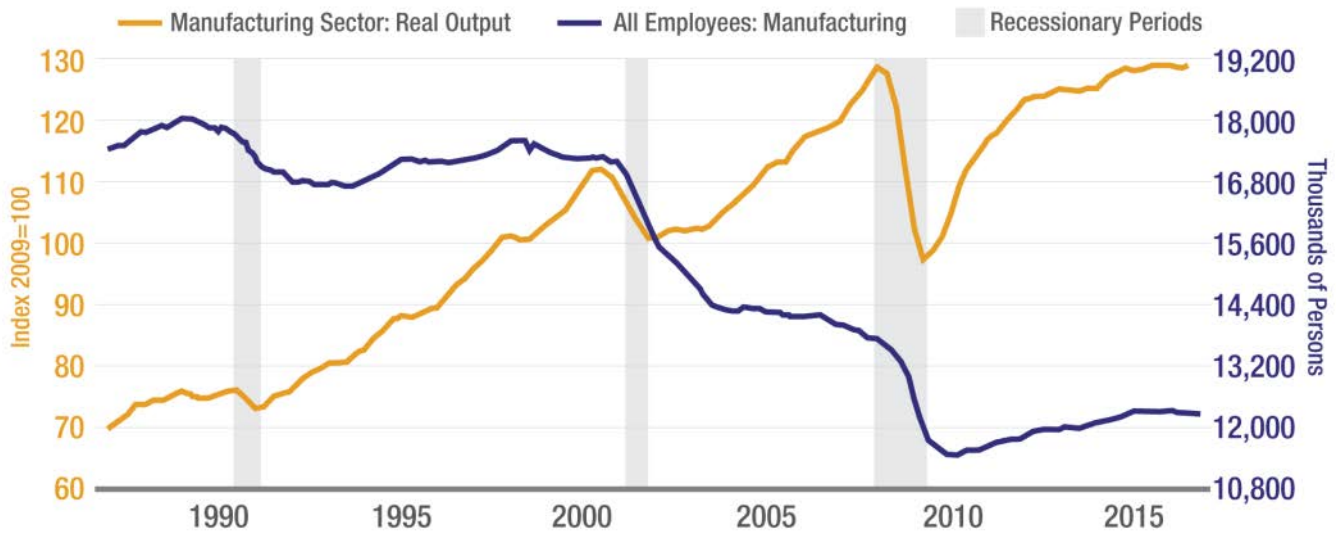
Source: Federal Reserve Bank of St. Louis, 8/2018.

Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased.

How Employment and Output Have Changed in the Manufacturing Sector



Source: Federal Reserve; Novogradac & Company LLP



Overall, we believe it is reasonable to assume that the Lancaster area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

The concentration of manufacturing employment in the SMA is expected to decline, a trend already visible in recent manufacturing plant closures within the PMA, including Duracell and Resolute Forest Products. However, the area’s diversification into more stable industries including health care and education bodes well for future economic growth. Growth of Red Ventures and Nutramax Laboratories suggest area employment will become increasingly dependent on the retail trade and healthcare sectors rather than manufacturing.

Major Employers

The following table details major employers in Lancaster County as of September 2018 (the most recent available).

MAJOR EMPLOYERS LANCASTER COUNTY

Employer Name	Industry	# Of Employees
Red Ventures	Retail Trade	1,925
Lancaster County Schools	Education	1,800
Movement Mortgage	Financial Services	710
Springs Memorial Hospital	Healthcare	642
Cardinal Health	Healthcare	599
Continental Tire	Manufacturing	546
Lancaster County	Government	500
Keer America	Manufacturing	467
Founders Federal Credit Union	Financial Services	408
Nutramax Laboratories	Healthcare	373
Oceana Gold/Haile Gold Mine	Mining	349
CompuCom Systems	Information Technology	300
Sharonview Federal Credit Union	Financial Services	200
PCI	Manufacturing	260
USC-Lancaster	Education	252
McClancy Seasoning	Manufacturing	250
Totals		9,581

Source: Lancaster County Department of Economic Development

The major employers in Lancaster County are in sectors including retail trade, education, financial services, and healthcare/social assistance. Some of these sectors, such as healthcare and education, are less susceptible to economic cycles. Red Ventures, a technology-enabled sales and digital marketing company, broke ground on the expansion of its existing Lancaster County operations in November 2015. The company invested \$90 million to construct a new facility, named RV4, and generated approximately 1,500 new jobs. From July 2016-June 2017, Lancaster County announced new and expanding business projects accounting for over 2,800 new jobs and \$85 million in capital investment. Nutramax Laboratories and its family of companies, a leading manufacturer and marketer of nutritional supplement products for people and their pets, as of October 2018 are in the process of expanding operations in Lancaster County. The company is investing an additional \$20 million in the project, creating 225 new jobs in Lancaster, S.C.

Expansions/Contractions

The following table illustrates the contractions to the economy of the PMA provided by the South Carolina Department of Employment and Workforce between 2015 and December 2018. Jobs affected represent job losses.

WARN LISTINGS LANCASTER COUNTY 2015-2018

Company	Industry	Employees Affected	Layoff Date
Duracell	Manufacturing	345	12/31/2018
Resolute Forest Products	Manufacturing	<u>222</u>	7/31/2017
Total		567	

Source: SC WARN Notification Report, January 2019

As the table depicts, there were 567 layoffs/closures in the PMA that took effect between 2015 and January 2018. Both of these layoffs were in the manufacturing industry. In December 2018 Duracell shut down its Lancaster battery plant. The gradual phase-out was expected to be completed by mid-2019. However, the plant had to expedite its closing to the end of 2018, affecting 345 workers, according to a filing with the State Department of Employment and Workforce. In July 2017 Resolute Forest Products laid off 222 people after suspending use of one of its paper machines on June 30, 2017. However, as previously noted, recent employment expansions exceed these contractions. Furthermore, it should be noted that employment contractions in the area are not anticipated to impact prospective tenants for the Subject as it targets seniors age 55 and older. Thus, many prospective tenants will be retirement age and are likely to remain in place even during economic downturns. We do not anticipate fluctuations in the area’s employment will impact the Subject’s target tenancy.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Charlotte-Concord-Gastonia, NC-SC MSA. As such, the following table details employment and unemployment trends for the Columbia, SC MSA from 2002 to 2018 (through October).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	903,300	-	6.2%	-	136,485,000	-	5.8%	-
2003	917,519	1.6%	6.5%	0.3%	137,736,000	0.9%	6.0%	0.2%
2004	924,669	0.8%	5.8%	-0.7%	139,252,000	1.1%	5.5%	-0.5%
2005	946,470	2.4%	5.4%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	992,932	4.9%	4.9%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	1,015,144	2.2%	5.0%	0.1%	146,047,000	1.1%	4.6%	0.0%
2008	1,017,245	0.2%	6.5%	1.5%	145,363,000	-0.5%	5.8%	1.2%
2009	962,926	-5.3%	11.9%	5.4%	139,878,000	-3.8%	9.3%	3.5%
2010	1,007,365	4.6%	11.7%	-0.2%	139,064,000	-0.6%	9.6%	0.3%
2011	1,031,207	2.4%	10.6%	-1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	1,065,187	3.3%	9.3%	-1.4%	142,469,000	1.9%	8.1%	-0.9%
2013	1,092,220	2.5%	7.9%	-1.4%	143,929,000	1.0%	7.4%	-0.7%
2014	1,131,107	3.6%	6.2%	-1.7%	146,305,000	1.7%	6.2%	-1.2%
2015	1,172,831	3.7%	5.5%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	1,215,742	3.7%	4.8%	-0.7%	151,436,000	1.7%	4.9%	-0.4%
2017	1,259,286	3.6%	4.3%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	1,290,376	2.5%	3.7%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
Nov-2017	1,274,168	-	4.2%	-	154,180,000	-	3.9%	-
Nov-2018	1,301,300	2.1%	3.2%	-1.0%	157,015,000	1.8%	3.5%	-0.4%

Source: U.S. Bureau of Labor Statistics, January 2019

*2018 data is through November

Between 2002 and 2008, total employment in the Charlotte-Concord-Gastonia, NC-SC MSA exhibited positive growth, reaching a peak in 2008. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2009. Total employment in the MSA began to increase again in 2010, one year prior to the nation as a whole. Total employment in the 12-month period prior to November 2018 has indicated an increase in employment of 2.1 percent for the MSA. Total employment in the MSA surpassed the pre-recession peak in 2011.

In terms of unemployment rates, the rate in the MSA has historically been slightly higher than that of the nation. While the national unemployment rate increased sharply between 2009 and 2010, from 5.8 percent to 9.3 percent, the MSA saw unemployment rise during the same time period and reached a peak unemployment rate of 11.9 percent in 2009. The unemployment rate has trended downward over the past several years, and is now below the national average. The unemployment rate in the MSA as of November 2018 is approximately 0.3 percentage points below that of the nation.

Housing and Economy

There are seven LIHTC and seven subsidized properties in Lancaster. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low income renters is considered limited. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession has impacted Lancaster’s single-family housing market. According to RealtyTrac’s January 2019 estimates, the town of Lancaster experienced a low foreclosure rate of one in every 2,138 housing units. Lancaster County experienced a slightly lower foreclosure rate compared to the town of Lancaster, and experienced a foreclosure rate of one in every 2,320 housing units in January 2019. The state of South Carolina had a foreclosure rate of one in every 1,809 housing units, a rate higher than Lancaster and Lancaster County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is between 20 and 24 minutes. Approximately 50.5 percent of households within the PMA have commute times of less than 25 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	468	2.0%
Travel Time 5-9 min	2,130	9.1%
Travel Time 10-14 min	3,388	14.4%
Travel Time 15-19 min	3,342	14.3%
Travel Time 20-24 min	2,516	10.7%
Travel Time 25-29 min	886	3.8%
Travel Time 30-34 min	2,808	12.0%
Travel Time 35-39 min	777	3.3%
Travel Time 40-44 min	1,287	5.5%
Travel Time 45-59 min	3,338	14.2%
Travel Time 60-89 min	1,858	7.9%
Travel Time 90+ min	654	2.8%
Weighted Average	32 minutes	

Source: US Census 2018, Novogradac & Company, LLP January 2018

CONCLUSION

Overall, it appears the area was impacted by the national recession, but has now recovered and is in an expansionary phase. As of 2011, the employment in the MSA had pushed above pre-recession levels. The MSA’s year-to-date unemployment rate as of November 2018 was 0.3 percentage points below the nation’s unemployment rate. Furthermore, the area’s strong employment growth overall took place even as employment in the manufacturing sector declined 2.5 percent annually. It should also be noted that employment contractions in the area are not anticipated to impact prospective tenants for the Subject as it targets seniors age 55 and older. Thus, many prospective tenants will be retirement age and are likely to remain in place even during economic downturns. We do not anticipate fluctuations in the area’s employment will impact the Subject’s target tenancy.

E. COMMUNITY DEMOGRAPHIC DATA

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 Charlotte-Concord-Gastonia, NC-SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. 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, MSA, and nation.

