



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
THE VILLAGES
ON MILL
STREET**

A MARKET FEASIBILITY STUDY OF:
THE VILLAGES ON MILL
STREET

1000 Mill Street
Camden, Kershaw County, South Carolina 29020

Effective Date: February 17, 2019
Report Date: March 3, 2019

Prepared for:
Mr. Josh Thomason
Principal
Piedmont Housing Group
295 West Crossville Road
Roswell, Georgia 30075

Prepared by:
Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
Alpharetta, GA 30009
678-867-2333



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS



**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

March 3, 2019

Mr. Josh Thomason
Principal
Piedmont Housing Group
295 West Crossville Road
Roswell, GA 30075

Re: Market Study for Villages on Mill Street, located in Camden, South Carolina

Dear Mr. Thomason:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Camden, Kershaw County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Villages on Mill Street, (the Subject). We concurrently completed a land appraisal for the Subject property. We have completed no additional work pertaining to the Subject over the three-year period preceding this engagement.

The purpose of this market study is to assess the viability of Villages at Mill Street, a proposed 50-unit LIHTC project. The property will be a newly constructed affordable LIHTC project, with 50 units restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. 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.

NOVOGRADAC & COMPANY LLP

P 678.867.2333

F 678.867.2366

W www.novoco.com

OFFICE 2325 Lakeview Parkway, Suite 450
Alpharetta, Ga. 30009

PIEDMONT HOUSING GROUP
VILLAGES ON MILL STREET
MARCH 3, 2018
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



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
SC State Certified Appraiser #7493
Brian.Neukam@novoco.com



David Kermode
Analyst
Dave@thoreauroad.com

TABLE OF CONTENTS

Executive Summary.....	1
A. Project Description.....	7
B. Site Description	11
C. Market Area	19
Primary Market Area	20
D. Market Area Economy	23
Regional and Local Economic Overview	24
Commuting Patterns	34
Conclusion	34
E. Community Demographic Data	35
Household Trends	37
Renter Households by Number of Persons in the Household.....	39
Conclusion	40
F. Project-Specific Demand Analysis.....	41
Project Specific Demand Analysis.....	42
G. Supply Analysis.....	55
Survey of Comparable Projects	56
Reasonability of Rents	87
Summary Evaluation of the Proposed Project.....	89
H. Interviews	90
Interviews.....	91
I. Recommendations.....	92
J. Signed Statement Requirements.....	94

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Villages on Mill Street, the Subject, is a proposed 50-unit apartment community for families that will offer one, two, and three-bedroom units restricted to households earning 50 and 60 percent of AMI or less. As proposed, the Subject will contain two, three-story walk-up residential buildings and one non-residential community building.

Targeted Tenancy:

Family.

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject's proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$407	\$140	\$547	\$547	\$650	
2BR / 2BA	950	5	\$469	\$188	\$657	\$657	\$744	
3BR / 2BA	1,100	4	\$498	\$244	\$742	\$759	\$1,048	
@60%								
1BR / 1BA	750	8	\$517	\$140	\$657	\$657	\$650	
2BR / 2BA	950	19	\$591	\$188	\$779	\$789	\$744	
3BR / 2BA	1,100	12	\$666	\$244	\$910	\$911	\$1,048	
		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	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge Apartments	LIHTC	40	0	0.0%
Bridle Station	LIHTC	48	2	4.2%
Cedarbrook Apartments	LIHTC	60	0	0.0%
Chestnut Court Apartments	LIHTC	30	5	16.7%
Hallmark At Truesdell	LIHTC/HOME	64	4	6.2%
Camden Condos	Market	64	2	3.1%
Cobblestone Apartments	Market	12	0	0.0%
Fox Run Apartments	Market	120	5	4.2%
Lynnwood Place	Market	72	2	2.8%
Pine Ridge Apartments	Market	76	0	0.0%
Overall Total		586	20	3.4%
Overall Total in PMA		586	20	3.4%

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge Apartments	LIHTC	40	0	0.0%
Bridle Station	LIHTC	48	2	4.2%
Cedarbrook Apartments	LIHTC	60	0	0.0%
Chestnut Court Apartments	LIHTC	30	5	16.7%
Hallmark At Truesdell	LIHTC/HOME	64	4	6.2%
Total LIHTC		242	11	4.5%
Total LIHTC in PMA		242	11	4.5%

MARKET VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Camden Condos	Market	64	2	3.1%
Cobblestone Apartments	Market	12	0	0.0%
Fox Run Apartments	Market	120	5	4.2%
Lynnwood Place	Market	72	2	2.8%
Pine Ridge Apartments	Market	76	0	0.0%
Total Market		344	9	2.6%
Total Market in PMA		344	9	2.6%

Overall vacancy among all 10 comparables the vacancy rate is 3.4 percent, and overall vacancy within the PMA is 3.4 percent. The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. We do not believe that the performance of Chestnut Court Apartments is representative of the market as the property exhibited inferior condition at the time of inspection. Our visual inspection of the property revealed poor access and signage and poor condition relative to the remaining LIHTC supply in the market. Further, historical occupancy surveys conducted by Novogradac & Company LLP since 2006 have shown consistently elevated vacancy at this property. When removing Chestnut Court Apartments from the previous vacancy comparison, the remaining LIHTC properties exhibit an overall vacancy rate of 2.8 percent. Additionally, the current rents at the property are underachieving the remaining LIHTC supply. As a result, we believe that the high vacancy at Chestnut Court Apartments is property-specific as evidenced by the low vacancy rates at the remaining LIHTC properties in the market. Further, the property has a low number of units, which results in a higher vacancy rate when expressed as a percentage of units. Among the market-rate properties, vacancy is also very low at 2.6 percent, indicating strong support for conventional apartments. Of note, none of the market-rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 4.2 percent. 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, we would also 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%	107	0	107	2	1.9%
1BR @60%	109	0	109	8	7.4%
1BR Overall	142	0	142	10	7.0%
2BR @50%	109	0	109	5	4.6%
2BR @60%	110	0	110	19	17.3%
2BR Overall	144	0	144	24	16.6%
3BR @50%	74	0	74	4	5.4%
3BR @60%	75	0	75	12	15.9%
3BR Overall	99	0	99	16	16.2%
@50% Overall	290	0	290	11	3.8%
@60% Overall	294	0	294	39	13.3%
Overall	386	0	386	50	13.0%

As the analysis illustrates, the Subject’s capture rates vary from 1.9 to 17.3 percent with an overall capture rate of 13.0 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

Two of the LIHTC comparable properties surveyed were able to provide absorption data, as detailed in the following table.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Cedarbrook Apartments	LIHTC	Family	2017	60	15
Hallmark At Truesdell	LIHTC/HOME	Family	2010	64	13
Average					14

On average, these properties reported an absorption rate of 14 units per month. Due to the age of the data, we have placed less reliance upon the reported absorption at Hallmark at Truesdale, which opened in 2010. With the stable demographic base of moderate-income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. The LIHTC comparables report limited vacancies and some maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number income-qualified households, we believe that the Subject could absorb approximately 15 units per month upon opening. This equals an absorption period of three to four months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

Market Conclusions

Overall vacancy among all 10 comparables the vacancy rate is 3.4 percent, and overall vacancy within the PMA is 3.4 percent. The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. 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 31 to 52 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 13.0 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 7.0 to 16.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Camden) that has limited affordable multifamily housing alternatives. The Subject site is located within 2.0 miles of most community services and facilities that families would utilize on a consistent basis.

The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. 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 31 to 52 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Long Term Impact on Existing LIHTC Properties in the PMA

There are 11 total comparable vacant LIHTC units surveyed, and two of the LIHTC comparables maintain waiting lists. There are five LIHTC properties we surveyed in the PMA. With a somewhat limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. 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.

VILLAGES ON MILL STREET – CAMDEN, SC – APPLICATION MARKET STUDY

2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Villages on Mill Street Total # Units: 50
 Location: 1000 Mill Street, Camden, SC # LIHTC Units: 50
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 15 miles

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	586	20	96.6%
Market-Rate Housing	5	344	9	97.4%
Assisted/Subsidized Housing not to include LIHTC	0	0	N/A	N/A
LIHTC (All that are stabilized)*	5	242	11	95.5%
Stabilized Comps**	10	586	20	96.6%
Non-stabilized Comps	0	0	N/A	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	750	\$407	\$850	\$1.13	52.1%	\$857	\$1.17
5	2	2	950	\$469	\$915	\$0.96	48.7%	\$934	\$0.95
4	3	2	1100	\$498	\$965	\$0.88	48.4%	\$1,047	\$0.94
8	1	1	750	\$517	\$850	\$1.13	39.2%	\$895	\$1.17
19	2	2	950	\$591	\$915	\$0.96	35.4%	\$1,175	\$0.95
12	3	2	1100	\$666	\$965	\$0.88	31.0%	\$1,395	\$0.94
Gross Potential Rent Monthly*				\$28,508	\$45,900		37.9%		

*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 36)

	2000		2018		2021	
Renter Households	3,273	18.5%	5,075	22.5%	5,126	22.1%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,525	30.0%	1,511	29.5%
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 51)

Type of Demand	50%	60%	Market-rate	Other:___	Overall Affordable	Overall
Renter Household Growth	-17	-9			-14	
Existing Households (Overburd + Substand)	351	347			459	
Homeowner conversion (Seniors)	0	0			0	
Other:	0	0			0	
Less Comparable/Competitive Supply	0	0			0	
Net Income-qualified Renter HHs	334	338			445	

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market-rate	Other:___	Overall Affordable	Overall
Capture Rate	3.8%	13.3%			13.0%	

ABSORPTION RATE (found on page 52)

Absorption Period: 3-4 months

VILLAGES ON MILL STREET – CAMDEN, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1BR	\$407	\$814	\$850	\$1,700	52.1%
8	1BR	\$517	\$4,136	\$850	\$6,800	39.2%
5	2BR	\$469	\$2,345	\$915	\$4,575	48.7%
19	2BR	\$591	\$11,229	\$915	\$17,385	35.4%
4	3BR	\$498	\$1,992	\$965	\$3,860	48.4%
12	3BR	\$666	\$7,992	\$965	\$11,580	31.0%
Totals	50		\$28,508		\$45,900	37.9%

Source: SCSHFDA, Novogradac & Company LLP, February 2019

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

- Development Location:** The Subject site is located 1000 Mill Street in Camden, Kershaw County, South Carolina.
- Construction Type:** The Subject will involve the new construction of 50 units in two, three-story residential buildings and one non-residential community building.
- Occupancy Type:** Family.
- Target Income Group:** The Subject’s units will target households earning 50 and 60 percent of AMI or less.
- Special Population Target:** None.
- Number of Units by Unit Type:** The Subject will include 10 one-bedroom units, 24 two-bedroom units, and 16 three-bedroom units.
- Number of Buildings and Stories:** The Subject will be constructed in two, three-story buildings and a separate community building.
- Unit Mix:** One-bedroom units will be 750 square feet, two-bedroom units will be 950 square feet, and three-bedroom units will be 1,100 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	10	750	7,500
2BR / 2BA	24	950	22,800
3BR / 2BA	16	1,100	17,600
TOTAL	50		47,900

- Structure Type/Design:** The Subject will offer two, three-story garden-style buildings and one non-residential community 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.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$407	\$140	\$547	\$547	\$650	
2BR / 2BA	950	5	\$469	\$188	\$657	\$657	\$744	
3BR / 2BA	1,100	4	\$498	\$244	\$742	\$759	\$1,048	
@60%								
1BR / 1BA	750	8	\$517	\$140	\$657	\$657	\$650	
2BR / 2BA	950	19	\$591	\$188	\$779	\$789	\$744	
3BR / 2BA	1,100	12	\$666	\$244	\$910	\$911	\$1,048	
		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 \$140 for one-bedroom units, \$188 for two-bedroom units, and \$244 for three-bedroom units.
- 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 Renovation.** The Subject will be proposed new construction.