Population Trends

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

POPULATION

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	57,641	-	1,717,511	-	281,038,168	-
2010	61,079	0.6%	2,217,012	2.9%	308,745,538	1.0%
2018	63,126	0.4%	2,565,531	1.9%	330,088,686	0.8%
Projected Mkt Entry March 2021	64,916	1.1%	2,692,778	1.9%	337,483,884	0.8%
2023	66,483	1.1%	2,804,119	1.9%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

SENIOR POPULATION, 55+

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual</i>
2000	12,652	-	323,134	-	59,204,560	-
2010	16,434	3.0%	483,614	5.0%	76,750,713	3.0%
2018	19,604	2.3%	664,211	4.5%	95,707,633	3.0%
Projected Mkt Entry March 2021	20,991	2.7%	720,493	3.2%	100,538,914	1.9%
2023	22,204	2.7%	769,740	3.2%	104,766,284	1.9%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

POPULATION BY AGE GROUP

Age Cohort	PMA			Projected Mkt	
	2000	2010	2018	Entry March 2021	2023
0-4	3,866	4,043	3,791	3,787	3,783
5-9	4,343	3,767	3,920	3,962	3,998
10-14	4,395	4,017	3,821	4,042	4,236
15-19	3,935	4,237	3,501	3,730	3,931
20-24	3,404	3,769	3,595	3,411	3,250
25-29	3,985	3,668	4,443	4,076	3,754
30-34	4,172	3,642	4,159	4,292	4,409
35-39	4,511	4,247	3,898	4,154	4,378
40-44	4,423	4,262	3,836	3,966	4,079
45-49	4,098	4,616	4,258	4,125	4,008
50-54	3,858	4,377	4,297	4,380	4,453
55-59	3,069	4,075	4,493	4,506	4,517
60-64	2,509	3,757	4,215	4,444	4,645
65-69	2,133	2,847	3,778	3,982	4,160
70-74	1,780	2,102	2,855	3,190	3,483
75-79	1,465	1,570	1,958	2,304	2,606
80-84	945	1,072	1,188	1,383	1,553
85+	751	1,011	1,117	1,183	1,240
Total	57,642	61,079	63,123	64,915	66,483

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

The total population in the PMA increased at an annual rate of 0.4 percent from 2010 to 2018, a rate below the MSA and the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2023 at 1.1 percent per annum, a rate that will slightly lag the SMA and outpace the nation. The total senior population in the PMA increased at an annual rate of 2.3 percent from 2010 to 2018, a rate below the MSA and the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2023 at 2.7 percent per annum, a rate slightly below the MSA and slightly higher than the nation.

The population in the PMA in 2018 was concentrated heavily in the age groups of 55 to 59 and 60 to 64, combined these age groups represent 13.8 percent of the total population in the PMA. Through market entry these age groups will have the highest representation in the PMA. Growth in these age cohorts bodes well for the Subject.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	22,043	-	658,760	-	105,403,008	-
2010	23,207	0.5%	848,739	2.9%	116,716,296	1.1%
2018	23,887	0.4%	973,818	1.8%	124,110,017	0.8%
Projected Mkt Entry March 2021	24,803	1.4%	1,017,840	1.7%	126,641,171	0.8%
2023	25,604	1.4%	1,056,359	1.7%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	7,958	-	197,019	-	36,433,877	-
2010	9,864	2.4%	295,382	5.0%	45,892,723	2.6%
2018	12,206	2.9%	385,134	3.7%	55,492,459	2.5%
Projected Mkt Entry March 2021	13,128	2.8%	422,349	3.6%	58,608,139	2.1%
2023	13,934	2.8%	454,912	3.6%	61,334,359	2.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

AVERAGE HOUSEHOLD SIZE

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.57	-	2.55	-	2.59	-
2010	2.58	0.1%	2.57	0.1%	2.58	-0.1%
2018	2.56	-0.1%	2.60	0.1%	2.59	0.1%
Projected Mkt Entry March 2021	2.54	-0.3%	2.61	0.2%	2.60	0.1%
2023	2.52	-0.3%	2.62	0.2%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

POPULATION IN GROUP QUARTERS

Year	PMA		Charlotte-Concord-Gastonia, NC-SC Metropolitan		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	1,049	-	36,013	-	7,596,362	-
2010	1,117	0.6%	38,484	0.7%	8,043,577	0.6%
2018	1,970	9.3%	36,646	-0.6%	8,082,433	0.0%
Projected Mkt Entry March 2021	1,970	0.0%	36,646	0.0%	8,082,433	0.0%
2023	1,970	0.0%	36,646	0.0%	8,082,433	0.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

The total number of households in the PMA increased at 0.4 percent per annum between 2010 and 2018, a lower rate compared to the SMA and a slightly lower rate compared to the nation over the same time period. Through market entry date and 2023, the total number of households in the PMA is expected to increase by 1.4 percent annually, which will slightly lag the SMA and exceed the nation. The senior households age 55 and older increased by 2.9 percent annually in the PMA between 2010 and 2018, and this growth in the PMA is expected to be 2.8 percent annually over the next five years. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased in the PMA between 2000 and 2018. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2023.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	16,403	74.4%	5,640	25.6%
2018	18,107	75.8%	5,780	24.2%
Projected Mkt Entry March 2021	18,823	75.9%	5,979	24.1%
2023	19,450	76.0%	6,154	24.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	6,736	84.6%	1,222	15.4%
2018	10,323	84.6%	1,883	15.4%
Projected Mkt Entry March 2021	10,966	83.5%	2,162	16.5%
2023	11,528	82.7%	2,406	17.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

The PMA is dominated by owner-occupied housing units. In 2018, there were approximately 5,780 renter-occupied households in the PMA, equaling 24.2 percent of households in the PMA. In 2018 approximately 84.6 percent of senior households were owner-occupied, while 15.4 percent were renter-occupied. Through market entry and 2023, the percentage of renter households is expected to increase slightly among seniors and decrease for households of all ages.

Household Income Distribution

The following table depicts senior (55+) household income in the PMA from 2018 to 2023.

Income Cohort	HOUSEHOLD INCOME PMA 55+					
	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,107	9.1%	1,149	8.2%	8	0.8%
\$10,000-19,999	2,325	19.0%	2,356	16.9%	6	0.3%
\$20,000-29,999	1,911	15.7%	2,033	14.6%	24	1.3%
\$30,000-39,999	1,470	12.0%	1,769	12.7%	60	4.1%
\$40,000-49,999	1,130	9.3%	1,180	8.5%	10	0.9%
\$50,000-59,999	975	8.0%	1,200	8.6%	45	4.6%
\$60,000-74,999	930	7.6%	1,048	7.5%	24	2.5%
\$75,000-99,999	1,023	8.4%	1,215	8.7%	38	3.8%
\$100,000-	574	4.7%	813	5.8%	48	8.3%
\$125,000-	329	2.7%	463	3.3%	27	8.1%
\$150,000-	217	1.8%	319	2.3%	20	9.4%
\$200,000+	215	1.8%	389	2.8%	35	16.2%
Total	12,206	100.0%	13,934	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

The Subject will target senior (55+) households earning between \$15,990 and \$28,020. As the table above depicts, approximately 31.5 percent of households in the PMA earned between \$20,000 and \$29,999 in 2018. Some households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2018, market entry, and 2023.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+					
	2018		Projected Mkt Entry March 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	362	19.2%	387	17.9%	409	17.0%
\$10,000-19,999	438	23.3%	488	22.6%	532	22.1%
\$20,000-29,999	222	11.8%	239	11.1%	254	10.6%
\$30,000-39,999	171	9.1%	199	9.2%	224	9.3%
\$40,000-49,999	200	10.6%	229	10.6%	254	10.6%
\$50,000-59,999	114	6.1%	131	6.0%	145	6.0%
\$60,000-74,999	105	5.6%	127	5.9%	147	6.1%
\$75,000-99,999	73	3.9%	91	4.2%	106	4.4%
\$100,000-124,999	82	4.4%	113	5.2%	140	5.8%
\$125,000-149,999	53	2.8%	72	3.3%	88	3.7%
\$150,000-199,999	33	1.8%	44	2.0%	54	2.2%
\$200,000+	30	1.6%	42	2.0%	53	2.2%
Total	1,883	100.0%	2,162	100.0%	2,406	100.0%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

Senior renter households with incomes between \$10,000 and \$39,999 represent 44.2 percent of the senior renter households in the PMA in 2018, and this share is expected to decline slightly 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

Household Size	2018		Projected Mkt Entry March 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	2,058	35.6%	2,187	36.6%	2,300	37.4%
2 Persons	1,417	24.5%	1,450	24.2%	1,478	24.0%
3 Persons	952	16.5%	973	16.3%	992	16.1%
4 Persons	778	13.5%	787	13.2%	795	12.9%
5+ Persons	575	9.9%	582	9.7%	589	9.6%
Total Households	5,780	100%	5,979	100%	6,154	100%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

Approximately 60.1 percent of renter households resided in a one to two-person household in the PMA in 2018. Over the next five years, this percentage is projected to increase slightly.

CONCLUSION

The senior (55+) population in the PMA increased at an annual rate of 2.3 percent from 2010 to 2018 and is expected to continue increasing at 2.7 percent annually through 2023, a slightly lesser rate than the SMA and a greater rate than the nation. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.8 percent annually in the PMA. Senior renter households with incomes between \$10,000 and \$39,999 represent 44.2 percent of the senior renter households in the PMA in 2018, and this share is expected to decline slightly through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

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 Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum gross rent a family household will pay is 35 percent of its household income at the appropriate AMI level and the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, for one-bedroom units we assume the average income limits of a one- and two-person household and for three-bedroom units we assume the average income limits for a four- and five-person household. This applies to family projects. For elderly projects, we have used a maximum income based on two-person households.

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 Novogradac & Company’s website.

2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. 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 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 tables illustrate the minimum and maximum allowable income levels for the Subject’s units.

55+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50% (HOME)		@60%	
1BR	\$15,990	\$22,750	\$19,260	\$28,020
2BR	\$19,200	\$22,750	\$22,350	\$28,020

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 2018 as the base year for the analysis, with demographic projections to 2021. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using census 2010 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2000 Census data. (c) 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 must be used to refine the analysis. The Subject is rural and generally not likely to attract homeowners seeking to downsize into a family rental unit. (d) 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.

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2018 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such properties in the PMA.

5. Method – Capture Rates

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

50% AMI (HOME)

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$15,990		Maximum Income Limit		\$22,750	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry March 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	25			9.0%	\$0	0.0%
\$10,000-19,999	50	18.0%	\$4,009	40.1%	20		
\$20,000-29,999	17	6.1%	\$2,750	27.5%	5		
\$30,000-39,999	28	10.1%	\$0	0.0%	0		
\$40,000-49,999	29	10.3%	\$0	0.0%	0		
\$50,000-59,999	17	5.9%	\$0	0.0%	0		
\$60,000-74,999	22	8.0%	\$0	0.0%	0		
\$75,000-99,999	18	6.3%	\$0	0.0%	0		
\$100,000-124,999	31	11.1%	\$0	0.0%	0		
\$125,000-149,999	19	6.7%	\$0	0.0%	0		
\$150,000-199,999	11	4.0%	\$0	0.0%	0		
\$200,000+	12	4.4%	\$0	0.0%	0		
Total	279	100.0%		8.9%	25		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$15,990		Maximum Income Limit		\$22,750	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	362			19.2%	\$0	0.0%
\$10,000-19,999	438	23.3%	\$4,009	40.1%	176		
\$20,000-29,999	222	11.8%	\$2,750	27.5%	61		
\$30,000-39,999	171	9.1%	\$0	0.0%	0		
\$40,000-49,999	200	10.6%	\$0	0.0%	0		
\$50,000-59,999	114	6.1%	\$0	0.0%	0		
\$60,000-74,999	105	5.6%	\$0	0.0%	0		
\$75,000-99,999	73	3.9%	\$0	0.0%	0		
\$100,000-124,999	82	4.4%	\$0	0.0%	0		
\$125,000-149,999	53	2.8%	\$0	0.0%	0		
\$150,000-199,999	33	1.8%	\$0	0.0%	0		
\$200,000+	30	1.6%	\$0	0.0%	0		
Total	1,883	100.0%		12.6%	237		

ASSUMPTIONS - @50%

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Rural		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	40%	60%	0%	0%		
2	0%	10%	90%	0%	0%		
3	0%	0%	0%	60%	40%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2018 to March 2021

Income Target Population	@50%
New Renter Households PMA	279
Percent Income Qualified	8.9%
New Renter Income Qualified Households	25

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	1,883
Income Qualified	12.6%
Income Qualified Renter Households	237
Percent Rent Overburdened Prj Mrkt Entry March 2021	45.0%
Rent Overburdened Households	107

Demand from Living in Substandard Housing

Income Qualified Renter Households	237
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	4

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	10,966
Rural Versus Urban	0.3%
Senior Demand Converting from Homeownership	29

Total Demand

Total Demand from Existing Households	139
Total New Demand	25
Total Demand (New Plus Existing Households)	163

Demand from Seniors Who Convert from Homeownership	29
Percent of Total Demand From Homeownership Conversion	17.4%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	56.3%	92
Two Persons	28.3%	46
Three Persons	7.2%	12
Four Persons	3.7%	6
Five Persons	4.5%	7
Total	100.0%	163

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	40%	37
Of two-person households in 1BR units	10%	5
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
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Of one-person households in 2BR units	60%	55
Of two-person households in 2BR units	90%	42
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
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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	60%	7
Of four-person households in 3BR units	70%	4
Of five-person households in 3BR units	50%	4
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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	40%	5
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	50%	4
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Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		163

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand	
0 BR	-	-	-	=	-	-
1 BR	41	-	0	=	41	-
2 BR	97	-	0	=	97	-
3 BR	-	-	-	=	-	-
4 BR	-	-	-	=	-	-
5 BR	-	-	-	=	-	-
Total	138		0		138	

	Developer's Unit Mix		Net Demand		Capture Rate	
0 BR	-	/	-	=	-	-
1 BR	2	/	41	=	4.8%	-
2 BR	8	/	97	=	8.3%	-
3 BR	-	/	-	=	-	-
4 BR	-	/	-	=	-	-
5 BR	-	/	-	=	-	-
Total	10		138		7.2%	

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$19,260		Maximum Income Limit		\$28,020	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry March 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	25			9.0%	\$0	0.0%
\$10,000-19,999	50	18.0%	\$739	7.4%	4		
\$20,000-29,999	17	6.1%	\$8,020	80.2%	14		
\$30,000-39,999	28	10.1%	\$0	0.0%	0		
\$40,000-49,999	29	10.3%	\$0	0.0%	0		
\$50,000-59,999	17	5.9%	\$0	0.0%	0		
\$60,000-74,999	22	8.0%	\$0	0.0%	0		
\$75,000-99,999	18	6.3%	\$0	0.0%	0		
\$100,000-124,999	31	11.1%	\$0	0.0%	0		
\$125,000-149,999	19	6.7%	\$0	0.0%	0		
\$150,000-199,999	11	4.0%	\$0	0.0%	0		
\$200,000+	12	4.4%	\$0	0.0%	0		
Total	279	100.0%		6.2%	17		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$19,260		Maximum Income Limit		\$28,020	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	362			19.2%	\$0	0.0%
\$10,000-19,999	438	23.3%	\$739	7.4%	32		
\$20,000-29,999	222	11.8%	\$8,020	80.2%	178		
\$30,000-39,999	171	9.1%	\$0	0.0%	0		
\$40,000-49,999	200	10.6%	\$0	0.0%	0		
\$50,000-59,999	114	6.1%	\$0	0.0%	0		
\$60,000-74,999	105	5.6%	\$0	0.0%	0		
\$75,000-99,999	73	3.9%	\$0	0.0%	0		
\$100,000-124,999	82	4.4%	\$0	0.0%	0		
\$125,000-149,999	53	2.8%	\$0	0.0%	0		
\$150,000-199,999	33	1.8%	\$0	0.0%	0		
\$200,000+	30	1.6%	\$0	0.0%	0		
Total	1,883	100.0%		11.2%	210		

ASSUMPTIONS - @60%

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Rural		Maximum # of Occupants		2
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	40%	60%	0%	0%
2	0%	10%	90%	0%	0%
3	0%	0%	0%	60%	40%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2018 to March 2021

Income Target Population	@60%
New Renter Households PMA	279
Percent Income Qualified	6.2%
New Renter Income Qualified Households	17

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	1,883
Income Qualified	11.2%
Income Qualified Renter Households	210
Percent Rent Overburdened Prj Mrkt Entry March 2021	45.0%
Rent Overburdened Households	95

Demand from Living in Substandard Housing

Income Qualified Renter Households	210
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	3

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	10,966
Rural Versus Urban	0.3%
Senior Demand Converting from Homeownership	29

Total Demand

Total Demand from Existing Households	126
Total New Demand	17
Total Demand (New Plus Existing Households)	144

Demand from Seniors Who Convert from Homeownership	29
Percent of Total Demand From Homeownership Conversion	19.8%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	56.3%	81
Two Persons	28.3%	41
Three Persons	7.2%	10
Four Persons	3.7%	5
Five Persons	4.5%	7
Total	100.0%	144

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	40%	32
Of two-person households in 1BR units	10%	4
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
<hr/>		
Of one-person households in 2BR units	60%	49
Of two-person households in 2BR units	90%	37
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
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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	60%	6
Of four-person households in 3BR units	70%	4
Of five-person households in 3BR units	50%	3
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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	40%	4
Of four-person households in 4BR units	30%	2
Of five-person households in 4BR units	50%	3
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Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		144

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	36	-	0	=	36
2 BR	85	-	0	=	85
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	122		0		122

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	36	=	22.0%
2 BR	32	/	85	=	37.6%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		122		32.9%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$15,990		Maximum Income Limit		\$28,020	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry March 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	25			9.0%	\$0	0.0%
\$10,000-19,999	50	18.0%	\$4,009	40.1%	20		
\$20,000-29,999	17	6.1%	\$8,020	80.2%	14		
\$30,000-39,999	28	10.1%	\$0	0.0%	0		
\$40,000-49,999	29	10.3%	\$0	0.0%	0		
\$50,000-59,999	17	5.9%	\$0	0.0%	0		
\$60,000-74,999	22	8.0%	\$0	0.0%	0		
\$75,000-99,999	18	6.3%	\$0	0.0%	0		
\$100,000-124,999	31	11.1%	\$0	0.0%	0		
\$125,000-149,999	19	6.7%	\$0	0.0%	0		
\$150,000-199,999	11	4.0%	\$0	0.0%	0		
\$200,000+	12	4.4%	\$0	0.0%	0		
Total	279	100.0%		12.1%	34		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$15,990		Maximum Income Limit		\$28,020	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	362			19.2%	\$0	0.0%
\$10,000-19,999	438	23.3%	\$4,009	40.1%	176		
\$20,000-29,999	222	11.8%	\$8,020	80.2%	178		
\$30,000-39,999	171	9.1%	\$0	0.0%	0		
\$40,000-49,999	200	10.6%	\$0	0.0%	0		
\$50,000-59,999	114	6.1%	\$0	0.0%	0		
\$60,000-74,999	105	5.6%	\$0	0.0%	0		
\$75,000-99,999	73	3.9%	\$0	0.0%	0		
\$100,000-124,999	82	4.4%	\$0	0.0%	0		
\$125,000-149,999	53	2.8%	\$0	0.0%	0		
\$150,000-199,999	33	1.8%	\$0	0.0%	0		
\$200,000+	30	1.6%	\$0	0.0%	0		
Total	1,883	100.0%		18.8%	354		

ASSUMPTIONS - Overall

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Rural		Maximum # of Occupants		2
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	40%	60%	0%	0%
2	0%	10%	90%	0%	0%
3	0%	0%	0%	60%	40%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2018 to March 2021

Income Target Population	Overall
New Renter Households PMA	279
Percent Income Qualified	12.1%
New Renter Income Qualified Households	34

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	1,883
Income Qualified	18.8%
Income Qualified Renter Households	354
Percent Rent Overburdened Prj Mrkt Entry March 2021	45.0%
Rent Overburdened Households	159

Demand from Living in Substandard Housing

Income Qualified Renter Households	354
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	5

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	10,966
Rural Versus Urban	0.3%
Senior Demand Converting from Homeownership	29

Total Demand

Total Demand from Existing Households	193
Total New Demand	34
Total Demand (New Plus Existing Households)	227

Demand from Seniors Who Convert from Homeownership	29
Percent of Total Demand From Homeownership Conversion	12.6%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	56.3%	128
Two Persons	28.3%	64
Three Persons	7.2%	16
Four Persons	3.7%	8
Five Persons	4.5%	10
Total	100.0%	227

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	40%	51
Of two-person households in 1BR units	10%	6
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
<hr/>		
Of one-person households in 2BR units	60%	77
Of two-person households in 2BR units	90%	58
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
<hr/>		
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	60%	10
Of four-person households in 3BR units	70%	6
Of five-person households in 3BR units	50%	5
<hr/>		
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	40%	7
Of four-person households in 4BR units	30%	3
Of five-person households in 4BR units	50%	5
<hr/>		
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		227

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	57	-	0	=	57
2 BR	134	-	0	=	134
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	192		0		192

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	10	/	57	=	17.4%
2 BR	40	/	134	=	29.8%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	50		192		26.1%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of senior (55+) households in the PMA is expected to increase 2.8 percent between 2018 and projected market entry 2021.
- 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. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

	HH at @50% AMI (\$15,990 to \$22,750)	HH at @60% AMI (\$19,260 to \$28,020)	Overall Demand
Demand from New Households (age and income appropriate)	25	17	34
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	107	95	159
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	4	3	5
=	=	=	=
Sub Total	135	115	198
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	29	29	29
Equals Total Demand	163	144	227
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	163	144	227

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
1BR @50%	41	0	41	2	4.8%
1BR @60%	36	0	36	8	22.0%
1BR Overall	57	0	57	10	17.4%
2BR @50%	97	0	97	8	8.3%
2BR @60%	85	0	85	32	37.6%
2BR Overall	134	0	134	40	29.8%
@50% Overall	138	0	138	10	7.2%
@60% Overall	122	0	122	40	32.9%
Overall	192	0	192	50	26.1%

As the analysis illustrates, the Subject’s capture rates vary from 4.8 to 37.6 percent with an overall capture rate of 26.1 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

One of the surveyed comparable properties, Azalea Gardens, was able to provide absorption data. However, this property was constructed in 2007 and the data is therefore outdated. We considered absorption data from recently-constructed LIHTC properties located in nearby Mecklenburg County, North Carolina and York County, South Carolina, just beyond the PMA. It should be noted that this is the most proximate absorption information available. Absorption rates at these properties are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/Month
Renaissance At Antiquity	LIHTC	Senior	2015	86	18
The Danelly Catawba Senior Apartments	LIHTC	Senior	2014	62	31
Chambers Point At Ayrslay	LIHTC	Senior	2013	86	43
Rock Pointe Phase I	LIHTC	Family	2011	48	25
Average					29

On average, these properties reported an absorption rate of 29 units per month. With the stable demographic base of moderate income seniors in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the average. The LIHTC comparables report few vacancies and six maintain waiting lists, indicating strong demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number income-qualified households, and the Subject's senior tenancy, we believe that the Subject could absorb approximately 30 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

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, absorption, 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. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Fully subsidized properties were excluded due to differing rent structures from the Subject without a subsidy; however, it should be noted that subsidized properties in the market area were found to have stable occupancies.

The following table illustrates the excluded properties and the vacancy rates, where they were available, for the excluded properties.

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion	No. of Units	2019 Vacancy Rate
Melrose Lane	LIHTC	Family	Closer comparables available	24	0.0%
The Falls Apartments	LIHTC/Market	Family	Closer comparables available	10	0.0%
Carobrook Townhomes	Market	Family	Low number of units	8	0.0%
Chesterfield Apartments	Market	Family	Inferior age/condition, no one-bedroom units	49	6.1%
Palmetto Place (FKA Pardue Street Apartments)	PBRA	Family	Subsidized rents	165	0.0%
The Manor	PBRA	Senior	Subsidized rents	16	0.0%
Chesterfield Villas of Lancaster	Rural Development	Senior	Subsidized rents	32	0.0%
Old Hickory Apartments	Rural Development	Family	Subsidized rents	32	0.0%
Knolwood Apartments	Rural Development	Family	Subsidized rents	88	0.0%
Rutledge Park Apartments	Rural Development	Senior	Subsidized rents, inferior age/condition, low number of units	8	0.0%
Lancaster Manor	Section 8	Senior	Subsidized rents	66	0.0%
Total LIHTC Only				34	0.0%
Total Assisted				407	0.0%
Total All Affordable				441	0.0%

LIHTC Competition

We spoke to Ms. Tina Young (803-635-6005), Planner with the Town of Lancaster. Ms. Young indicated that there are currently no multifamily properties currently proposed in Lancaster County. We also consulted a CoStar new construction report and South Carolina LIHTC allocation lists for information about recently allocated LIHTC properties in the area. Our research uncovered no new LIHTC or market rate properties in the area.

Pipeline Construction

As detailed above, we spoke to Tina Young (803-635-6005), Planner with the Town of Lancaster and uncovered no multifamily developments currently planned, proposed, or under construction in the Subject's PMA.