VILLAGES ON MILL STREET – CAMDEN, SC – APPLICATION MARKET STUDY

Villages On Mill Street	
Location	1000 Mill Street Camden, SC 29020 Kershaw County
Units	50
Type	Garden (3 stories)
Year Built (Proposed)	2021



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											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?
1	1	Garden	2	750	\$407	\$0	@50%	N/A	N/A	N/A	Yes
1	1	Garden	8	750	\$517	\$0	@60%	N/A	N/A	N/A	Yes
2	2	Garden	5	950	\$469	\$0	@50%	N/A	N/A	N/A	Yes
2	2	Garden	19	950	\$591	\$0	@60%	N/A	N/A	N/A	No
3	2	Garden	4	1,100	\$498	\$0	@50%	N/A	N/A	N/A	No
3	2	Garden	12	1,100	\$666	\$0	@60%	N/A	N/A	N/A	No

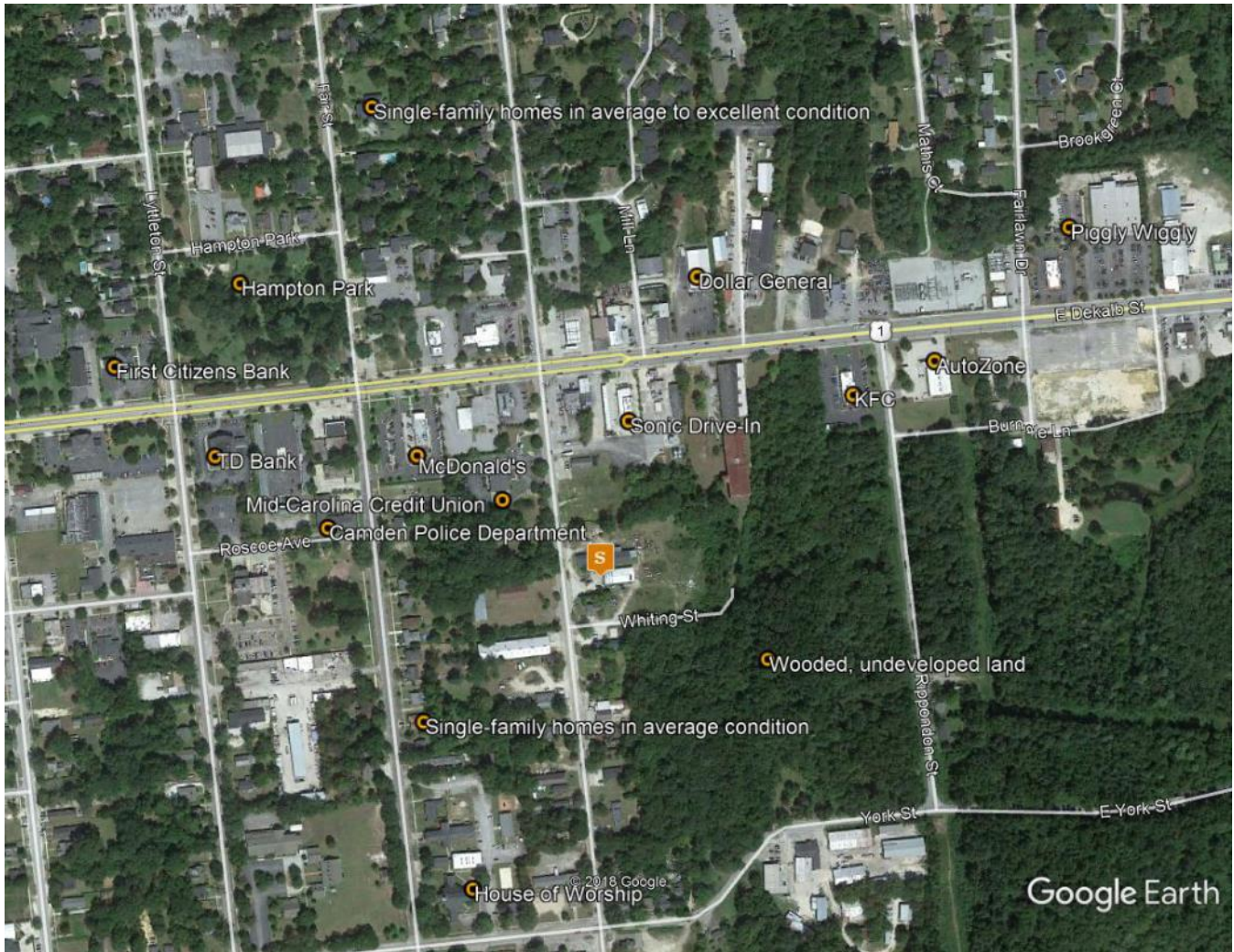
Amenities			
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator W/D Connections	Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground
Security	None		

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: February 17, 2019.

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



Source: Google Earth, February 2019

Physical Features of Site: The Subject site is located within Camden, South Carolina and is partially forested land improved with 4,407 square feet of single-story buildings that were in fair condition at the time of inspection. These improvements will be demolished prior to construction commencing on the Subject.

Location/Surrounding Uses: The Subject site is located in a mixed-use neighborhood consisting of undeveloped, forested land, single family residential, and retail/commercial developments. Land uses to the north of the Subject site include an adjacent drive-thru restaurant and

commercial uses located along East DeKalb Street. Commercial uses on East DeKalb Street were greater than 90 percent occupied at the time of inspection and include retailers such as a Piggly Wiggly supermarket, various bank branches, a Dollar General store and various restaurants. Further north of East DeKalb Street are single-family homes that exhibited average to excellent condition. Uses to the east of the Subject site consist of undeveloped, wooded, land. Uses to the south and west of the Subject site consist of undeveloped, wooded land and single-family homes in average condition. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of the Subject site



View of the Subject site



View north on Mill Street



View south on Mill Street



Commercial use adjacent to the north of the Subject site



Wooded, undeveloped land adjacent to Subject site



Industrial use in the Subject's neighborhood



Piggy Wiggly supermarket in the Subject's neighborhood



House of worship in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Dollar General in the Subject's neighborhood



Walgreens Pharmacy in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood

Visibility/Views:

The Subject will have good visibility from Mill Street upon completion. Views from the Subject site consist of a drive-thru restaurant to the north, undeveloped, wooded land to the east, and undeveloped, wooded land and single-family homes in average

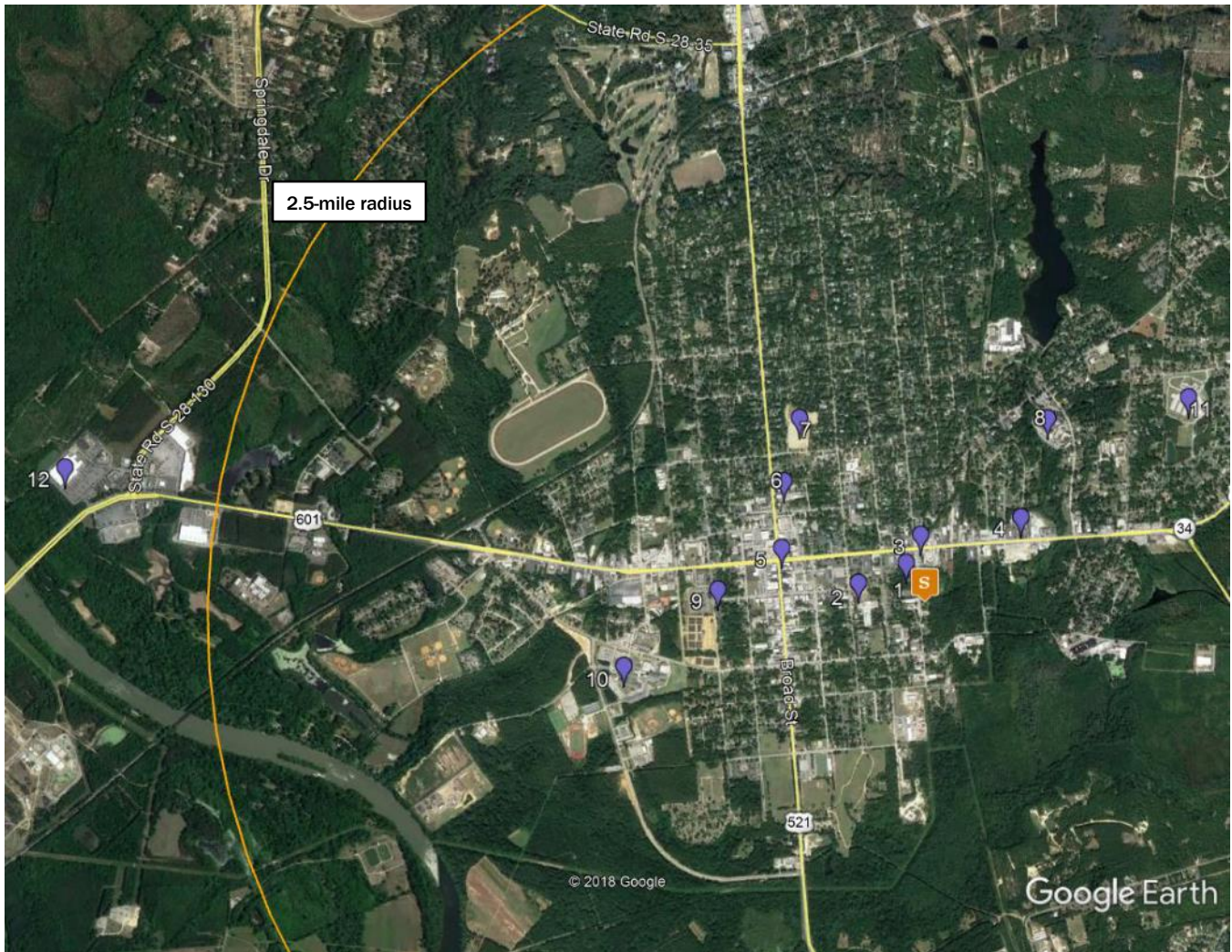
condition to the south and west. The Subject site is within a mixed-use neighborhood with good visibility and views.

Detrimental Influence:

There are no detrimental influences in the Subject's immediate neighborhood.

Proximity to Local Services:

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



Source: Google Earth, February 2019

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Driving)
1	Mid-Carolina Credit Union	0.1 miles
2	Camden Police and Fire Department	0.4 miles
3	Circle K Convenience Store	0.4 miles
4	Piggly Wiggly Supermarket	0.5 miles
5	United States Post Office	0.6 miles
6	Kershaw County Library	0.8 miles
7	Camden Elementary School	0.9 miles
8	Kershaw Health General Hospital	1.0 mile
9	Walgreens Pharmacy	1.2 miles
10	Camden High School	1.4 miles
11	Camden Middle School	1.9 miles
12	Walmart Supercenter	3.1 miles

Availability of Public Transportation: Public transportation is not provided in Camden.

Road/Infrastructure Improvements: During inspection, we observed asphalt repaving and right of way work including the addition of sidewalks, occurring on York Street, one block to the south of the Subject site. We witnessed no other 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	Columbia, SC Metropolitan Statistical Area
Total Crime*	85	140
Personal Crime*	110	163
Murder	145	145
Rape	84	135
Robbery	60	122
Assault	136	186
Property Crime*	82	136
Burglary	113	141
Larceny	72	136
Motor Vehicle Theft	77	131

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

*Unweighted aggregations

The total crime risk index in the PMA is below that of the MSA and the nation; however, the PMA has a slightly higher personal crime index relative to the nation while having a lower property crime index. The Subject’s lack of security features is consistent with the competition and is not expected to be a competitive disadvantage.

Access and Traffic Flow: The Subject site will have access from Mill Street. Mill Street is a lightly trafficked two-lane roadway, which connects to East DeKalb Street (US Route 1), which is a regional arterial roadway that provides access to the surrounding cities of Cassatt and Lugoff, South Carolina, in addition to the city of Columbia, South Carolina further to the west. Overall, access and traffic flow are considered good.

Positive/Negative Attributes: The Subject will have overall good access to area retail and community services in Camden, the majority of which are less than two 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 family development to be constructed in Camden, South Carolina. The PMA is defined as Lake Wateree and Payne Pond Road to the north, Highway 52/USMC CPL Kelly Keith Memorial Highway and Providence Road and Cassatt Road to the east, the Kershaw-Sumter and Kershaw-Richland County lines to the south, and the Kershaw-Richland and Kershaw-Fairfield County lines to the west. The Subject will one of a limited number of LIHTC properties in the Camden area of Kershaw County, and as such will be able to draw from approximately a 15 to 25-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Camden and several other communities in Kershaw County. 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: 15 miles
- East: 9 miles
- South: 9 miles
- West: 14 miles

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

PMA CENSUS TRACTS

45055970200	45055970602
45055970300	45055970700
45055970401	45055970800
45055970402	45055970902
45055970403	45055970903
45055970500	45055970904
45055970601	45055970905

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 Camden 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.