Comparable Properties

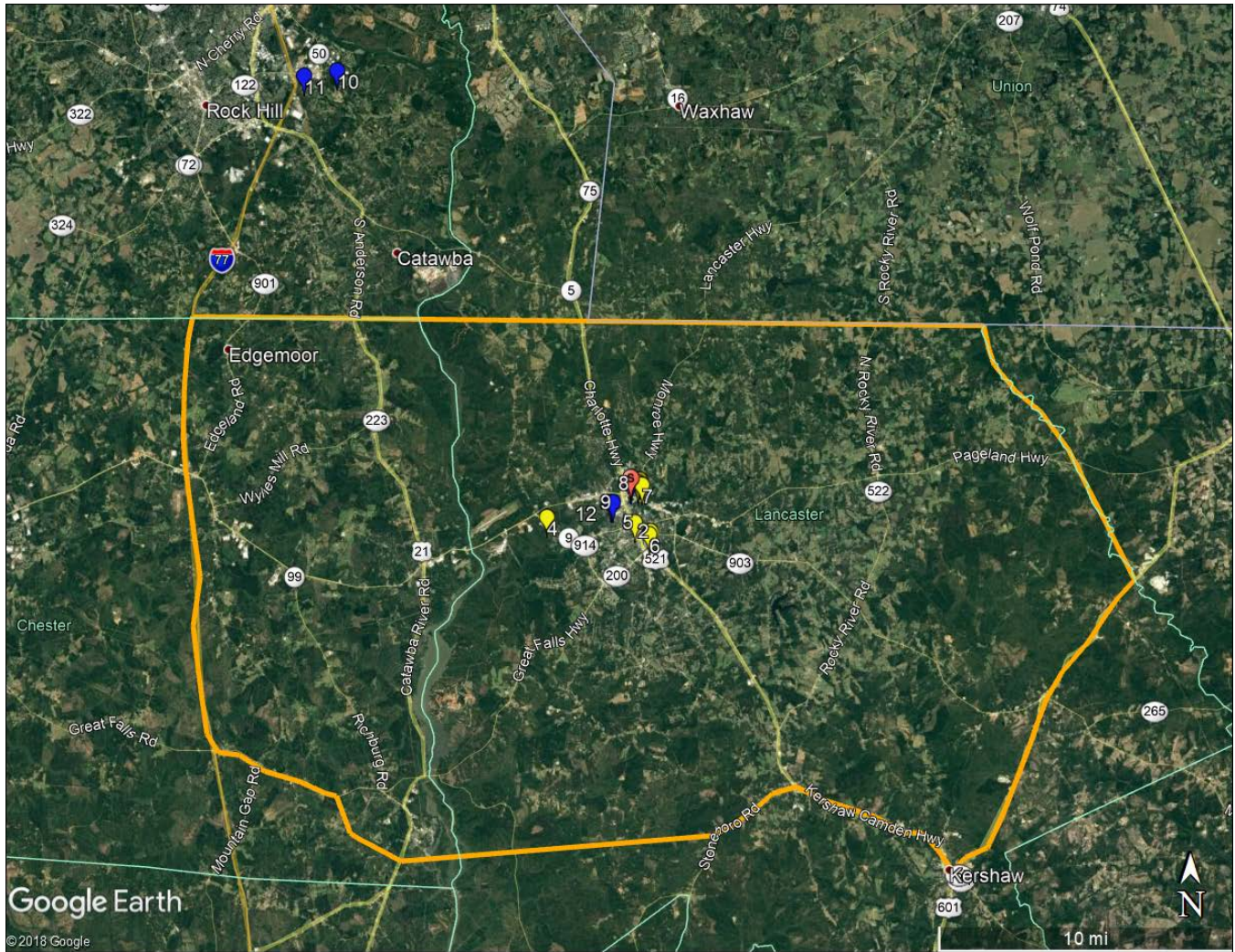
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 12 "true" comparable properties containing 944 units.

The availability of LIHTC data is considered good. All of the LIHTC comparables are located within the PMA, between 1.2 and 3.1 miles of the Subject. Two of the comparable LIHTC properties (Azalea Gardens and Parr Place Apartments) target seniors, similar to the Subject. Other LIHTC properties within the PMA have been excluded because they are also benefitting from subsidy programs such as Rural Development (RD) or Rural Rental Assistance Program (RRAP).

The availability of market-rate data is considered average. The Subject is located in Lancaster, and there are few market-rate properties in the immediate area. We included five conventional properties in our analysis of the competitive market, three of which (Dalton Ridge Apartments, Oakhaven Apartments, and Woodhaven Apartments), are located in the PMA. However, there are a limited number of new construction market-rate properties in the area. As such, we expanded our search to include Waterford Terrace and Windsor Apartments, which are located in nearby Rock Hill, approximately 20.2 and 20.7 miles from the Subject, respectively. Rock Hill is slightly superior to Lancaster with respect to median incomes, median rents, and median home values. These comparables were built in 2016 and 2017, respectively, and are considered reasonable proxies for the Subject as they are among the newest market rate properties in the area that will offer a similar age and condition to the Subject. Overall, we believe the market-rate properties we used in our analysis are the most comparable. Other market-rate properties were excluded based on proximity and unit types.

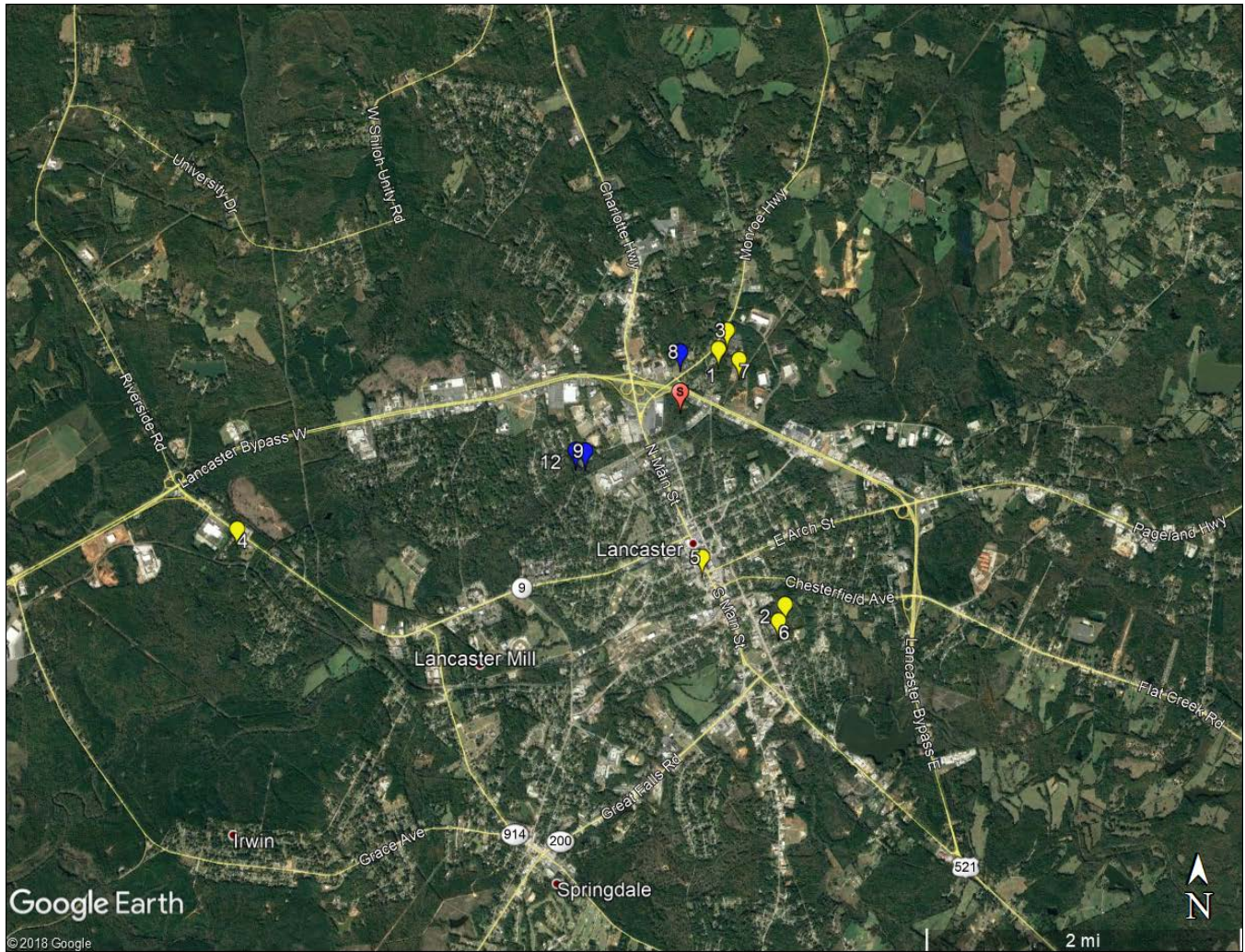
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are 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. Throughout the course of performing this analysis of the local rental market, many apartment managers, realtors, leasing agents, and owners were contacted in person, or through the telephone or email.

COMPARABLE RENTAL PROPERTY MAP - GENERAL



Source: Google Earth, January 2019.

COMPARABLE RENTAL PROPERTY MAP - DETAILED



Source: Google Earth, January 2019.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Woodland	Lancaster	@50% (HOME), @60%	Senior	-
1	Azalea Gardens	Lancaster	LIHTC	Senior	0.5 miles
2	Miller Grove	Lancaster	LIHTC	Family	1.8 miles
3	Millers Ridge	Lancaster	LIHTC/Market	Family	0.6 miles
4	Northwest Apartments	Lancaster	LIHTC	Family	2.9 miles
5	Parr Place Apartments	Lancaster	LIHTC/Market	Senior	1.1 miles
6	Sycamore Run	Lancaster	LIHTC	Family	1.8 miles
7	The Cottages At Azalea	Lancaster	LIHTC	Family	0.9 miles
8	Dalton Ridge Apartments	Lancaster	Market	Family	0.3 miles
9	Oakhaven Apartments	Lancaster	Market	Family	0.5 miles
10	Waterford Terrace*	Rock Hill	Market	Family	17.7 miles
11	Windsor Apartments*	Rock Hill	Market	Family	17.7 miles
12	Woodhaven Apartments	Lancaster	Market	Family	0.5 miles

*Located outside PMA

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

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 #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate		
Subject	Havenwood Lancaster South Side Of Highway 521 Bypass And West Side Of Woodland Drive Lancaster, SC 29720 Lancaster County	-	Various 3-stories 2021 / n/a Senior	@50% (HOME), @60%	1BR / 1BA	1	2.0%	750	@50% (HOME)	\$406	Yes	N/A	N/A	N/A		
					1BR / 1BA	1	2.0%	750	@50% (HOME)	\$406	Yes	N/A	N/A	N/A		
					1BR / 1BA	5	10.0%	750	@60%	\$515	No	N/A	N/A	N/A		
					1BR / 1BA	3	6.0%	750	@60%	\$515	No	N/A	N/A	N/A		
					2BR / 2BA	6	12.0%	950	@50% (HOME)	\$470	Yes	N/A	N/A	N/A		
					2BR / 2BA	2	4.0%	950	@50% (HOME)	\$470	Yes	N/A	N/A	N/A		
					2BR / 2BA	26	52.0%	950	@60%	\$575	No	N/A	N/A	N/A		
					2BR / 2BA	6	12.0%	950	@60%	\$575	No	N/A	N/A	N/A		
						50									N/A	N/A
						36									0	0.0%
1	Azalea Gardens 200 Monroe Highway Lancaster, SC 29720 Lancaster County	0.5 miles	Lowrise 2-stories 2007 / n/a Senior	@50%	1BR / 1BA	28	77.8%	706	@50%	\$408	Yes	Yes	0	0.0%		
					2BR / 2BA	8	22.2%	1,032	@50%	\$445	Yes	Yes	0	0.0%		
						36						0	0.0%			
2	Miller Grove 2017 Miller St Lancaster, SC 29721 Lancaster County	1.8 miles	Garden 2-stories 2006 / n/a Family	@50%, @60%	1BR / 1BA	N/A	N/A	700	@50%	\$394	Yes	Yes	0	N/A		
					1BR / 1BA	N/A	N/A	700	@60%	\$399	No	Yes	0	N/A		
					2BR / 2BA	N/A	N/A	908	@50%	\$453	Yes	Yes	0	N/A		
					2BR / 2BA	N/A	N/A	908	@60%	\$524	No	Yes	0	N/A		
					3BR / 2BA	N/A	N/A	1,046	@50%	\$514	No	Yes	0	N/A		
					3BR / 2BA	N/A	N/A	1,046	@60%	\$619	No	Yes	1	N/A		
						48						1	2.1%			
3	Millers Ridge 1000 Millers Ridge Lane Lancaster, SC 29721 Lancaster County	0.6 miles	Garden 2-stories 2001 / n/a Family	@50%, @60%, Market	2BR / 1BA	16	22.2%	905	@50%	\$485	Yes	Yes	0	0.0%		
					2BR / 2BA	24	33.3%	905	@60%	\$585	No	Yes	1	4.2%		
					2BR / 2BA	16	22.2%	905	Market	\$675	N/A	Yes	0	0.0%		
					3BR / 2BA	16	22.2%	1,170	@60%	\$660	No	Yes	1	6.3%		
						72						2	2.8%			
4	Northwest Apartments 3058 Northwest Apartments Drive Lancaster, SC 29720 Lancaster County	2.9 miles	Garden 2-stories 1979 / 2007 Family	@60%	1BR / 1BA	8	11.1%	700	@60%	\$496	No	Yes	0	0.0%		
					2BR / 1BA	56	77.8%	929	@60%	\$525	No	Yes	0	0.0%		
					3BR / 1.5BA	8	11.1%	1,000	@60%	\$570	No	No	0	0.0%		
						72						0	0.0%			
5	Parr Place Apartments 220 S. Main Street Lancaster, SC 29720 Lancaster County	1.1 miles	Lowrise 2-stories 1920 / 2001 Senior	50%, Market	1BR / 1BA	2	11.8%	750	@50%	\$403	Yes	Yes	0	0.0%		
					1BR / 1BA	8	47.1%	750	@50% (HOME)	-	No	Yes	0	0.0%		
					1BR / 1BA	2	11.8%	750	@60%	\$488	No	Yes	0	0.0%		
					1BR / 1BA	2	11.8%	750	Market	\$493	N/A	Yes	0	0.0%		
					2BR / 1BA	1	5.9%	950	@50% (HOME)	-	No	Yes	0	0.0%		
					2BR / 1BA	2	11.8%	950	Market	\$505	N/A	Yes	0	0.0%		
						17						0	0.0%			
6	Sycamore Run 3038 Miller Street Lancaster, SC 29720 Lancaster County	1.8 miles	Garden 2-stories 2003 / n/a Family	@50%, @60%	2BR / 2BA	6	12.5%	915	@50%	\$435	Yes	No	0	0.0%		
					2BR / 2BA	26	54.2%	915	@60%	\$475	No	No	0	0.0%		
					3BR / 2BA	6	12.5%	1,100	@50%	\$495	Yes	No	0	0.0%		
					3BR / 2BA	10	20.8%	1,100	@60%	\$555	No	No	0	0.0%		
						48						0	0.0%			
7	The Cottages At Azalea 200 Monroe Highway Lancaster, SC 29720 Lancaster County	0.9 miles	One-story 1-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	2	4.2%	1,015	@50%	\$398	Yes	Yes	0	0.0%		
					1BR / 1BA	6	12.5%	1,015	@60%	\$433	No	Yes	0	0.0%		
					2BR / 2BA	6	12.5%	1,224	@50%	\$450	Yes	Yes	0	0.0%		
					2BR / 2BA	18	37.5%	1,224	@60%	\$485	No	Yes	0	0.0%		
					3BR / 2BA	4	8.3%	1,393	@50%	\$484	Yes	Yes	0	0.0%		
					3BR / 2BA	12	25.0%	1,393	@60%	\$519	No	Yes	0	0.0%		
						48						0	0.0%			
8	Dalton Ridge Apartments 581 Dalton Ridge Drive Lancaster, SC 29720 Lancaster County	0.3 miles	Various 2-stories 1996 / n/a Family	Market	0BR / 1.5BA	10	11.5%	500	Market	\$641	N/A	Yes	0	0.0%		
					1BR / 1.5BA	7	8.1%	900	Market	\$671	N/A	Yes	0	0.0%		
					2BR / 1BA	61	70.1%	1,150	Market	\$691	N/A	Yes	0	0.0%		
					3BR / 2.5BA	9	10.3%	1,400	Market	\$741	N/A	Yes	0	0.0%		
						87						0	0.0%			
9	Oakhaven Apartments 456 Colonial Avenue Lancaster, SC 29720 Lancaster County	0.5 miles	Various 2-stories 1971 / 2002 Family	Market	1BR / 1BA	3	4.4%	700	Market	\$667	N/A	Yes	0	0.0%		
					1BR / 1BA	3	4.4%	1,080	Market	\$730	N/A	Yes	0	0.0%		
					2BR / 1.5BA	8	11.8%	1,000	Market	\$768	N/A	Yes	0	0.0%		
					2BR / 2BA	8	11.8%	1,000	Market	\$768	N/A	Yes	0	0.0%		
					2BR / 2BA	16	23.5%	1,260	Market	\$914	N/A	Yes	0	0.0%		
					3BR / 2BA	16	23.5%	1,350	Market	\$986	N/A	Yes	0	0.0%		
					3BR / 3BA	14	20.6%	1,780	Market	\$1,021	N/A	Yes	0	0.0%		
						68						0	0.0%			
10	Waterford Terrace 823 Carmen Way Rock Hill, SC 29730 York County	17.7 miles	Garden 3-stories 2016 / n/a Family	Market	1BR / 1BA	96	42.5%	759	Market	\$895	N/A	No	1	1.0%		
					1BR / 1BA	10	4.4%	765	Market	\$968	N/A	No	0	0.0%		
					2BR / 2BA	96	42.5%	1,128	Market	\$1,015	N/A	No	3	3.1%		
					3BR / 2BA	24	10.6%	1,182	Market	\$1,245	N/A	No	5	20.8%		
						226						9	4.0%			
11	Windsor Apartments 708 Glamorgan Way Rock Hill, SC 29730 York County	17.7 miles	Garden 3-stories 2017 / n/a Family	Market	2BR / 2BA	84	50.0%	1,237	Market	\$1,085	N/A	Yes	2	2.4%		
					3BR / 2BA	84	50.0%	1,275	Market	\$1,275	N/A	Yes	0	0.0%		
						168						2	1.2%			
12	Woodhaven Apartments 456 Colonial Avenue Lancaster, SC 29720 Lancaster County	0.5 miles	Various 2-stories 1971 / n/a Family	Market	2BR / 1.5BA	25	46.3%	1,000	Market	\$768	N/A	Yes	0	0.0%		
					2BR / 2BA	25	46.3%	1,000	Market	\$768	N/A	Yes	0	0.0%		
					3BR / 2BA	2	3.7%	1,250	Market	\$884	N/A	Yes	0	0.0%		
					3BR / 2.5BA	2	3.7%	1,250	Market	\$986	N/A	Yes	0	0.0%		
						54						0	0.0%			

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	944	Weighted Occupancy:	98.5%		
	Market Rate	620	Market Rate	98.2%		
	Tax Credit	324	Tax Credit	99.1%		
		One-Bedroom One Bath		Two-Bedroom Two Bath		
	Property	Average	Property	Average		
RENT	Waterford Terrace (Market)	\$968	Windsor Apartments (Market)	\$1,085		
	Waterford Terrace (Market)	\$895	Waterford Terrace (Market)	\$1,015		
	Oakhaven Apartments (Market)	\$730	Oakhaven Apartments (Market)	\$914		
	Dalton Ridge Apartments (Market)(1.5BA)	\$671	Oakhaven Apartments (Market)(1.5BA)	\$768		
	Oakhaven Apartments (Market)	\$667	Woodhaven Apartments (Market)(1.5BA)	\$768		
	Havenwood Woodland (@60%)	\$515	Oakhaven Apartments (Market)	\$768		
	Havenwood Woodland (@60%)	\$515	Woodhaven Apartments (Market)	\$768		
	Northwest Apartments (@60%)	\$496	Dalton Ridge Apartments (Market)(1BA)	\$691		
	Parr Place Apartments (Market)	\$493	Millers Ridge (Market)	\$675		
	Parr Place Apartments (@60%)	\$488	Millers Ridge (@60%)	\$585		
	The Cottages At Azalea (@60%)	\$433	Havenwood Woodland (@60%)	\$575		
	Azalea Gardens (@50%)	\$408	Havenwood Woodland (@60%)	\$575		
	Havenwood Woodland (@50%)	\$406	Northwest Apartments (@60%)(1BA)	\$525		
	Havenwood Woodland (@50%)	\$406	Miller Grove (@60%)	\$524		
	Parr Place Apartments (@50%)	\$403	Parr Place Apartments (Market)(1BA)	\$505		
	Miller Grove (@60%)	\$399	Millers Ridge (@50%)(1BA)	\$485		
	The Cottages At Azalea (@50%)	\$398	The Cottages At Azalea (@60%)	\$485		
	Miller Grove (@50%)	\$394	Sycamore Run (@60%)	\$475		
				Havenwood Woodland (@50%)	\$470	
				Havenwood Woodland (@50%)	\$470	
			Miller Grove (@50%)	\$453		
			The Cottages At Azalea (@50%)	\$450		
			Azalea Gardens (@50%)	\$445		
			Sycamore Run (@50%)	\$435		
SQUARE FOOTAGE	Oakhaven Apartments (Market)	1,080	Oakhaven Apartments (Market)	1,260		
	The Cottages At Azalea (@50%)	1,015	Windsor Apartments (Market)	1,237		
	The Cottages At Azalea (@60%)	1,015	The Cottages At Azalea (@50%)	1,224		
	Dalton Ridge Apartments (Market)(1.5BA)	900	The Cottages At Azalea (@60%)	1,224		
	Waterford Terrace (Market)	765	Dalton Ridge Apartments (Market)(1BA)	1,150		
	Waterford Terrace (Market)	759	Waterford Terrace (Market)	1,128		
	Parr Place Apartments (@50%)	750	Azalea Gardens (@50%)	1,032		
	Havenwood Woodland (@50%)	750	Woodhaven Apartments (Market)(1.5BA)	1,000		
	Havenwood Woodland (@50%)	750	Oakhaven Apartments (Market)(1.5BA)	1,000		
	Parr Place Apartments (@50%)	750	Oakhaven Apartments (Market)	1,000		
	Parr Place Apartments (@60%)	750	Woodhaven Apartments (Market)	1,000		
	Havenwood Woodland (@60%)	750	Havenwood Woodland (@60%)	950		
	Parr Place Apartments (Market)	750	Parr Place Apartments (@50%)(1BA)	950		
	Havenwood Woodland (@60%)	750	Parr Place Apartments (Market)(1BA)	950		
	Azalea Gardens (@50%)	706	Havenwood Woodland (@60%)	950		
	Miller Grove (@60%)	700	Havenwood Woodland (@50%)	950		
	Northwest Apartments (@60%)	700	Havenwood Woodland (@50%)	950		
	Oakhaven Apartments (Market)	700	Northwest Apartments (@60%)(1BA)	929		
	Miller Grove (@50%)	700	Sycamore Run (@60%)	915		
			Sycamore Run (@50%)	915		
		Miller Grove (@60%)	908			
		Miller Grove (@50%)	908			
		Millers Ridge (@60%)	905			
		Millers Ridge (@50%)(1BA)	905			
		Millers Ridge (Market)	905			
RENT PER SQUARE FOOT	Waterford Terrace (Market)	\$1.27	Waterford Terrace (Market)	\$0.90		
	Waterford Terrace (Market)	\$1.18	Windsor Apartments (Market)	\$0.88		
	Oakhaven Apartments (Market)	\$0.95	Oakhaven Apartments (Market)	\$0.77		
	Dalton Ridge Apartments (Market)(1.5BA)	\$0.75	Oakhaven Apartments (Market)(1.5BA)	\$0.77		
	Northwest Apartments (@60%)	\$0.71	Woodhaven Apartments (Market)(1.5BA)	\$0.77		
	Havenwood Woodland (@60%)	\$0.69	Woodhaven Apartments (Market)	\$0.77		
	Havenwood Woodland (@60%)	\$0.69	Millers Ridge (Market)	\$0.75		
	Oakhaven Apartments (Market)	\$0.68	Oakhaven Apartments (Market)	\$0.73		
	Parr Place Apartments (Market)	\$0.66	Millers Ridge (@60%)	\$0.65		
	Parr Place Apartments (@60%)	\$0.65	Havenwood Woodland (@60%)	\$0.61		
	Azalea Gardens (@50%)	\$0.58	Havenwood Woodland (@60%)	\$0.61		
	Miller Grove (@60%)	\$0.57	Dalton Ridge Apartments (Market)(1BA)	\$0.60		
	Miller Grove (@50%)	\$0.56	Miller Grove (@60%)	\$0.58		
	Havenwood Woodland (@50%)	\$0.54	Northwest Apartments (@60%)(1BA)	\$0.57		
	Havenwood Woodland (@50%)	\$0.54	Millers Ridge (@50%)(1BA)	\$0.54		
	Parr Place Apartments (@50%)	\$0.54	Parr Place Apartments (Market)(1BA)	\$0.53		
	The Cottages At Azalea (@60%)	\$0.43	Sycamore Run (@60%)	\$0.52		
	The Cottages At Azalea (@50%)	\$0.39	Miller Grove (@50%)	\$0.50		
			Havenwood Woodland (@50%)	\$0.49		
			Havenwood Woodland (@50%)	\$0.49		
		Sycamore Run (@50%)	\$0.48			
		Azalea Gardens (@50%)	\$0.43			
		The Cottages At Azalea (@60%)	\$0.40			
		The Cottages At Azalea (@50%)	\$0.37			