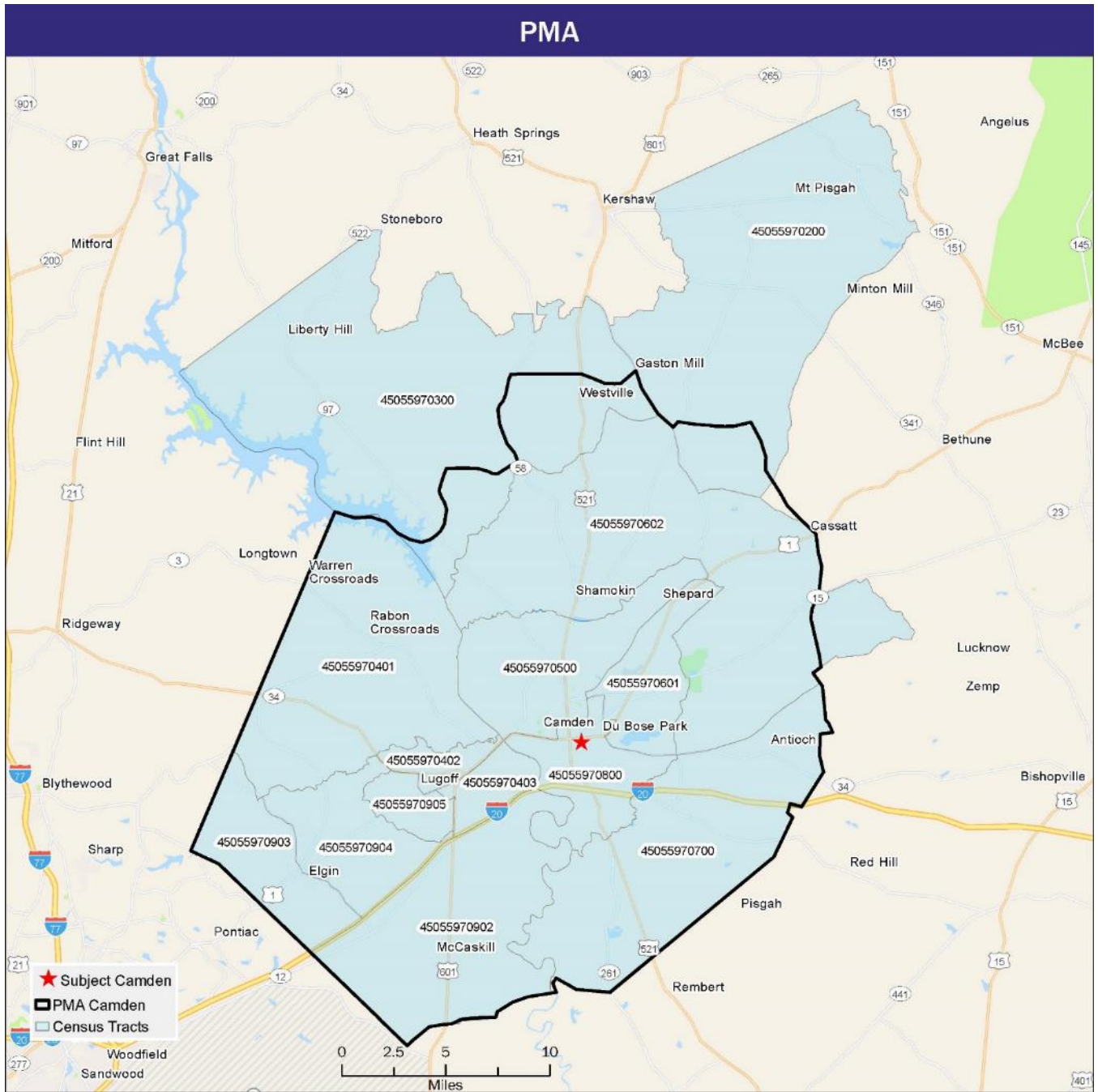
2010 POPULATION BY RACE

	PMA		MSA		USA	
Total	55,029	-	767,598	-	308,745,538	-
White	38,979	70.8%	463,516	60.4%	223,553,265	72.4%
Black	13,672	24.8%	255,104	33.2%	38,929,319	12.6%
American Indian	170	0.3%	2,746	0.4%	2,932,248	0.9%
Asian	292	0.5%	12,704	1.7%	14,674,252	4.8%
Pacific	29	0.1%	658	0.1%	540,013	0.2%
Other	988	1.8%	17,873	2.3%	19,107,368	6.2%
Two or More Races	899	1.6%	14,997	2.0%	9,009,073	2.9%
Total Hispanic	2,183	-	39,153	-	50,477,594	-
Hispanic: White	908	41.6%	15,589	39.8%	26,735,713	53.0%
Hispanic: Black	118	5.4%	2,775	7.1%	1,243,471	2.5%
Hispanic: American Indian	15	0.7%	487	1.2%	685,150	1.4%
Hispanic: Asian	6	0.3%	161	0.4%	209,128	0.4%
Hispanic: Pacific	3	0.1%	135	0.3%	58,437	0.1%
Hispanic: Other	937	42.9%	16,878	43.1%	18,503,103	36.7%
Hispanic: Two or More Races	195	8.9%	3,128	8.0%	3,042,592	6.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 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.

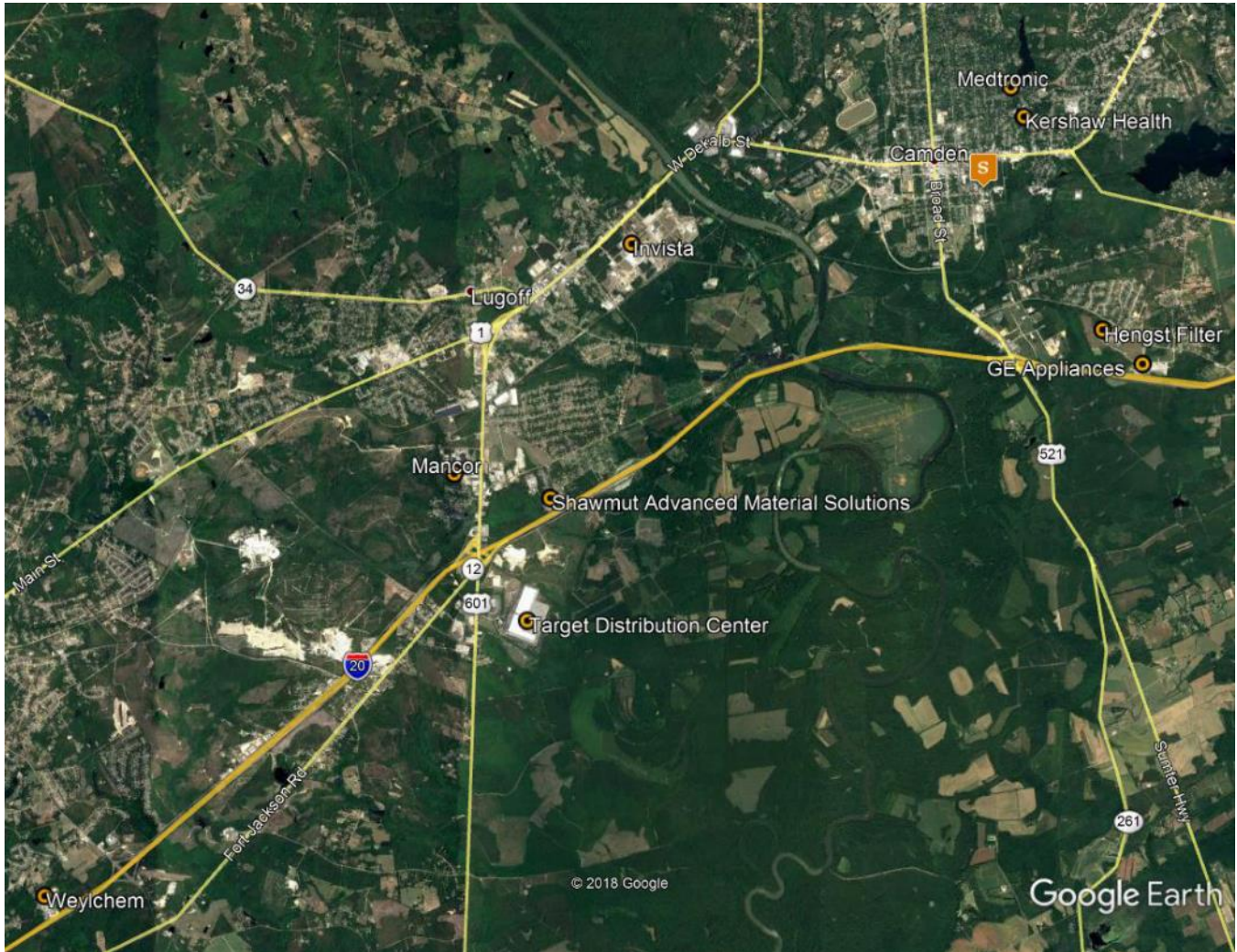


D. MARKET AREA ECONOMY

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, February 2019

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2018 (most recent year available).

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	3,301	12.7%	15,694,985	9.9%
Retail Trade	3,278	12.6%	17,381,607	11.0%
Healthcare/Social Assistance	3,177	12.2%	22,154,439	14.0%
Educational Services	2,565	9.9%	14,568,337	9.2%
Construction	2,375	9.1%	10,333,928	6.5%
Finance/Insurance	1,918	7.4%	7,284,572	4.6%
Accommodation/Food Services	1,715	6.6%	11,958,374	7.6%
Public Administration	1,565	6.0%	7,345,537	4.7%
Other Services	1,106	4.3%	7,758,801	4.9%
Prof/Scientific/Tech Services	1,022	3.9%	11,673,939	7.4%
Transportation/Warehousing	976	3.8%	6,660,099	4.2%
Admin/Support/Waste Mgmt Svcs	911	3.5%	6,943,459	4.4%
Agric/Forestry/Fishing/Hunting	451	1.7%	2,273,158	1.4%
Arts/Entertainment/Recreation	432	1.7%	3,672,444	2.3%
Utilities	339	1.3%	1,433,069	0.9%
Wholesale Trade	307	1.2%	4,028,405	2.6%
Real Estate/Rental/Leasing	305	1.2%	3,165,171	2.0%
Information	236	0.9%	2,881,691	1.8%
Mgmt of Companies/Enterprises	12	0.0%	87,511	0.1%
Mining	11	0.0%	591,596	0.4%
Total Employment	26,002	100.0%	157,891,122	100.0%

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

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 accommodation/food services, professional/scientific/technical services and wholesale trade. As will be demonstrated in the employment discussion, the manufacturing industry has been affected by 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 Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	4,845	22.0%	3,301	12.7%	-1,544	-1.8%
Retail Trade	2,738	12.5%	3,278	12.6%	540	1.1%
Healthcare/Social Assistance	1,934	8.8%	3,177	12.2%	1,243	3.6%
Educational Services	1,535	7.0%	2,565	9.9%	1,030	3.7%
Construction	2,032	9.2%	2,375	9.1%	343	0.9%
Finance/Insurance	1,450	6.6%	1,918	7.4%	468	1.8%
Accommodation/Food Services	1,044	4.7%	1,715	6.6%	671	3.6%
Public Administration	1,128	5.1%	1,565	6.0%	437	2.2%
Other Services	1,038	4.7%	1,106	4.3%	68	0.4%
Prof/Scientific/Tech Services	773	3.5%	1,022	3.9%	249	1.8%
Transportation/Warehousing	653	3.0%	976	3.8%	323	2.7%
Admin/Support/Waste Mgmt Svcs	695	3.2%	911	3.5%	216	1.7%
Agric/Forestry/Fishing/Hunting	472	2.1%	451	1.7%	-21	-0.2%
Arts/Entertainment/Recreation	254	1.2%	432	1.7%	178	3.9%
Utilities	305	1.4%	339	1.3%	34	0.6%
Wholesale Trade	394	1.8%	307	1.2%	-87	-1.2%
Real Estate/Rental/Leasing	297	1.4%	305	1.2%	8	0.1%
Information	355	1.6%	236	0.9%	-119	-1.9%
Mgmt of Companies/Enterprises	0	0.0%	12	0.0%	12	0.0%
Mining	41	0.2%	11	0.0%	-30	-4.1%
Total Employment	21,983	100.0%	26,002	100.0%	4,019	1.0%

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

*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, five of the industries in the table above experienced a decrease in employment from 2000 to 2018. The largest decreases were among the manufacturing and information sectors. The largest increases were among the healthcare/social assistance and educational services sectors. Job loss in the manufacturing sector is discussed in the following analysis.

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.