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

Subject	Azalea Gardens	Miller Grove	Millers Ridge	Northwest Apartments	Parr Place Apartments	Sycamore Run	The Cottages At Azalea	Dalton Ridge Apartments	Oakhaven Apartments	Waterford Terrace	Windsor Apartments	Woodhaven Apartments
Rent Structure	LIHTC/HOME Senior	LIHTC Senior	LIHTC Family	LIHTC/Family	LIHTC Family	LIHTC/Senior	LIHTC Family	LIHTC Family	Market Family	Market Family	Market Family	Market Family
Tenancy	LIHTC/HOME Senior	LIHTC Senior	LIHTC Family	LIHTC/Family	LIHTC Family	LIHTC/Senior	LIHTC Family	LIHTC Family	Market Family	Market Family	Market Family	Market Family
Building												
Property Type	Various	Lowrise	Garden	Garden	Garden	Lowrise	Garden	One-story	Various	Various	Garden	Garden
# of Stories	3-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	1-stories	2-stories	2-stories	3-stories	3-stories
Year Built	2021	2007	2006	2001	1979	1920	2003	2012	1996	1971	2016	2017
Year Renovated	n/a	n/a	n/a	n/a	2007	2001	n/a	n/a	n/a	2002	n/a	n/a
Elevators	yes	yes	no	no	no	no	no	no	no	no	no	no
Courtyard	no	no	no	no	no	no	no	yes	no	no	yes	no
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	no	yes	no	yes	no	no	no	no
Sewer	no	yes	no	no	no	yes	no	yes	no	no	no	no
Trash	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	yes
Accessibility												
Hand Rails	yes	yes	no	no	no	yes	no	yes	no	no	no	no
Pull Cords	no	yes	no	no	no	yes	no	yes	no	no	no	no
Unit Amenities												
Balcony/Patio	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	no	yes	no	yes	yes	yes	no	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
Exterior Storage	no	no	no	yes	yes	no	yes	yes	no	no	no	no
Walk-In Closet	yes	no	yes	no	no	no	no	yes	no	yes	yes	no
Washer/Dryer	no	no	no	no	no	no	no	no	yes	no	no	no
W/D Hookup	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes	no
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	no	no	no	yes	yes	yes	yes	yes
Microwave	yes	yes	yes	no	no	no	no	yes	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	yes	yes	yes	no	no	no	no	yes	no	no	no	no
Community Room	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	no	no	no	yes	no	no	no
Exercise Facility	yes	yes	no	no	no	no	no	yes	yes	yes	yes	yes
Playground	no	no	yes	yes	yes	no	yes	no	yes	no	no	no
Swimming Pool	no	no	no	no	no	no	no	no	yes	yes	yes	yes
Picnic Area	no	yes	yes	yes	no	no	yes	yes	no	no	no	yes
Tennis Court	no	no	no	no	no	no	no	no	yes	no	no	yes
Sauna	no	no	no	no	no	no	no	no	yes	no	no	yes
Neighborhood Ntwrk	no	no	no	no	no	yes	no	no	no	no	no	no
Service Coordination	no	yes	no	no	no	no	no	yes	no	no	no	no
Delivered Hot	no	yes	no	no	no	no	no	no	no	no	no	no
Security												
Intercom (Buzzer)	no	yes	no	no	no	yes	no	no	no	no	no	no
Intercom (Phone)	no	yes	no	no	no	no	no	no	no	no	no	no
Limited Access	no	yes	no	no	no	yes	no	no	no	no	no	no
Patrol	no	no	no	no	no	yes	no	no	no	yes	no	no
Video Surveillance	no	no	yes	no	no	no	no	yes	no	no	no	no
Parking												
Garage	no	no	no	no	no	no	no	no	yes	no	yes	no
Garage Fee	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Azalea Gardens

Effective Rent Date	1/08/2019
Location	200 Monroe Highway Lancaster, SC 29720 Lancaster County
Distance	0.5 miles
Units	36
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	11/13/2007
Last Unit Leased	12/13/2007
Major Competitors	The Manor
Tenant Characteristics	Seniors 55-87 years old, avg. age 65.
Contact Name	Sherry
Phone	(803) 313-5980



Market Information

Program	@50%
Annual Turnover Rate	0%
Units/Month Absorbed	36
HCV Tenants	14%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased \$10
Concession	None
Waiting List	Yes; six months

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)	28	706	\$465	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (2 stories)	8	1,032	\$525	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$465	\$0	\$465	-\$57	\$408
2BR / 2BA	\$525	\$0	\$525	-\$80	\$445

Azalea Gardens, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Intercom (Phone)	
Coat Closet	Dishwasher	Limited Access	
Ceiling Fan	Garbage Disposal		
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	Delivered Hot Lunches	Exam room, Game Room, Library
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Service Coordination			

Comments

The contact stated zero units turned over throughout 2018. The property manager indicated there was demand for another senior LIHTC property as the property was always 100 percent occupied with a waiting list. The contact could not provide the number of households currently on the waiting list but estimated it would be a six month wait.

Photos



PROPERTY PROFILE REPORT

Miller Grove

Effective Rent Date	1/07/2019
Location	2017 Miller St Lancaster, SC 29721 Lancaster County
Distance	1.8 miles
Units	48
Vacant Units	1
Vacancy Rate	2.1%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Miller's Ridge and other LIHTC properties in area
Tenant Characteristics	90% from Lancaster, some seniors.
Contact Name	Tymika Witherspoon
Phone	803-283-3498



Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased \$15
Concession	None
Waiting List	Yes; seven households

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)	N/A	700	\$378	\$0	@50%	Yes	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	700	\$383	\$0	@60%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	908	\$437	\$0	@50%	Yes	0	N/A	yes	None
2	2	Garden (2 stories)	N/A	908	\$508	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,046	\$498	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,046	\$603	\$0	@60%	Yes	1	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	\$16	\$394	1BR / 1BA	\$383	\$0	\$383	\$16	\$399
2BR / 2BA	\$437	\$0	\$437	\$16	\$453	2BR / 2BA	\$508	\$0	\$508	\$16	\$524
3BR / 2BA	\$498	\$0	\$498	\$16	\$514	3BR / 2BA	\$603	\$0	\$603	\$16	\$619

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking(n/a)		
On-Site Management	Picnic Area		
Playground			

Comments

The contact reported strong demand for affordable housing in the area. According to the contact, the one vacant three-bedroom unit is pre-leased. The contact was unable to provide a breakdown of the number of units at each floor plan and AMI level. The contact stated that the property has typically increased rents by \$5 per year, although rents increased \$15 across each unit type over the previous year. The property manager indicated that maximum rents are achievable in the market and could not comment as to why the property was not achieving higher 60% rents.

Photos



PROPERTY PROFILE REPORT

Millers Ridge

Effective Rent Date	1/09/2019
Location	1000 Millers Ridge Lane Lancaster, SC 29721 Lancaster County
Distance	0.6 miles
Units	72
Vacant Units	2
Vacancy Rate	2.8%
Type	Garden (2 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sycamore Run, Dalton Ridge
Tenant Characteristics	5% seniors. Most tenants from Lancaster.
Contact Name	Mary Jane
Phone	803-313-5980



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	1 week
Annual Chg. in Rent	2.3%-3.2% increase
Concession	None
Waiting List	Yes; 12 households

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	905	\$485	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	24	905	\$585	\$0	@60%	Yes	1	4.2%	no	None
2	2	Garden (2 stories)	16	905	\$675	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,170	\$660	\$0	@60%	Yes	1	6.2%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$485	\$0	\$485	\$0	\$485	2BR / 2BA	\$585	\$0	\$585	\$0	\$585
						3BR / 2BA	\$660	\$0	\$660	\$0	\$660
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$675	\$0	\$675	\$0	\$675						

Millers Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		

Comments

Property manager said that there is a small storage unit for each unit for no additional charge. Contact reported strong demand within the area, particularly for two-bedroom units. Both of the vacant units are pre-leased.

Photos



PROPERTY PROFILE REPORT

Northwest Apartments

Effective Rent Date	1/08/2019
Location	3058 Northwest Apartments Drive Lancaster, SC 29720 Lancaster County Intersection: W. Meeting Street
Distance	2.9 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1979 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wood Creek
Tenant Characteristics	Varied tenancy from Lancaster County.
Contact Name	Amanda
Phone	803-286-4822



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	14%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased \$10 to \$25
Concession	None
Waiting List	Yes: eight households

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 (2 stories)	8	700	\$496	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	56	929	\$525	\$0	@60%	Yes	0	0.0%	no	None
3	1.5	Garden (2 stories)	8	1,000	\$570	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$496	\$0	\$496	\$0	\$496
2BR / 1BA	\$525	\$0	\$525	\$0	\$525
3BR / 1.5BA	\$570	\$0	\$570	\$0	\$570

Northwest Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Oven		
Refrigerator			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground			

Comments

The contact reported strong demand for affordable housing in the area. Exterior storage is included for no additional fee. The contact stated management also oversees Old Hickory Apartments, a Rural Development property in Lancaster. The contact confirmed Northwest Apartments is a LIHTC property and tenants pay full rent unless they utilize a Housing Choice Voucher.

Photos



PROPERTY PROFILE REPORT

Parr Place Apartments

Effective Rent Date	1/08/2019
Location	220 S. Main Street Lancaster, SC 29720 Lancaster County
Distance	1.1 miles
Units	17
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	1920 / 2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Local LIHTC properties.
Tenant Characteristics	Average age is 70. Mostly long-term renters from Lancaster.
Contact Name	Virginia
Phone	803-313-2295



Market Information

Program	50%, Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	18%
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	None
Waiting List	Yes; ten households

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)	2	750	\$460	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	8	750	N/A	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	Lowrise (2 stories)	2	750	\$545	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (2 stories)	2	750	\$550	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	1	950	N/A	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	1	Lowrise (2 stories)	2	950	\$585	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$460	\$0	\$460	-\$57	\$403	1BR / 1BA	\$545	\$0	\$545	-\$57	\$488
2BR / 1BA	N/A	\$0	N/A	-\$80	N/A						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	\$550	\$0	\$550	-\$57	\$493						
2BR / 1BA	\$585	\$0	\$585	-\$80	\$505						

Parr Place Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Hand Rails	Patrol	
Oven	Pull Cords		
Refrigerator			
Property		Premium	Other
Central Laundry	Neighborhood Network	None	None
Off-Street Parking(\$0.00)			

Comments

The contact reported strong demand for additional senior affordable housing in the area and believes the senior population is undeserved with regards to affordable living options. The contact was unable to provide the HOME asking rents at the property.