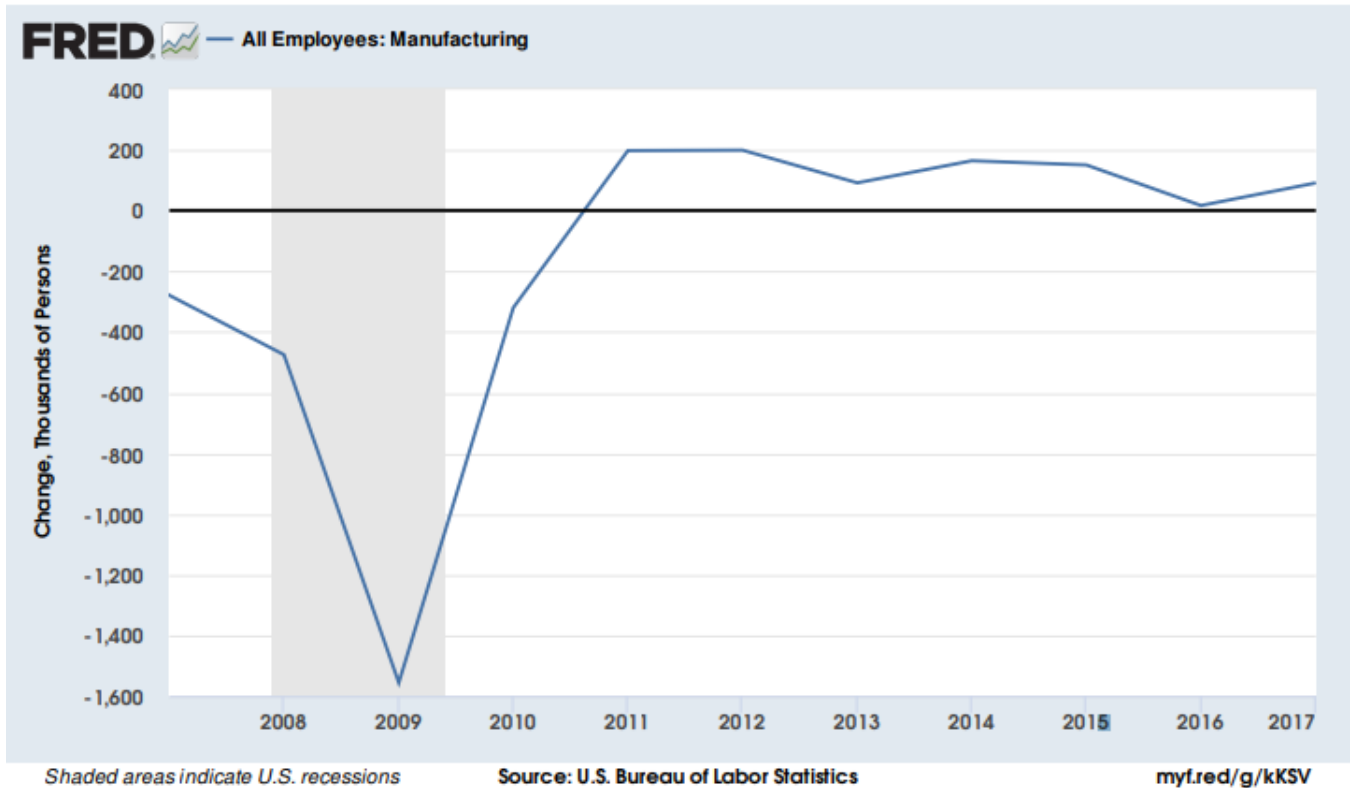
U.S. manufacturing output growth is expected to increase modestly through 2018. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their 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.

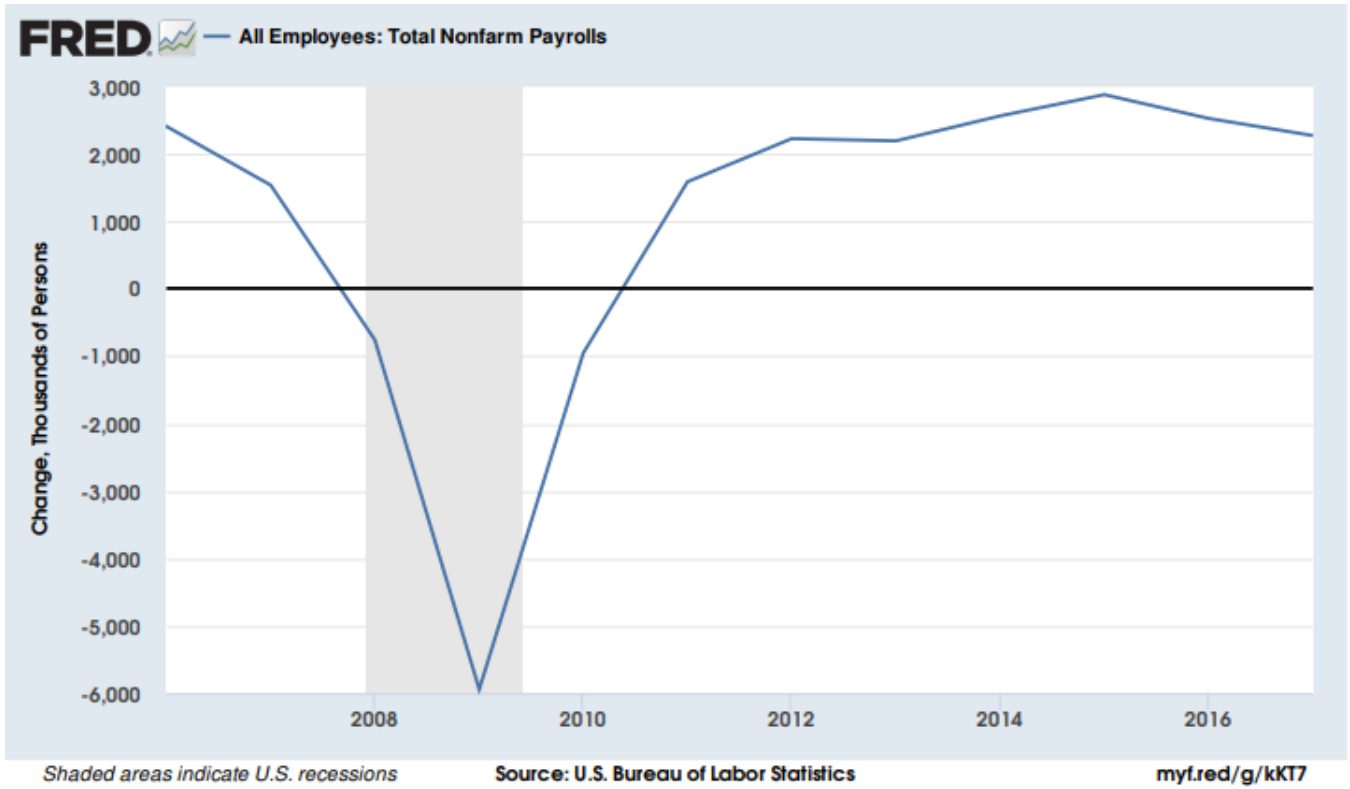
Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 12 percent of the U.S. economy- and as a major source of employment for the MSA manufacturing employment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

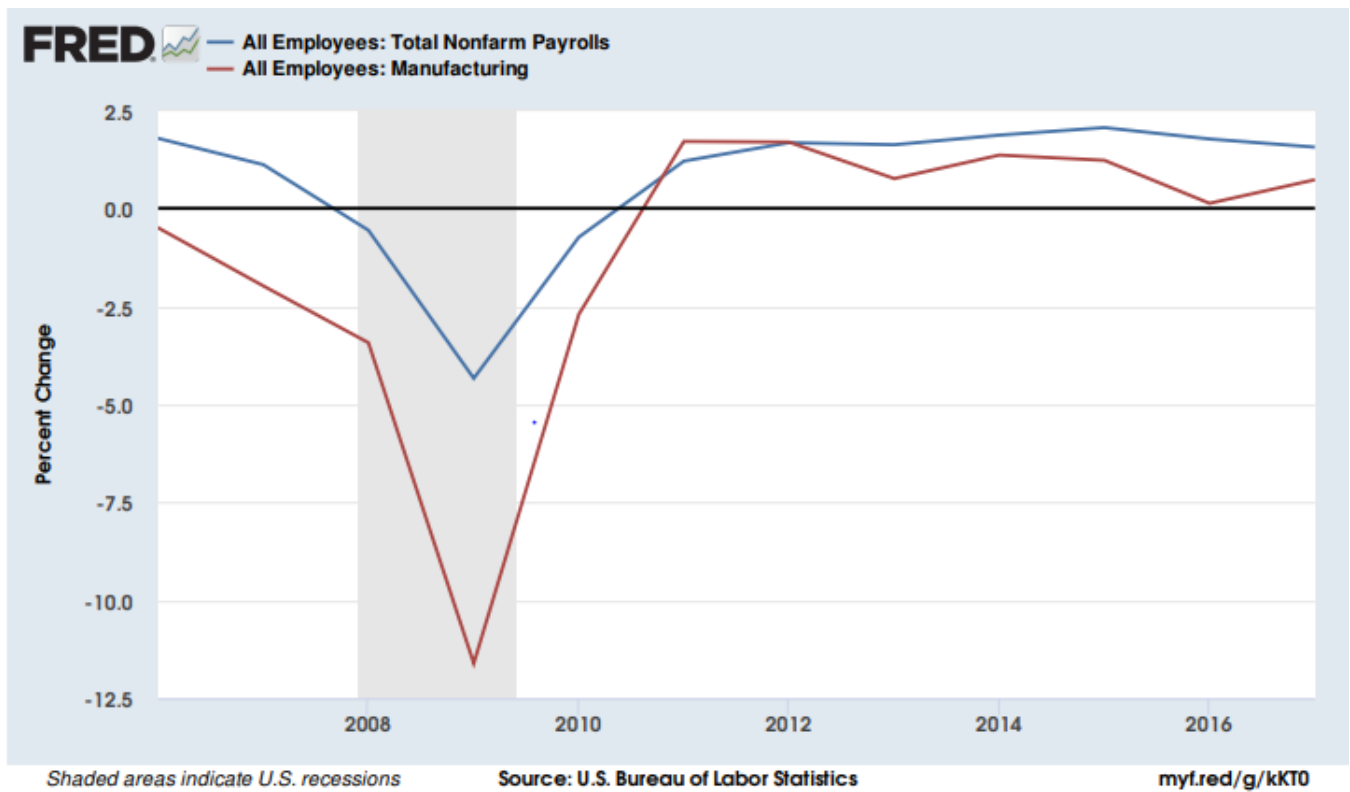


Source: Federal Reserve Bank of St. Louis, 8/2018.

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



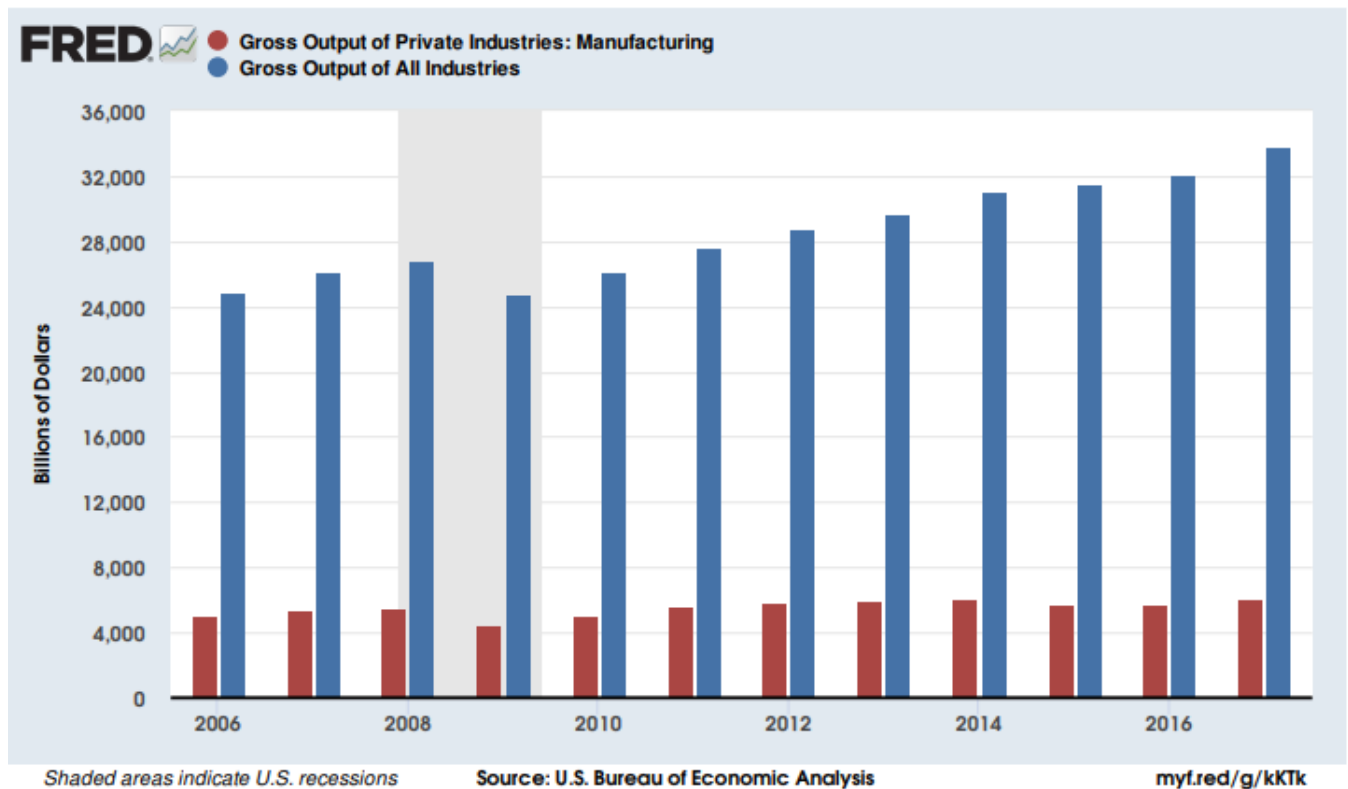
Source: Federal Reserve Bank of St. Louis, 8/2018.



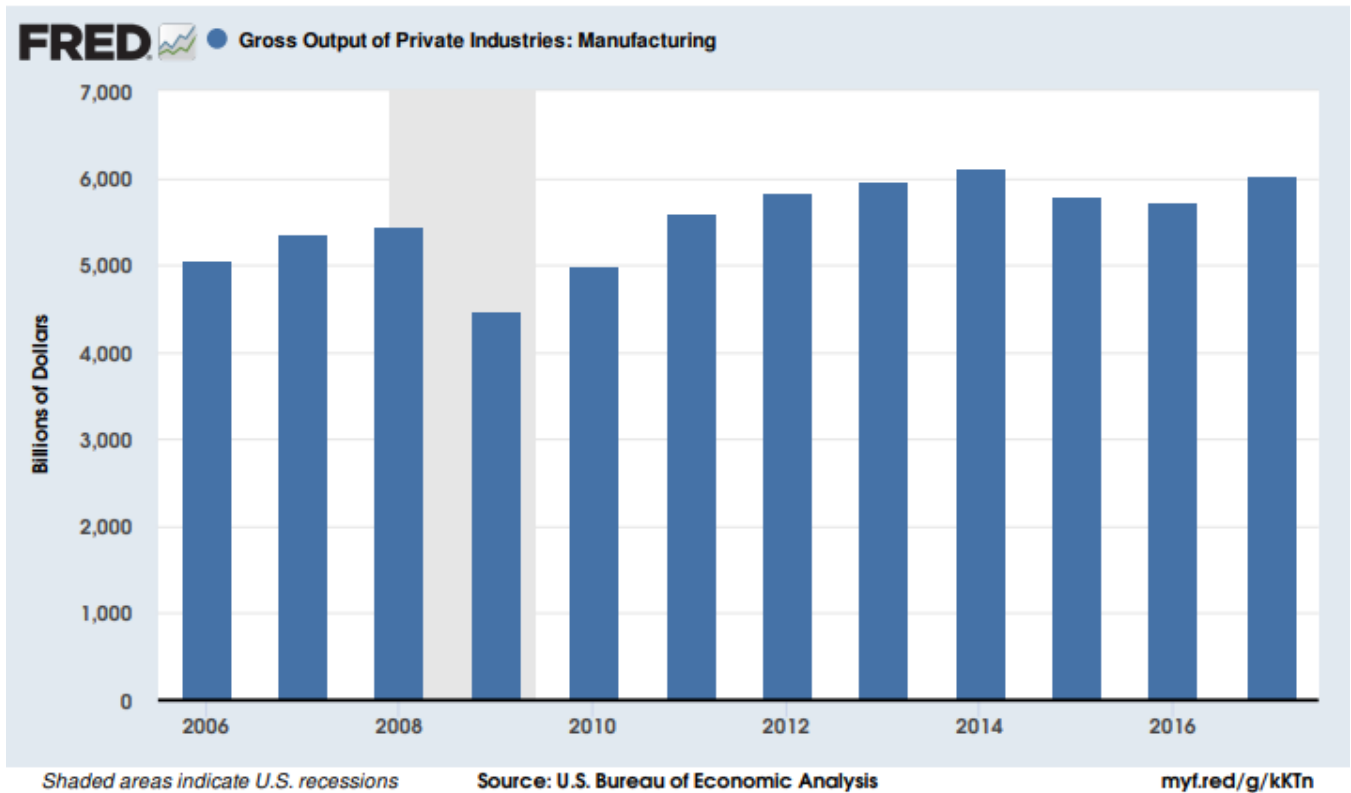
Source: Federal Reserve Bank of St. Louis, 8/2018.

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.

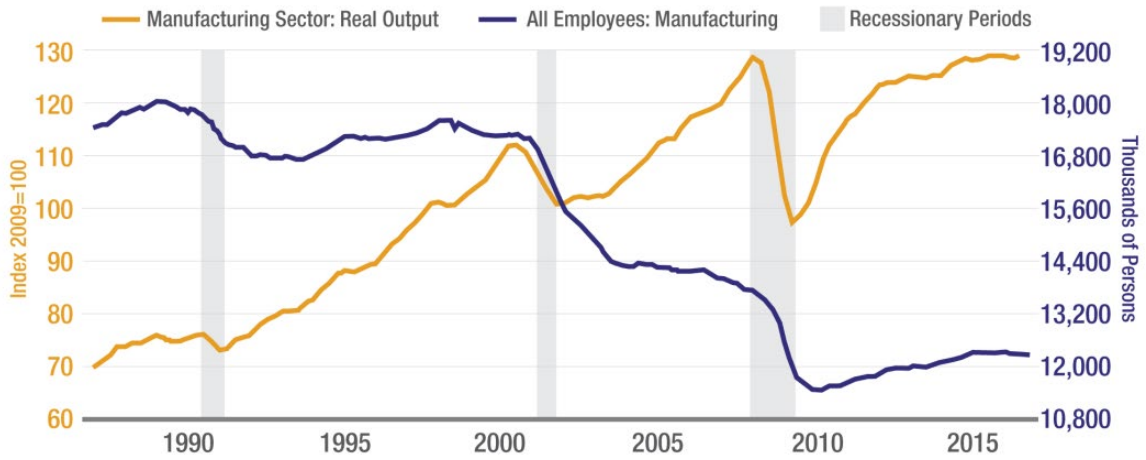


Source: Federal Reserve Bank of St. Louis, 8/2018.
 Note: Shaded area indicates U.S. recessions.

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 Camden 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. Manufacturing still represents the largest industry in the PMA, though it has experienced job loss at an annualized rate of 1.8 percent in both the PMA and the SMA. Between 2015 and year-to-date 2019, one manufacturing companies filed a WARN notice eliminating approximately 62 jobs in the industry. Continued decline in the manufacturing sector in the area is likely. However, we believe that growth in the healthcare and education industries will in part help to offset the impact of continued manufacturing employment losses.

Major Employers

The following table details major employers in Kershaw County as of January 2019 (the most recent available).

MAJOR EMPLOYERS		
Kershaw County, SC		
Employer Name	Industry	# Of Employees
Kershaw County School District	Education	1,442
Invista	Manufacturing	1,100
Kershaw Health	Healthcare	851
Target	Transportation/Warehousing	515
GE Appliances	Manufacturing	260
Kershaw County Government	Public Administration	250
Hengst Filter	Manufacturing	245
Medtronic	Manufacturing	230
Mancor	Manufacturing	209
Shawmut Advanced Material Solutions	Manufacturing	200
Canfor Southern Pine	Manufacturing	177
Weylchem	Manufacturing	172
TB Kawashima USA, Inc.	Manufacturing	160
Prestage Farms	Food Products	160
Suominen	Manufacturing	130
Cal-Maine Foods, Inc.	Transportation/Warehousing	100
HBD/Thermold, Inc.	Manufacturing	75
Totals		6,276

Source: Kershaw County Economic Development, Novogradac & Company LLP (2/2019)

As seen in the previous table, the largest employer in Kershaw County is the Kershaw County School District, which is over 300 employees larger than the second-largest employer, Invista. Manufacturing employers comprise the greatest share of top employers in the county. It should be noted that the county has a larger number of smaller manufacturing employers. While we anticipate that the local manufacturing sector will continue to exhibit decreasing overall employment, the diversity of manufacturing employers should insulate the county somewhat from large-scale downsizing of one concentrated manufacturing employer.

Expansions/Contractions

The following table illustrates the contractions to the Kershaw County economy provided by the South Carolina Department of Employment and Workforce between 2015 and February 2019. Jobs affected represent job losses.

WARN FILINGS (2015 - 2019 YTD)			
Kershaw County, SC			
Company	Industry	Employees Affected	Layoff Date
Invista	Manufacturing	62	4/12/2019
Uti	Transportation/Warehousing	<u>120</u>	8/24/2015
Total		182	

Source: SC Works, Novogradac & Company LLP (2/2019)

As illustrated in the above table, there have been 182 employees in the area impacted by layoffs or closures since 2015. Despite these job losses that have been reported, there has been some growth occurring in the area.

- Canfor Southern Pine is upgrading an existing sawmill located in Camden, South Carolina. The planned upgrade is expected to cost \$40 million and will be completed by the end of 2019. While the upgrade will not expand existing employment, it will preserve the existing employee base for the company.
- GE Appliances commenced a second manufacturing shift at its facility in Camden, South Carolina, in late 2017. The expanded second shift increased employment at the plant by 100 in a \$31 million investment.

Employment and Unemployment Trends

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Columbia, SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	316,241	-	4.6%	-	136,485,000	-	5.8%	-
2003	320,845	1.5%	5.7%	1.1%	137,736,000	0.9%	6.0%	0.2%
2004	327,761	2.2%	5.8%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	335,004	2.2%	5.7%	0.0%	141,730,000	1.8%	5.1%	-0.5%
2006	343,592	2.6%	5.6%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	349,536	1.7%	5.0%	-0.6%	146,047,000	1.1%	4.6%	0.0%
2008	348,019	-0.4%	5.9%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	335,665	-3.5%	9.1%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	337,592	0.6%	9.4%	0.2%	139,064,000	-0.6%	9.6%	0.3%
2011	341,036	1.0%	9.1%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	349,406	2.5%	8.1%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	356,037	1.9%	6.7%	-1.4%	143,929,000	1.0%	7.4%	-0.7%
2014	366,999	3.1%	5.8%	-0.9%	146,305,000	1.7%	6.2%	-1.2%
2015	377,042	2.7%	5.5%	-0.3%	148,833,000	1.7%	5.3%	-0.9%
2016	384,967	2.1%	4.6%	-0.8%	151,436,000	1.7%	4.9%	-0.4%
2017	386,093	0.3%	4.1%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Avg*	385,559	-0.1%	3.5%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	381,547	-	4.1%	-	153,602,000	-	3.9%	-
Dec-2018	388,371	1.8%	3.1%	-1.0%	156,481,000	1.9%	3.7%	-0.2%

Source: U.S. Bureau of Labor Statistics February 2019

*2018 data is through Dec

Between 2002 and 2007, total employment in the Columbia, SC MSA exhibited positive growth, reaching a peak in 2007. However, the MSA began experiencing the effects of the national recession of the late 2000s with declines in employment in 2008. Total employment in the MSA began to increase again in 2010. Total employment in the 12-month period prior to December 2018 has indicated growth in employment of 1.8 percent for the MSA. This is slightly lower than the national growth rate of 1.9 percent over the same time period. Total employment in the MSA surpassed the pre-recession peak in 2013.

In terms of unemployment rates, the rate in the MSA has historically been below to similar to 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 9.4 percent in 2010. 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 December 2018 was 3.1 percent, approximately 0.6 percentage points below that of the nation.

Housing and Economy

There are 13 LIHTC and subsidized properties in Camden and the surrounding PMA. The availability of housing for low to very low-income renters is considered good. 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 Camden’s single-family housing market. According to RealtyTrac’s January 2019 estimates, the city experienced a foreclosure rate of one in every 1,844 housing units. Kershaw County experienced a higher foreclosure rate compared to the city and experienced a foreclosure rate of one in every 810 housing units in January 2019. The state of South Carolina had a foreclosure rate of one in every 1,595 housing units, a rate higher than Camden and below Kershaw County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2018. The typical travel time is between 30 and 34 minutes. Approximately 56.1 percent of households within the PMA have commute times of less than 30 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	720	3.1%
Travel Time 5-9 min	2,148	9.1%
Travel Time 10-14 min	2,456	10.4%
Travel Time 15-19 min	3,147	13.4%
Travel Time 20-24 min	3,495	14.8%
Travel Time 25-29 min	1,251	5.3%
Travel Time 30-34 min	4,344	18.4%
Travel Time 35-39 min	1,227	5.2%
Travel Time 40-44 min	1,019	4.3%
Travel Time 45-59 min	2,215	9.4%
Travel Time 60-89 min	1,013	4.3%
Travel Time 90+ min	510	2.2%
Weighted Average	23 minutes	

Source: US Census 2018, Novogradac & Company, LLP February 2019

CONCLUSION

Overall, it appears the area was impacted moderately by the national recession but has now recovered and is in an expansion mode. As of 2013, the employment in the MSA had pushed above pre-recession levels. Total employment in the 12-month period prior to December 2018 has indicated growth in employment of 1.8 percent for the MSA. This is slightly lower than the national growth rate of 1.9 percent over the same time period. The unemployment rate in the MSA as of December 2018 was 3.1 percent, approximately 0.6 percentage points below that of the nation. However, with its reliance on the manufacturing, the local economy will remain susceptible to employment losses and closures during times of economic downturn.