Photos



PROPERTY PROFILE REPORT

Sycamore Run

Effective Rent Date	1/08/2019
Location	3038 Miller Street Lancaster, SC 29720 Lancaster County Intersection: Connor Street
Distance	1.8 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Millers Ridge
Tenant Characteristics	20% seniors, most tenants from county, work in Lancaster, Rock Hill, Monroe.
Contact Name	Gale
Phone	803-285-4850



Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	29%
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	None
Waiting List	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 (2 stories)	6	915	\$435	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	26	915	\$475	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,100	\$495	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,100	\$555	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$435	\$0	\$435	\$0	\$435	2BR / 2BA	\$475	\$0	\$475	\$0	\$475
3BR / 2BA	\$495	\$0	\$495	\$0	\$495	3BR / 2BA	\$555	\$0	\$555	\$0	\$555

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		

Comments

The contact reported strong demand for affordable housing in the area and stated that there is demand for additional LIHTC housing at the 50 and 60 percent AMI levels. Many of the property's tenants are employed by Wal-Mart and Tyson.

Photos



PROPERTY PROFILE REPORT

The Cottages At Azalea

Effective Rent Date	1/08/2019
Location	200 Monroe Highway Lancaster, SC 29720 Lancaster County
Distance	0.9 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	30% Seniors
Contact Name	Kerri
Phone	803-283-6160



Market Information

Program	@50%, @60%
Annual Turnover Rate	4%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased \$20
Concession	None
Waiting List	Yes; seven households

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	One-story	2	1,015	\$455	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	6	1,015	\$490	\$0	@60%	Yes	0	0.0%	no	None
2	2	One-story	6	1,224	\$530	\$0	@50%	Yes	0	0.0%	yes	None
2	2	One-story	18	1,224	\$565	\$0	@60%	Yes	0	0.0%	no	None
3	2	One-story	4	1,393	\$600	\$0	@50%	Yes	0	0.0%	yes	None
3	2	One-story	12	1,393	\$635	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$455	\$0	\$455	-\$57	\$398	1BR / 1BA	\$490	\$0	\$490	-\$57	\$433
2BR / 2BA	\$530	\$0	\$530	-\$80	\$450	2BR / 2BA	\$565	\$0	\$565	-\$80	\$485
3BR / 2BA	\$600	\$0	\$600	-\$116	\$484	3BR / 2BA	\$635	\$0	\$635	-\$116	\$519

The Cottages At Azalea, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Gazebo
Courtyard	Exercise Facility		
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Service Coordination			

Comments

The contact was unable to provide the absorption pace this property experienced upon opening. According to the contact, there is strong demand for affordable housing in the area. Management provides activities including games, arts and crafts, bingo, holiday parties, and movie nights for the tenants.

Photos



PROPERTY PROFILE REPORT

Dalton Ridge Apartments

Effective Rent Date	1/07/2019
Location	581 Dalton Ridge Drive Lancaster, SC 29720 Lancaster County Intersection: Monroe Highway (Route 200)
Distance	0.3 miles
Units	87
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Miller's Ridge and Woodhaven
Tenant Characteristics	Mostly families from Lancaster.
Contact Name	Dennis
Phone	803-286-9776



Market Information

Program	Market
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	\$50
Concession	None
Waiting List	Yes; unknown length

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
0	1.5	Garden (2 stories)	10	500	\$625	\$0	Market	Yes	0	0.0%	N/A	None
1	1.5	Garden (2 stories)	7	900	\$655	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	61	1,150	\$675	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	9	1,400	\$725	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1.5BA	\$625	\$0	\$625	\$16	\$641
1BR / 1.5BA	\$655	\$0	\$655	\$16	\$671
2BR / 1BA	\$675	\$0	\$675	\$16	\$691
3BR / 2.5BA	\$725	\$0	\$725	\$16	\$741

Dalton Ridge Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	storage at \$25-\$30/mo.
Exercise Facility	Garage(\$0.00)		
Off-Street Parking(\$0.00)	On-Site Management		
Playground			

Comments

This property does not accept Housing Choice Vouchers. According to the contact, there is a limited amount of non-subsidized properties throughout Lancaster county.

Photos



PROPERTY PROFILE REPORT

Oakhaven Apartments

Effective Rent Date	1/11/2019
Location	456 Colonial Avenue Lancaster, SC 29720 Lancaster County Intersection: Davis Street
Distance	0.5 miles
Units	68
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1971 / 2002
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Limited competition.
Tenant Characteristics	Families, singles, and seniors from Lancaster. 50% seniors.
Contact Name	Regina Dobson
Phone	803-286-2185



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	2 weeks
Annual Chg. in Rent	No
Concession	None
Waiting List	Yes; unknown length

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)	3	700	\$651	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	3	1,080	\$714	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	8	1,000	\$752	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	8	1,000	\$752	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	1,260	\$898	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	16	1,350	\$970	\$0	Market	Yes	0	0.0%	N/A	None
3	3	Townhouse (2 stories)	14	1,780	\$1,005	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$651 - \$714	\$0	\$651 - \$714	\$16	\$667 - \$730
2BR / 1.5BA	\$752	\$0	\$752	\$16	\$768
2BR / 2BA	\$752 - \$898	\$0	\$752 - \$898	\$16	\$768 - \$914
3BR / 2BA	\$970	\$0	\$970	\$16	\$986
3BR / 3BA	\$1,005	\$0	\$1,005	\$16	\$1,021

Oakhaven Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	fireplace in selected units.
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Sauna	Swimming Pool		
Tennis Court			

Comments

The laundry facility, tennis courts, and car wash are located across the street at the sister property, Woodhaven Apartments. Management reported that two-bedroom units are the most demanded unit type in the market.

Photos



PROPERTY PROFILE REPORT

Waterford Terrace

Effective Rent Date	1/09/2019
Location	823 Carmen Way Rock Hill, SC 29730 York County
Distance	17.7 miles
Units	226
Vacant Units	9
Vacancy Rate	4.0%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Charlotte and Rock Hill area, 5% seniors
Contact Name	Chelsea
Phone	803-567-3454



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	3-5 days
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	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 (3 stories)	96	759	\$879	\$0	Market	No	1	1.0%	N/A	None
1	1	Garden (3 stories)	10	765	\$952	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	96	1,128	\$999	\$0	Market	No	3	3.1%	N/A	None
3	2	Garden (3 stories)	24	1,182	\$1,229	\$0	Market	No	5	20.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$879 - \$952	\$0	\$879 - \$952	\$16	\$895 - \$968
2BR / 2BA	\$999	\$0	\$999	\$16	\$1,015
3BR / 2BA	\$1,229	\$0	\$1,229	\$16	\$1,245

Waterford Terrace, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Exercise Facility	Garage(\$0.00)		
Off-Street Parking(\$0.00)	On-Site Management		
Swimming Pool			

Comments

This property does not accept Housing Choice Vouchers. The contact stated the property underwent new management in February of this year and was therefore unable to provide the absorption rate this property experienced upon opening.

Photos



Comments

This property does not accept Housing Choice Vouchers. There are seven garages available to rent out for \$110 per month, all of which are currently in use. Both vacant units are pre-leased.

Photos



PROPERTY PROFILE REPORT

Woodhaven Apartments

Effective Rent Date	1/11/2019
Location	456 Colonial Avenue Lancaster, SC 29720 Lancaster County Intersection: Davis Street
Distance	0.5 miles
Units	54
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Limited competition.
Tenant Characteristics	Varied tenancy, most from Lancaster, appr. 50% senior.
Contact Name	Regina Dobson
Phone	803-286-2185



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Increased 1-2%.
Concession	None
Waiting List	Yes; unknown length

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	Townhouse (2 stories)	25	1,000	\$752	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	25	1,000	\$752	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,250	\$868	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	2	1,250	\$970	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$752	\$0	\$752	\$16	\$768
2BR / 2BA	\$752	\$0	\$752	\$16	\$768
3BR / 2BA	\$868	\$0	\$868	\$16	\$884
3BR / 2.5BA	\$970	\$0	\$970	\$16	\$986

Woodhaven Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Sauna		
Swimming Pool	Tennis Court		

Comments

The exercise facility, sauna, and on-site management office are located across the street at the sister property, Oakhaven Apartments.

Photos



Comparable Property Analysis

Vacancy

The following tables illustrate the market vacancy at the comparable properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Azalea Gardens	LIHTC	Senior	36	0	0.0%
Miller Grove	LIHTC	Family	48	1	2.1%
Millers Ridge	LIHTC/ Market	Family	72	2	2.8%
Northwest Apartments	LIHTC	Family	72	0	0.0%
Parr Place Apartments	LIHTC/ Market	Senior	17	0	0.0%
Sycamore Run	LIHTC	Family	48	0	0.0%
The Cottages At Azalea	LIHTC	Family	48	0	0.0%
Dalton Ridge Apartments	Market	Family	87	0	0.0%
Oakhaven Apartments	Market	Family	68	0	0.0%
Waterford Terrace*	Market	Family	226	9	4.0%
Windsor Apartments*	Market	Family	168	2	1.2%
Woodhaven Apartments	Market	Family	54	0	0.0%
Overall Total			944	14	1.5%
Overall Total in PMA			550	3	0.5%

*Located outside of the PMA

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Azalea Gardens	LIHTC	Senior	36	0	0.0%
Miller Grove	LIHTC	Family	48	1	2.1%
Millers Ridge	LIHTC/ Market	Family	72	2	2.8%
Northwest Apartments	LIHTC	Family	72	0	0.0%
Parr Place Apartments	LIHTC/ Market	Senior	17	0	0.0%
Sycamore Run	LIHTC	Family	48	0	0.0%
The Cottages At Azalea	LIHTC	Family	48	0	0.0%
Total LIHTC			341	3	0.9%
Total LIHTC in PMA			341	3	0.9%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Dalton Ridge Apartments	Market	Family	87	0	0.0%
Oakhaven Apartments	Market	Family	68	0	0.0%
Waterford Terrace*	Market	Family	226	9	4.0%
Windsor Apartments*	Market	Family	168	2	1.2%
Woodhaven Apartments	Market	Family	54	0	0.0%
Total Market Rate			603	11	1.8%
Total Market Rate in PMA			209	0	0.0%

*Located outside of the PMA

Overall vacancy among the 12 comparables is very low at 1.5 percent. All of the comparable LIHTC properties are located inside the PMA. These comparables demonstrate an overall weighted vacancy of 0.9 percent, and six of the seven properties maintain waiting lists, indicating strong demand for affordable housing in the area. Both of the senior properties maintain waiting lists, indicating strong demand for affordable senior housing in the area.

Among the market rate properties, vacancy is also very low at 1.8 percent, indicating strong support for conventional apartments. All of the market-rate comparable properties reported vacancy rates at or below 4.0 percent. Additionally, our contact at Windsor Apartments reports that both vacant units are pre-leased. Further, all of the market rate comparables located in the PMA are fully-occupied. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists at six of those properties, and both of the senior properties, we expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 341 total LIHTC units in the PMA that we included in this comparable analysis. There are three vacancies among these units and six of the seven properties maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA. Further, both of the senior properties maintain waiting lists, indicating strong demand for affordable senior housing in the area.

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 the SCSHFDA utility allowance for the Upstate Region, effective January 1, 2019, the most recent available. 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 and 60 percent AMI net rents compared to the maximum allowable 50 and 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @50% (HOME)

Property Name	Tenancy	1BR	2BR
Havenwood Woodland	Senior	\$406	\$470
2018 LIHTC Maximum Rent (Net) (Lancaster County)		\$406	\$470
Azalea Gardens	Senior	\$408	\$445
Miller Grove	Family	\$394	\$453
Millers Ridge	Family	-	\$485
Parr Place Apartments	Senior	-	-
Sycamore Run	Family	-	\$435
The Cottages At Azalea	Family	\$398	\$450
Average		\$400	\$454
Achievable LIHTC Rent		\$406	\$470

LIHTC RENT COMPARISON @60%

Property Name	Tenancy	1BR	2BR
Havenwood Woodland	Senior	\$515	\$575
2018 LIHTC Maximum Rent (Net) (Lancaster County)		\$530	\$619
Miller Grove	Family	\$399	\$524
Millers Ridge	Family	-	\$585
Northwest Apartments	Family	\$496	\$525
Parr Place Apartments	Senior	\$488	-
Sycamore Run	Family	-	\$475
The Cottages At Azalea	Family	\$433	\$485
Average		\$454	\$519
Achievable LIHTC Rent		\$515	\$575

The Subject’s proposed 50 percent AMI HOME rents are set at the 2018 maximum allowable levels. It should be noted that the 50 HOME rent and LIHTC maximum allowable rent is equal. The Subject’s proposed 60 percent AMI rents are set below the maximum allowable rent at this AMI level. Average rents in the market are slightly below the Subject’s proposed rents at each AMI level. The average rents for 50 percent units are similar to maximum allowable levels, whereas the average rents for 60 percent units are well below maximum allowable levels. All of the comparables report achieving maximum allowable levels at the 50 percent AMI level, and none report achieving maximum allowable levels at 60 percent AMI. However, the 50 percent AMI rents at these properties appear to be slightly above or below the maximum allowable levels. This is most likely due to differences in these properties utility structures and allowances from the Subject’s proposed utility structure. The Subject is considered most similar to Azalea Gardens and Northwest Apartments as a LIHTC property.

Azalea Gardens is a senior development located in Lancaster, 0.5 miles from the Subject site, in a similar location. This property was constructed in 2007 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Azalea Gardens offers superior in-unit amenities to the proposed Subject as it offers balconies/patios and exterior storage, which the Subject will not offer. This property offers slightly superior property amenities, as it offers a picnic area, service coordination, and delivered hot lunches, which the Subject will not offer. This property offers similar unit sizes to the proposed Subject. Overall, Azalea Gardens is considered slightly inferior to the proposed Subject. This property reports achieving 50 percent AMI rents at the maximum allowable levels for its one and two-bedroom units. This property does not offer units at the 60 percent AMI level. Azalea Gardens reports full occupancy and maintains a waiting list approximately six months in length. Given the Subject’s anticipated slight superiority to Azalea Gardens, we believe the Subject’s proposed rents at the 50 percent AMI level are achievable.

Northwest Apartments is a family development located in Lancaster, 2.9 miles from the Subject site, in a similar location. This property was constructed in 1979, underwent renovations in 2007, and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Northwest Apartments offers slightly superior in-unit amenities to the proposed Subject as it offers balconies/patios and exterior storage, which the Subject will not offer, though it lacks hand rails, walk-in closets, and washer/dryer hookups, which the Subject will offer and are amenities that seniors desire. This property offers slightly inferior property amenities as it lacks a business center and exercise facility, which the Subject will offer, though it offers a playground, which the Subject will not offer. This property offers similar unit sizes to the proposed Subject. Overall, Northwest Apartments is considered inferior to the proposed Subject.

Millers Ridge is a family development located in Lancaster, 2.4 miles from the Subject site, in a similar location. This property was constructed in 2001 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Millers Ridge offers similar in-unit amenities to the proposed Subject as it lacks hand rails and walk-in closets, which the Subject will offer and are amenities that seniors desire, though it offers balconies/patios and exterior storage, which the Subject will not offer. This property offers slightly inferior property amenities as it lacks a business center and exercise facility, which the Subject will offer, though it offers a playground, which the Subject will not offer. This property offers similar unit sizes to the proposed Subject. Overall, Millers Ridge is considered inferior to the proposed Subject.

Northwest Apartments and Millers Ridge report achieving rents below the Lancaster County maximum allowable levels for their one and two-bedroom units at 60 percent AMI. Northwest Apartments reports full occupancy and maintains a waiting list eight households in length. Millers Ridge is 97.2 percent occupied and maintains a waiting list 12 households in length. Given the Subject’s anticipated superiority to these properties, we believe it can achieve rents above those currently being achieved at Northwest Apartments and Millers Ridge. Thus, we believe the Subject’s proposed rents at the 60 percent AMI level are achievable.

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 shows both market rent comparisons and achievable market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@50% (HOME)	\$406	\$493	\$968	\$737	\$800	49%
1BR / 1BA	@50% (HOME)	\$406	\$493	\$968	\$737	\$800	49%
1BR / 1BA	@60%	\$515	\$493	\$968	\$737	\$800	36%
1BR / 1BA	@60%	\$515	\$493	\$968	\$737	\$800	36%
2BR / 2BA	@50% (HOME)	\$470	\$505	\$1,085	\$796	\$900	48%
2BR / 2BA	@50% (HOME)	\$470	\$505	\$1,085	\$796	\$900	48%
2BR / 2BA	@60%	\$575	\$505	\$1,085	\$796	\$900	36%
2BR / 2BA	@60%	\$575	\$505	\$1,085	\$796	\$900	36%

All of the market rate properties were built between 1971 and 2017, and are located in Lancaster and nearby Rock Hill, which is approximately 20 miles north of the Subject and offers a slightly superior location compared to the Subject in terms of median rents. These comparables are the closest market rate comparables in the general area. The market rate comparables are considered inferior to similar to the proposed Subject with respect to age and condition.

Oakhaven Apartments is located in a zip code considered similar to the Subject's with respect to median rents. This property was constructed in 1971, underwent renovations in 2002, and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Oakhaven Apartments offers similar in-unit amenities to the proposed Subject as it lacks hand rails, which the Subject will offer and is an amenity seniors desire, though it offers balconies/patios, which the Subject will not offer. This property offers similar property amenities to the proposed Subject as it lacks an elevator and a business center, though it offers a swimming pool, tennis court, and sauna, which the Subject will not offer. Oakhaven Apartments offers slightly superior unit sizes compared to those of the proposed Subject. Overall, Oakhaven Apartments is considered slightly inferior to the Subject.

Waterford Terrace is located in a zip code considered slightly superior to the Subject's with respect to median rents. This property was constructed in 2016 and exhibits excellent condition, which is considered similar to the anticipated excellent condition of the Subject upon completion. Waterford Terrace offers similar in-unit amenities to the proposed Subject as it lacks hand rails, which the Subject will offer and is an amenity seniors desire, though it offers balconies/patios, which the Subject will not offer. This property offers similar property amenities to the proposed Subject as it lacks an elevator and a business center, which the Subject will offer, though it offers a swimming pool, which the Subject will not offer. Waterford Terrace offers similar unit sizes compared to those of the proposed Subject. Overall, Waterford Terrace is considered slightly superior to the Subject.

The Subject property is considered slightly superior to Oakhaven Apartments and slightly inferior to Waterford Terrace. Thus, we concluded to achievable market rents of **\$800** and **\$900** for the Subject's one and two-bedroom units, respectively. The Subject's proposed LIHTC rents will have advantages of 36 to 49 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are three total comparable vacant LIHTC units surveyed, and six of the seven LIHTC comparables maintain waiting lists. There are seven LIHTC properties we surveyed in the PMA, two of which are age-restricted. Both age-restricted properties are fully-occupied and maintain waiting lists. With a limited supply of affordable housing options for seniors in the market and a stable base of moderate-income seniors, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.8 percent annually in the PMA. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There are two senior LIHTC units without subsidies in the PMA. Both age-restricted properties are fully-occupied and maintain waiting lists. Therefore, the availability of senior LIHTC housing targeting moderate incomes is considered limited given the demographic stability of the PMA. The Subject would bring better balance to the supply of affordable senior rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with a 0.5 percent vacancy rate in the PMA and a 1.5 percent vacancy rate among all 12 surveyed comparable projects. The seven LIHTC properties reported three total vacancies and six of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. Further, both of the senior properties maintain waiting lists, indicating strong demand for affordable senior housing in the area. Market rate comparables are also performing well, with an overall vacancy rate of 1.8 percent among all of the market-rate comparables. Further, none of the market rate comparables in the PMA report vacant units.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 38 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

The following section details interviews with local market participants regarding the housing market.

Planning

We spoke to Ms. Tina Young (803-635-6005), Planner with the Town of Lancaster. Ms. Young indicated that there are currently no multifamily properties currently proposed in Lancaster County. We also consulted a CoStar new construction report and South Carolina LIHTC allocation lists for information about recently allocated LIHTC properties in the area. Our research uncovered no new LIHTC or market rate properties in the area.

Section 8/Public Housing

We interviewed Ms. Toronca Johnson, Deputy Director with the Lancaster Housing Authority (803-285-7214), for information regarding the local voucher program. Ms. Johnson indicated that the Housing Authority is authorized to distribute 247 tenant-based Housing Choice Vouchers. All of these vouchers are currently in use. According to Ms. Johnson, the waiting list is currently closed and was last open on November 16, 2018. There are currently 148 households on the waiting list. The current payment standards are illustrated in the table below:

PAYMENT STANDARDS	
Unit Type	Standard
One-Bedroom	\$689
Two-Bedroom	\$876

Source: SCSHFDA, effective January 18, 2019

The Subject's proposed rents are below the current payment standards, which indicates that voucher tenants would be able to reside at the Subject without paying out of pocket.

Property Managers

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

I. RECOMMENDATIONS

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 26.1 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 4.8 to 37.6 percent, which are all considered achievable in the PMA, where moderate-income senior renter households are stable. In addition, the Subject is in a community (Lancaster) that has few affordable senior housing alternatives. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.8 percent annually in the PMA. The Subject site is located within 0.6 miles of most community services and facilities that tenants would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables. The developer's LIHTC rents represent greater than a 38 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

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 SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Respectfully submitted,
Novogradac & Company LLP

March 1, 2019

Date



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Manager
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Travis Jorgenson
Analyst
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ADDENDA

ADDENDUM A
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). 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 numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- 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 appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

State of Illinois Certified General Appraiser No. 553.002704

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Travis Jorgenson

I. Education

Georgia Institute of Technology- Atlanta, GA
Bachelors of Business Administration and Management, General Management

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2018 – Present
Junior Analyst, Novogradac & Company LLP, July 2017 – December 2018
Claims Analyst, Zelis Healthcare, May 2017 - July 2017
Automotive Research Intern, Hearst Autos, October 2016-May 2017

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

2019 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Havenwood Woodland	Total # Units: 50
Location: South side of Highway 521 Bypass	# LIHTC Units: 50
PMA Boundary: North: South Carolina border and Chester County line; East: Lancaster County line and Highway 601; South: Highway 521, Highway 522, and Highway 97; West: Interstate 77	
Development Type: <input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 17 miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,351	14	99.0%
Market-Rate Housing	5	603	11	98.2%
Assisted/Subsidized Housing not to include LIHTC	7	407	0	100.0%
LIHTC (All that are stabilized)*	7	341	3	99.1%
Stabilized Comps**	19	1,351	14	99.0%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* 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
2	1	1	750	\$406	\$800	\$1.07	49.3%	\$968	\$1.29
8	1	1	750	\$515	\$800	\$1.07	35.6%	\$968	\$1.29
8	2	2	950	\$470	\$900	\$0.95	47.8%	\$1,085	\$1.14
32	2	2	950	\$575	\$900	\$0.95	36.1%	\$1,085	\$1.14
Gross Potential Rent Monthly*				\$27,092	\$44,000		38.4%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page 46)

	2010		2018		2021	
Renter Households	1,764	17.9%	1,883	15.4%	2,162	16.5%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	354	18.8%	387	17.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 55)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall Affordable
Renter Household Growth	25	17				34
Existing Households (Overburd + Substand)	107	95				159
Homeowner conversion (Seniors)	4	3				5
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	163	144				227

CAPTURE RATES (found on page 56)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	7.2%	32.9%				26.1%

ABSORPTION RATE (found on page 56)

Absorption Period 1 - 2 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

HAVENWOOD WOODLAND – LANCASTER, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
2	1 BR	\$406	\$812	\$800	\$1,600	49.3%
8	1 BR	\$515	\$4,120	\$800	\$6,400	35.6%
8	2 BR	\$470	\$3,760	\$900	\$7,200	47.8%
32	2 BR	\$575	<u>\$18,400</u>	\$900	<u>\$28,800</u>	<u>36.1%</u>
Totals	50		\$27,092		\$44,000	38.4%

Source: SCSHFDA, Novogradac & Company LLP, January 2019