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 the Columbia, 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, SMA, 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		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	46,298	-	645,374	-	281,038,168	-
2010	55,029	1.9%	767,598	1.9%	308,745,538	1.0%
2018	58,891	0.9%	840,419	1.1%	330,088,686	0.8%
Projected Mkt Entry March 2021	60,387	1.0%	866,068	1.1%	337,483,884	0.8%
2023	61,696	1.0%	888,511	1.1%	343,954,683	0.8%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2018	Projected Mkt Entry March 2021	2023
0-4	3,076	3,714	3,609	3,644	3,675
5-9	3,413	3,736	3,763	3,836	3,900
10-14	3,603	3,895	3,832	3,974	4,099
15-19	3,258	3,733	3,526	3,667	3,790
20-24	2,382	2,933	3,218	3,088	2,974
25-29	2,662	3,118	3,667	3,529	3,409
30-34	3,177	3,171	3,525	3,772	3,989
35-39	3,691	3,453	3,553	3,691	3,811
40-44	3,895	3,699	3,468	3,633	3,777
45-49	3,550	4,167	3,699	3,602	3,517
50-54	3,205	4,340	4,038	3,945	3,864
55-59	2,492	3,881	4,390	4,201	4,036
60-64	1,981	3,540	4,178	4,292	4,392
65-69	1,777	2,582	3,741	3,916	4,069
70-74	1,538	1,828	2,693	3,029	3,323
75-79	1,254	1,460	1,805	2,132	2,419
80-84	719	937	1,146	1,314	1,461
85+	628	842	1,036	1,119	1,191
Total	46,301	55,029	58,887	60,385	61,696

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

The total population in the PMA increased from 2010 to 2018. In comparison, the MSA and nation experienced growth in total population during the same period of analysis. The population in the PMA is expected to increase through both market entry in March 2021 and 2023 at 1.0 percent per annum, a rate

that will remain below the MSA and above that of the nation. The population in the PMA in 2018 was concentrated most heavily in the age groups of 55 to 59 and 60 to 64. Through market entry these age groups will continue to have the highest representation in the PMA.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	17,649	-	245,239	-	105,403,008	-
2010	21,129	2.0%	294,823	2.0%	116,716,296	1.1%
2018	22,555	0.8%	323,039	1.2%	124,110,017	0.8%
Projected Mkt Entry March 2021	23,150	1.0%	332,494	1.1%	126,641,171	0.8%
2023	23,670	1.0%	340,768	1.1%	128,855,931	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.59	-	2.51	-	2.59	-
2010	2.58	-0.1%	2.49	-0.1%	2.58	-0.1%
2018	2.59	0.1%	2.49	0.0%	2.59	0.1%
Projected Mkt Entry March 2021	2.59	0.0%	2.50	0.1%	2.60	0.1%
2023	2.59	0.0%	2.51	0.1%	2.61	0.1%

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

POPULATION IN GROUP QUARTERS

Year	PMA		Columbia, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	523	-	30,751	-	7,596,362	-
2010	526	0.1%	34,533	1.2%	8,043,577	2.6%
2018	401	-2.9%	34,881	0.1%	8,082,433	2.5%
Projected Mkt Entry March 2021	401	0.0%	34,881	0.0%	8,082,433	2.1%
2023	401	0.0%	34,881	0.0%	8,082,433	2.1%

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

The total number of households in the PMA increased moderately between 2010 and 2018, while the MSA and the nation both experienced similar to faster household growth over the over the same time period. Through market entry date and 2023, the total number of households in the PMA is expected to continue to increase, similar to the MSA and nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters decreased in the PMA between 2000 and 2018 and increased in the MSA over the same time period. 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	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	14,376	81.5%	3,273	18.5%
2018	17,480	77.5%	5,075	22.5%
Projected Mkt Entry March 2021	18,024	77.9%	5,126	22.1%
2023	18,500	78.2%	5,170	21.8%

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

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This percentage is projected to decrease slightly over the next five years, while increase as a total number of renter-occupied units.

Household Income Distribution

The following table depicts household income in the PMA from 2018 to 2023.

Income Cohort	2018		Projected Mkt Entry March 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,715	7.6%	1,722	7.4%	1,728	7.3%
\$10,000-19,999	2,734	12.1%	2,731	11.8%	2,729	11.5%
\$20,000-29,999	2,979	13.2%	2,996	12.9%	3,010	12.7%
\$30,000-39,999	2,550	11.3%	2,601	11.2%	2,646	11.2%
\$40,000-49,999	2,081	9.2%	2,138	9.2%	2,187	9.2%
\$50,000-59,999	2,002	8.9%	2,021	8.7%	2,038	8.6%
\$60,000-74,999	2,154	9.5%	2,231	9.6%	2,298	9.7%
\$75,000-99,999	2,737	12.1%	2,815	12.2%	2,883	12.2%
\$100,000-124,999	1,854	8.2%	1,941	8.4%	2,017	8.5%
\$125,000-149,999	745	3.3%	844	3.6%	931	3.9%
\$150,000-199,999	501	2.2%	559	2.4%	610	2.6%
\$200,000+	503	2.2%	551	2.4%	593	2.5%
Total	22,555	100.0%	23,150	100.0%	23,670	100.0%

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

The Subject's units will target households earning between \$18,754 and \$37,860. As the table above depicts, approximately 24.5 percent of households in the PMA earned between \$20,000 and \$39,999 in 2018. Many 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.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2018		Projected Mkt Entry March 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	765	15.1%	766	14.9%	767	14.8%
\$10,000-19,999	1,054	20.8%	1,040	20.3%	1,028	19.9%
\$20,000-29,999	946	18.6%	931	18.2%	917	17.7%
\$30,000-39,999	570	11.2%	574	11.2%	577	11.2%
\$40,000-49,999	473	9.3%	485	9.5%	496	9.6%
\$50,000-59,999	362	7.1%	357	7.0%	352	6.8%
\$60,000-74,999	281	5.5%	299	5.8%	314	6.1%
\$75,000-99,999	233	4.6%	239	4.7%	244	4.7%
\$100,000-124,999	143	2.8%	154	3.0%	164	3.2%
\$125,000-149,999	93	1.8%	105	2.1%	116	2.2%
\$150,000-199,999	74	1.5%	86	1.7%	97	1.9%
\$200,000+	81	1.6%	90	1.8%	98	1.9%
Total	5,075	100.0%	5,126	100.0%	5,170	100.0%

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

Renter households with incomes between \$20,000 and \$39,999 represent 29.9 percent of the renter households in the PMA in 2018. This share is expected to remain near this level 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	1,716	33.8%	1,747	34.1%	1,775	34.3%
2 Persons	1,226	24.2%	1,216	23.7%	1,208	23.4%
3 Persons	852	16.8%	862	16.8%	871	16.8%
4 Persons	708	14.0%	721	14.1%	733	14.2%
5+ Persons	573	11.3%	578	11.3%	583	11.3%
Total Households	5,075	100%	5,126	100%	5,170	100%

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

Approximately 66.3 percent of renter households resided in a two to five-person household in the PMA in 2018. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The total population in the PMA increased from 2010 to 2018. In comparison, the MSA and nation experienced growth in total population during the same period of analysis. The population in the PMA is expected to increase through both market entry in March 2021 and 2023 at 1.0 percent per annum, a rate that will remain below the MSA and above that of the nation. Through market entry date and 2023, the total number of households in the PMA is expected to continue to increase, similar to the MSA and nation. Renter households with incomes between \$20,000 and \$39,999 represent 24.5 percent of the renter households in the PMA in 2018. This share is expected to remain near this level 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 number 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.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		Overall Affordable	
1BR	\$18,754	\$23,350	\$22,526	\$28,020	\$18,754	\$28,020
2BR	\$22,526	\$26,300	\$26,709	\$31,560	\$22,526	\$31,560
3BR	\$25,440	\$31,550	\$31,200	\$37,860	\$25,440	\$37,860

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 2017 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 developments in the PMA that would compete with the Subject. Therefore, we have not included any new supply in our demand analysis.

5. Method – Capture Rates

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$18,754		Maximum Income Limit		\$31,550	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2018 to Prj Mrkt Entry	March 2021			Households	within Bracket	
\$0-9,999	1	2.1%	\$0	0.0%	0		
\$10,000-19,999	-14	-27.4%	\$1,245	12.5%	-2		
\$20,000-29,999	-15	-30.5%	\$9,999	100.0%	-15		
\$30,000-39,999	4	7.4%	\$1,550	15.5%	1		
\$40,000-49,999	12	24.2%	\$0	0.0%	0		
\$50,000-59,999	-5	-10.5%	\$0	0.0%	0		
\$60,000-74,999	18	34.7%	\$0	0.0%	0		
\$75,000-99,999	6	11.6%	\$0	0.0%	0		
\$100,000-124,999	11	22.1%	\$0	0.0%	0		
\$125,000-149,999	12	24.2%	\$0	0.0%	0		
\$150,000-199,999	12	24.2%	\$0	0.0%	0		
\$200,000+	9	17.9%	\$0	0.0%	0		
Total	51	100.0%		-32.8%	-17		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$18,754		Maximum Income Limit		\$31,550	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	765	15.1%	\$0	0.0%	0		
\$10,000-19,999	1,054	20.8%	\$1,245	12.5%	131		
\$20,000-29,999	946	18.6%	\$9,999	100.0%	946		
\$30,000-39,999	570	11.2%	\$1,550	15.5%	88		
\$40,000-49,999	473	9.3%	\$0	0.0%	0		
\$50,000-59,999	362	7.1%	\$0	0.0%	0		
\$60,000-74,999	281	5.5%	\$0	0.0%	0		
\$75,000-99,999	233	4.6%	\$0	0.0%	0		
\$100,000-124,999	143	2.8%	\$0	0.0%	0		
\$125,000-149,999	93	1.8%	\$0	0.0%	0		
\$150,000-199,999	74	1.5%	\$0	0.0%	0		
\$200,000+	81	1.6%	\$0	0.0%	0		
Total	5,075	100.0%		23.0%	1,166		

ASSUMPTIONS - @50%

ASSUMPTIONS - @50%					
Tenancy	Family	% of Income towards Housing			35%
Rural/Urban	Rural	Maximum # of Occupants			5
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	10%	80%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
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	51
Percent Income Qualified	-32.8%
New Renter Income Qualified Households	-17

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	5,075
Income Qualified	23.0%
Income Qualified Renter Households	1,166
Percent Rent Overburdened Prj Mrkt Entry March 2021	28.9%
Rent Overburdened Households	336

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,166
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	15

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	351
Total New Demand	-17
Total Demand (New Plus Existing Households)	334

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	34.1%	114
Two Persons	23.7%	79
Three Persons	16.8%	56
Four Persons	14.1%	47
Five Persons	11.3%	38
Total	100.0%	334

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	11
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
Of one-person households in 1BR units	80%	91
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	11
Of two-person households in 2BR units	80%	63
Of three-person households in 2BR units	60%	34
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	22
Of four-person households in 3BR units	70%	33
Of five-person households in 3BR units	50%	19
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	14
Of five-person households in 4BR units	50%	19
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 **334**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	107	-	0	=	107
2 BR	109	-	0	=	109
3 BR	74	-	0	=	74
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	290		0		290

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	2	/	107	=	1.9%
2 BR	5	/	109	=	4.6%
3 BR	4	/	74	=	5.4%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	11		290		3.8%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$22,526		Maximum Income Limit		\$37,860	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2018 to Prj Mrkt Entry	March 2021			Households	within Bracket	
\$0-9,999	1	2.1%	\$0	0.0%	0		
\$10,000-19,999	-14	-27.4%	\$0	0.0%	0		
\$20,000-29,999	-15	-30.5%	\$7,474	74.7%	-12		
\$30,000-39,999	4	7.4%	\$7,860	78.6%	3		
\$40,000-49,999	12	24.2%	\$0	0.0%	0		
\$50,000-59,999	-5	-10.5%	\$0	0.0%	0		
\$60,000-74,999	18	34.7%	\$0	0.0%	0		
\$75,000-99,999	6	11.6%	\$0	0.0%	0		
\$100,000-124,999	11	22.1%	\$0	0.0%	0		
\$125,000-149,999	12	24.2%	\$0	0.0%	0		
\$150,000-199,999	12	24.2%	\$0	0.0%	0		
\$200,000+	9	17.9%	\$0	0.0%	0		
Total	51	100.0%		-17.0%	-9		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$22,526		Maximum Income Limit		\$37,860	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	765	15.1%	\$0	0.0%	0		
\$10,000-19,999	1,054	20.8%	\$0	0.0%	0		
\$20,000-29,999	946	18.6%	\$7,474	74.7%	707		
\$30,000-39,999	570	11.2%	\$7,860	78.6%	448		
\$40,000-49,999	473	9.3%	\$0	0.0%	0		
\$50,000-59,999	362	7.1%	\$0	0.0%	0		
\$60,000-74,999	281	5.5%	\$0	0.0%	0		
\$75,000-99,999	233	4.6%	\$0	0.0%	0		
\$100,000-124,999	143	2.8%	\$0	0.0%	0		
\$125,000-149,999	93	1.8%	\$0	0.0%	0		
\$150,000-199,999	74	1.5%	\$0	0.0%	0		
\$200,000+	81	1.6%	\$0	0.0%	0		
Total	5,075	100.0%		22.8%	1,155		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%					
Tenancy		Family		% of Income towards Housing	
Rural/Urban		Rural		Maximum # of Occupants	
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	10%	80%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
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	51
Percent Income Qualified	-17.0%
New Renter Income Qualified Households	-9

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	5,075
Income Qualified	22.8%
Income Qualified Renter Households	1,155
Percent Rent Overburdened Prj Mrkt Entry March 2021	28.9%
Rent Overburdened Households	333

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,155
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	14

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	348
Total New Demand	-9
Total Demand (New Plus Existing Households)	339

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	34.1%	116
Two Persons	23.7%	80
Three Persons	16.8%	57
Four Persons	14.1%	48
Five Persons	11.3%	38
Total	100.0%	339

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	12
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
Of one-person households in 1BR units	80%	92
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	12
Of two-person households in 2BR units	80%	64
Of three-person households in 2BR units	60%	34
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	23
Of four-person households in 3BR units	70%	33
Of five-person households in 3BR units	50%	19
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	14
Of five-person households in 4BR units	50%	19
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 **339**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	109	-	0	=	109
2 BR	110	-	0	=	110
3 BR	75	-	0	=	75
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	294		0		294

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	109	=	7.4%
2 BR	19	/	110	=	17.3%
3 BR	12	/	75	=	15.9%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	39		294		13.3%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,754		Maximum Income Limit		\$37,860	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2018 to Prj Mrkt Entry	March 2021			Households	within Bracket	
\$0-9,999	1	2.1%	\$0	0.0%	0		
\$10,000-19,999	-14	-27.4%	\$1,245	12.5%	-2		
\$20,000-29,999	-15	-30.5%	\$9,999	100.0%	-15		
\$30,000-39,999	4	7.4%	\$7,860	78.6%	3		
\$40,000-49,999	12	24.2%	\$0	0.0%	0		
\$50,000-59,999	-5	-10.5%	\$0	0.0%	0		
\$60,000-74,999	18	34.7%	\$0	0.0%	0		
\$75,000-99,999	6	11.6%	\$0	0.0%	0		
\$100,000-124,999	11	22.1%	\$0	0.0%	0		
\$125,000-149,999	12	24.2%	\$0	0.0%	0		
\$150,000-199,999	12	24.2%	\$0	0.0%	0		
\$200,000+	9	17.9%	\$0	0.0%	0		
Total	51	100.0%		-28.1%	-14		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,754		Maximum Income Limit		\$37,860	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	765	15.1%	\$0	0.0%	0		
\$10,000-19,999	1,054	20.8%	\$1,245	12.5%	131		
\$20,000-29,999	946	18.6%	\$9,999	100.0%	946		
\$30,000-39,999	570	11.2%	\$7,860	78.6%	448		
\$40,000-49,999	473	9.3%	\$0	0.0%	0		
\$50,000-59,999	362	7.1%	\$0	0.0%	0		
\$60,000-74,999	281	5.5%	\$0	0.0%	0		
\$75,000-99,999	233	4.6%	\$0	0.0%	0		
\$100,000-124,999	143	2.8%	\$0	0.0%	0		
\$125,000-149,999	93	1.8%	\$0	0.0%	0		
\$150,000-199,999	74	1.5%	\$0	0.0%	0		
\$200,000+	81	1.6%	\$0	0.0%	0		
Total	5,075	100.0%		30.1%	1,525		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	10%	80%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
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	51
Percent Income Qualified	-28.1%
New Renter Income Qualified Households	-14

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	5,075
Income Qualified	30.1%
Income Qualified Renter Households	1,525
Percent Rent Overburdened Prj Mrkt Entry March 2021	28.9%
Rent Overburdened Households	440

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,525
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	19

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	459
Total New Demand	-14
Total Demand (New Plus Existing Households)	445

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	34.1%	152
Two Persons	23.7%	106
Three Persons	16.8%	75
Four Persons	14.1%	63
Five Persons	11.3%	50
Total	100.0%	445

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	15
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
Of one-person households in 1BR units	80%	121
Of two-person households in 1BR units	20%	21
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	15
Of two-person households in 2BR units	80%	84
Of three-person households in 2BR units	60%	45
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	30
Of four-person households in 3BR units	70%	44
Of five-person households in 3BR units	50%	25
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	19
Of five-person households in 4BR units	50%	25
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		445

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	142	-	0	=	142
2 BR	144	-	0	=	144
3 BR	99	-	0	=	99
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	386		0		386

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	10	/	142	=	7.0%
2 BR	24	/	144	=	16.6%
3 BR	16	/	99	=	16.2%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	50		386		13.0%

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.

- 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. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from the areas of central South Carolina outside the PMA. Therefore, we conservatively estimated that approximately 10 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

The following 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.

DEMAND AND NET DEMAND

	HH at @50% AMI (\$18,754 to \$31,550)	HH at @60% AMI (\$22,526 to \$37,860)	Overall Demand
Demand from New Households (age and income appropriate)	-17	-9	-14
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	336	333	440
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	15	14	19
=	=	=	=
Sub Total	334	339	445
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	334	339	445
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	334	339	445

Note that the previous *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%	107	0	107	2	1.9%
1BR @60%	109	0	109	8	7.4%
1BR Overall	142	0	142	10	7.0%
2BR @50%	109	0	109	5	4.6%
2BR @60%	110	0	110	19	17.3%
2BR Overall	144	0	144	24	16.6%
3BR @50%	74	0	74	4	5.4%
3BR @60%	75	0	75	12	15.9%
3BR Overall	99	0	99	16	16.2%
@50% Overall	290	0	290	11	3.8%
@60% Overall	294	0	294	39	13.3%
Overall	386	0	386	50	13.0%

As the analysis illustrates, the Subject’s capture rates vary from 1.9 to 17.3 percent with an overall capture rate of 13.0 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

Two of the LIHTC comparable properties surveyed were able to provide absorption data, as detailed in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Cedarbrook Apartments	LIHTC	Family	2017	60	15
Hallmark At Truesdell	LIHTC/HOME	Family	2010	64	13
Average					14

On average, these properties reported an absorption rate of 14 units per month. Due to the age of the data, we have placed less reliance upon the reported absorption at Hallmark at Truesdale, which opened in 2010. With the stable demographic base of moderate-income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. The LIHTC comparables report limited vacancies and some maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number income-qualified households, we believe that the Subject could absorb approximately 15 units per month upon opening. This equals an absorption period of three to four months. We expect the Subject to reach stabilized occupancy of 93 percent within three 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 PROPERTIES

Property	City	Type	Units	2019	
				Vacancy Rate	Reason for Exclusion
River Winds Apartments	Camden	RD-515	48	4.2%	Rent assisted
Sherwood Forest Apartments	Lugoff	RD-515	96	1.0%	Rent assisted
Steeplechase Apartments	Camden	RD-515	94	2.1%	Rent assisted
Camden Cove Apartments	Camden	RD-515	30	3.3%	Rent assisted
Rivers Edge Apartments	Camden	Section 8	80	1.3%	Rent assisted
Canterbury Apartments	Camden	RD-515	36	0.0%	Rent assisted
Stratton Homes	Lugoff	Section 8	8	0.0%	Rent assisted
Trinity Methodist Apartments	Camden	Section 8	50	0.0%	Rent assisted
622 Chestnut Street	Camden	Market	27	-	Management unresponsive
Total LIHTC Only			0		
Total Rent Assisted *			442	1.5%	

* Vacancy rates are calculated using only properties reporting vacancy information

LIHTC Competition

We have attempted to reach Shawn Putnam (803-432-2421), Director of Planning with the City of Camden’s Planning Department. However, our calls have not been returned as of the date of this report. We conducted additional research regarding planned or under construction multifamily developments in Camden and the surrounding region. We did not uncover evidence of any current multifamily development activity in the area and did not observe any under construction multifamily development during the course of our site inspection and fieldwork. The most recently completed development in the PMA is Cedarbrook Apartments, which was completed in mid-2017, which has been included as a comparable property in our supply analysis.

Pipeline Construction

As detailed above, there are no current multifamily developments either planned or under construction within the PMA. Cedarbrook Apartments is Camden’s only recently completed multifamily property, which has been included as a comparable property in our supply analysis.

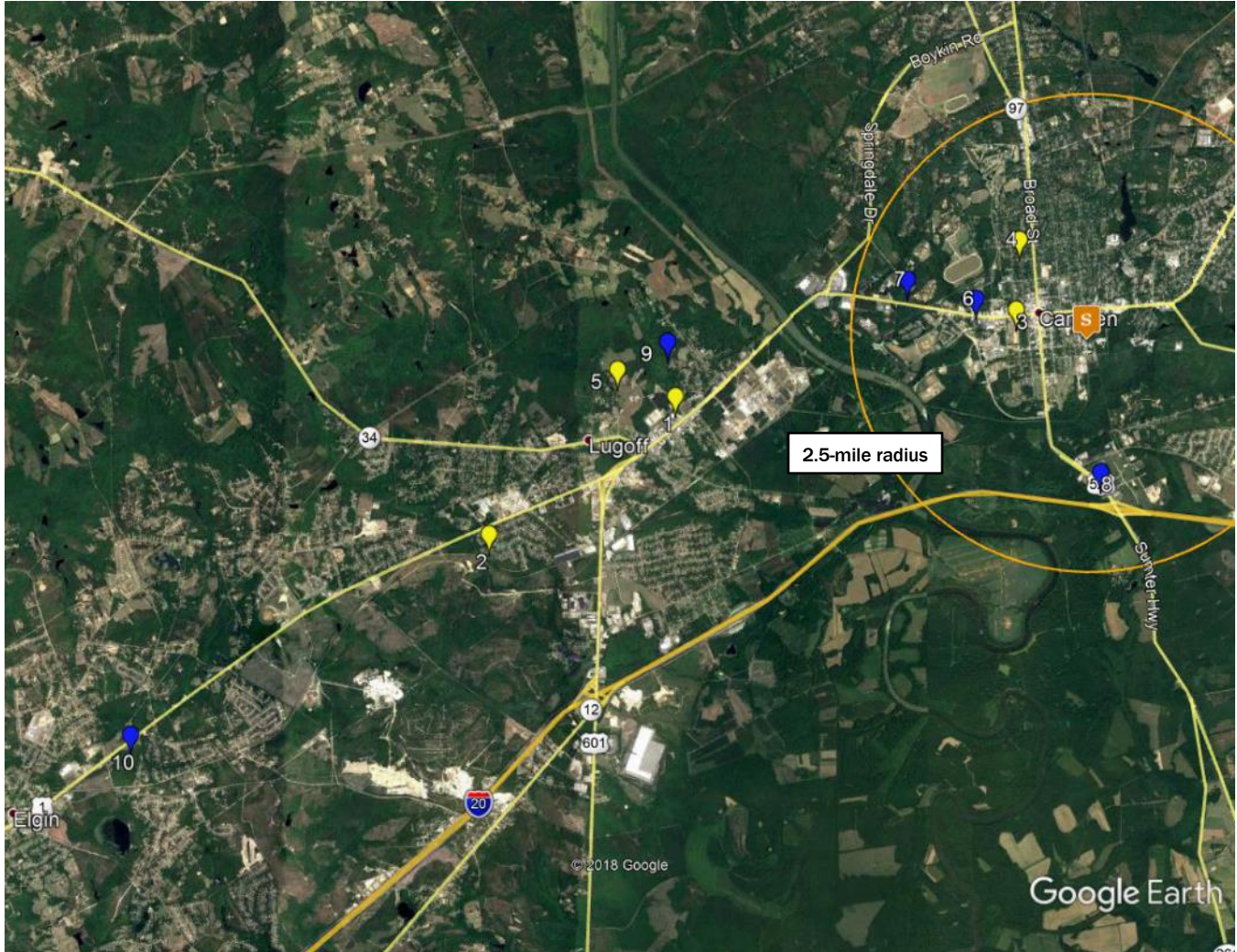
Comparable Properties

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 10 “true” comparable properties containing 586 units.

The availability of multifamily data in the PMA and specifically in the Camden area was somewhat limited and, therefore, we extended our search for comparable properties into Kershaw County. Of the four LIHTC comparables, two are in Camden, with the remaining properties in Lugoff, and all are located within 4.9 miles of the Subject site. Note that since the Subject will offer no rental assistance, we have excluded subsidized or Rural Development properties from the analysis of “true” comparables. Market data available for market-rate apartments in the PMA is considered good. We were able to identify five market-rate properties in the PMA as comparables.

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



Source: Google Earth, February 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Villages On Mill Street	Camden	LIHTC	-
1	Bridle Ridge Apartments	Lugoff	LIHTC	4.4 miles
2	Bridle Station	Lugoff	LIHTC	6.6 miles
3	Cedarbrook Apartments	Camden	LIHTC	0.7 miles
4	Chestnut Court Apartments	Camden	LIHTC	1.1 miles
5	Hallmark At Truesdell	Lugoff	LIHTC/HOME	4.9 miles
6	Camden Condos	Camden	Market	1.2 miles
7	Cobblestone Apartments	Camden	Market	1.9 miles
8	Fox Run Apartments	Camden	Market	1.6 miles
9	Lynnwood Place	Lugoff	Market	4.4 miles
10	Pine Ridge Apartments	Elgin	Market	10.9 miles

VILLAGES ON MILL STREET – CAMDEN, 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	Villages On Mill Street 1000 Mill Street Camden, SC 29020 Kershaw County	-	Garden 2-stories 2021 / n/a Family	@50%, @60%	1BR / 1BA	2	4.0%	750	@50%	\$407	Yes	N/A	N/A	N/A
					1BR / 1BA	8	16.0%	750	@60%	\$517	Yes	N/A	N/A	N/A
					2BR / 2BA	5	10.0%	950	@50%	\$469	Yes	N/A	N/A	N/A
					2BR / 2BA	19	38.0%	950	@60%	\$591	No	N/A	N/A	N/A
					3BR / 2BA	4	8.0%	1,100	@50%	\$498	No	N/A	N/A	N/A
					3BR / 2BA	12	24.0%	1,100	@60%	\$666	No	N/A	N/A	N/A
						50	100.0%						N/A	N/A
1	Bridle Ridge Apartments 40 Boulware Road Lugoff, SC 29078 Kershaw County	4.4 miles	Garden 2-stories 1999 / n/a Family	@50%, @60%	2BR / 1BA	12	30.0%	811	@50%	\$452	No	No	0	0.0%
					2BR / 1BA	12	30.0%	811	@60%	\$577	No	No	0	0.0%
					3BR / 2BA	8	20.0%	1,096	@50%	\$460	No	No	0	0.0%
					3BR / 2BA	8	20.0%	1,096	@60%	\$605	No	No	0	0.0%
						40	100.0%						0	0.0%
2	Bridle Station 44 Boulware Road Lugoff, SC 29078 Kershaw County	6.6 miles	Garden 2-stories 2013 / n/a Family	@50%, @60%	1BR / 1BA	8	16.7%	930	@60%	\$545	Yes	No	1	12.5%
					2BR / 2BA	6	12.5%	1,074	@50%	\$523	Yes	Yes	0	0.0%
					2BR / 2BA	18	37.5%	1,157	@60%	\$617	Yes	Yes	0	0.0%
					3BR / 2BA	4	8.3%	1,243	@50%	\$600	Yes	No	0	0.0%
					3BR / 2BA	12	25.0%	1,325	@60%	\$612	Yes	No	1	8.3%
						48	100.0%						2	4.2%
3	Cedarbrook Apartments 1001 Campbell Street Camden, SC 29020 Kershaw County	0.7 miles	Garden 3-stories 2017 / n/a Family	@50%, @60%	2BR / 2BA	10	16.7%	1,078	@50%	\$513	Yes	Yes	0	0.0%
					2BR / 2BA	32	53.3%	1,078	@60%	\$610	Yes	Yes	0	0.0%
					3BR / 2BA	2	3.3%	1,206	@50%	\$582	Yes	Yes	0	0.0%
					3BR / 2BA	16	26.7%	1,206	@60%	\$695	Yes	Yes	0	0.0%
						60	100.0%						0	0.0%
4	Chestnut Court Apartments 722 Douglas Street Camden, SC 29020 Kershaw County	1.1 miles	One-story 1-stories 1975 / 1991 Family	@50%	1BR / 1BA	3	10.0%	600	@50%	\$366	No	No	1	33.3%
					2BR / 1BA	24	80.0%	750	@50%	\$329	No	No	4	16.7%
					3BR / 1BA	3	10.0%	1,000	@50%	\$405	No	No	0	0.0%
											30	100.0%		
5	Hallmark At Truesdell 186 Roy Truesdell Road Lugoff, SC 29078 Kershaw County	4.9 miles	Garden 3-stories 2010 / n/a Family	@50%, @50% (HOME), @60%	2BR / 2BA	10	15.6%	1,060	@50%	\$397	No	No	N/A	N/A
					2BR / 2BA	6	9.4%	1,060	@50%	\$397	No	No	N/A	N/A
					2BR / 2BA	16	25.0%	1,060	@60%	\$518	No	No	N/A	N/A
					3BR / 2BA	9	14.1%	1,178	@50%	\$424	No	No	N/A	N/A
					3BR / 2BA	7	10.9%	1,178	@50%	\$424	No	No	N/A	N/A
						64	100.0%						4	6.3%
6	Camden Condos 1136 Mattison Street Camden, SC 29020 Kershaw County	1.2 miles	Garden 2-stories 1995 / n/a Family	Market	2BR / 1BA	24	37.5%	1,000	Market	\$627	N/A	No	2	8.3%
					2BR / 1BA	40	62.5%	1,000	Market	\$642	N/A	No	0	0.0%
											64	100.0%		
7	Cobblestone Apartments 33 Chestnut Ferry Road Camden, SC 29020 Kershaw County	1.9 miles	Various 1-stories 1982 / n/a Family	Market	1BR / 1BA	6	50.0%	750	Market	\$485	N/A	No	0	0.0%
					2BR / 2.5BA	6	50.0%	1,500	Market	\$650	N/A	No	0	0.0%
											12	100.0%		
8	Fox Run Apartments 148 Wall Street Camden, SC 29020 Kershaw County	1.6 miles	Garden 3-stories 2002 / n/a Family	Market	1BR / 1BA	16	13.3%	730	Market	\$857	N/A	No	0	0.0%
					1BR / 1BA	16	13.3%	823	Market	\$857	N/A	No	2	12.5%
					2BR / 2BA	16	13.3%	970	Market	\$924	N/A	No	1	6.3%
					2BR / 2BA	16	13.3%	1,057	Market	\$934	N/A	No	0	0.0%
					2BR / 2BA	16	13.3%	1,060	Market	\$924	N/A	No	0	0.0%
					2BR / 2BA	16	13.3%	1,150	Market	\$934	N/A	No	2	12.5%
					3BR / 2BA	16	13.3%	1,248	Market	\$1,047	N/A	No	0	0.0%
						8	6.7%	1,341	Market	\$1,029	N/A	No	0	0.0%
						120	N/A						5	4.2%
9	Lynnwood Place 841 Frenwood Lane Lugoff, SC 29078 Kershaw County	4.4 miles	Garden 2-stories 1981 / n/a Family	Market	1BR / 1BA	16	22.2%	550	Market	\$446	N/A	No	0	0.0%
					2BR / 1BA	48	66.7%	860	Market	\$476	N/A	No	2	4.2%
					3BR / 2BA	8	11.1%	980	Market	\$565	N/A	No	0	0.0%
						72	100.0%						2	2.8%
10	Pine Ridge Apartments 2225 Highway 1 South Elgin, SC 29045 Kershaw County	10.9 miles	Garden 2-stories 2002/2004 / n/a Family	Market	2BR / 2BA	76	100.0%	1,125	Market	\$677	N/A	No	0	0.0%
											76	100.0%		

VILLAGES ON MILL STREET – CAMDEN, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	586	Weighted Occupancy:	96.6%		
	Market Rate	344	Market Rate	97.4%		
	Tax Credit	242	Tax Credit	95.5%		
RENT	One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath	
	Property	Average	Property	Average	Property	Average
	Fox Run Apartments (Market)	\$857	Fox Run Apartments (Market)	\$934	Fox Run Apartments (Market)	\$1,047
	Fox Run Apartments (Market)	\$857	Fox Run Apartments (Market)	\$934	Fox Run Apartments (Market)	\$1,029
	Bridle Station (@60%)	\$545	Fox Run Apartments (Market)	\$924	Cedarbrook Apartments (@60%)	\$695
	Villages On Mill Street (@60%)	\$517	Fox Run Apartments (Market)	\$924	Villages On Mill Street (@60%)	\$666
	Cobblestone Apartments (Market)	\$485	Pine Ridge Apartments (Market)	\$677	Bridle Station (@60%)	\$612
	Lynnwood Place (Market)	\$446	Cobblestone Apartments (Market)(2.5BA)	\$650	Bridle Ridge Apartments (@60%)	\$605
	Villages On Mill Street (@50%)	\$407	Camden Condos (Market)(1BA)	\$642	Bridle Station (@50%)	\$600
	Chestnut Court Apartments (@50%)	\$366	Camden Condos (Market)(1BA)	\$627	Cedarbrook Apartments (@50%)	\$582
			Bridle Station (@60%)	\$617	Lynnwood Place (Market)	\$565
			Cedarbrook Apartments (@60%)	\$610	Hallmark At Truesdell (@60%)	\$535
			Villages On Mill Street (@60%)	\$591	Villages On Mill Street (@50%)	\$498
			Bridle Ridge Apartments (@60%)(1BA)	\$577	Bridle Ridge Apartments (@50%)	\$460
			Bridle Station (@50%)	\$523	Hallmark At Truesdell (@50%)	\$424
			Hallmark At Truesdell (@60%)	\$518	Hallmark At Truesdell (@50%)	\$424
			Cedarbrook Apartments (@50%)	\$513	Chestnut Court Apartments (@50%)(1BA)	\$405
			Lynnwood Place (Market)(1BA)	\$476		
			Villages On Mill Street (@50%)	\$469		
			Bridle Ridge Apartments (@50%)(1BA)	\$452		
			Hallmark At Truesdell (@50%)	\$397		
			Hallmark At Truesdell (@50%)	\$397		
			Chestnut Court Apartments (@50%)(1BA)	\$329		
SQUARE FOOTAGE	One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath	
	Property	Average	Property	Average	Property	Average
	Bridle Station (@60%)	930	Cobblestone Apartments (Market)(2.5BA)	1,500	Fox Run Apartments (Market)	1,341
	Fox Run Apartments (Market)	823	Bridle Station (@60%)	1,157	Bridle Station (@60%)	1,325
	Villages On Mill Street (@50%)	750	Fox Run Apartments (Market)	1,150	Fox Run Apartments (Market)	1,248
	Cobblestone Apartments (Market)	750	Pine Ridge Apartments (Market)	1,125	Bridle Station (@50%)	1,243
	Villages On Mill Street (@60%)	750	Cedarbrook Apartments (@50%)	1,078	Cedarbrook Apartments (@50%)	1,206
	Fox Run Apartments (Market)	730	Cedarbrook Apartments (@60%)	1,078	Cedarbrook Apartments (@60%)	1,206
	Chestnut Court Apartments (@50%)	600	Bridle Station (@50%)	1,074	Hallmark At Truesdell (@50%)	1,178
	Lynnwood Place (Market)	550	Hallmark At Truesdell (@50%)	1,060	Hallmark At Truesdell (@60%)	1,178
			Fox Run Apartments (Market)	1,060	Hallmark At Truesdell (@50%)	1,178
			Hallmark At Truesdell (@50%)	1,060	Villages On Mill Street (@50%)	1,100
			Fox Run Apartments (Market)	1,057	Villages On Mill Street (@60%)	1,100
			Camden Condos (Market)(1BA)	1,000	Bridle Ridge Apartments (@50%)	1,096
			Camden Condos (Market)(1BA)	1,000	Bridle Ridge Apartments (@60%)	1,096
			Fox Run Apartments (Market)	970	Chestnut Court Apartments (@50%)(1BA)	1,000
			Villages On Mill Street (@50%)	950	Lynnwood Place (Market)	980
			Villages On Mill Street (@60%)	950		
			Lynnwood Place (Market)(1BA)	860		
			Bridle Ridge Apartments (@50%)(1BA)	811		
			Bridle Ridge Apartments (@60%)(1BA)	811		
			Chestnut Court Apartments (@50%)(1BA)	750		
RENT PER SQUARE FOOT	One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath	
	Property	Average	Property	Average	Property	Average
	Fox Run Apartments (Market)	\$1.17	Fox Run Apartments (Market)	\$0.95	Fox Run Apartments (Market)	\$0.84
	Fox Run Apartments (Market)	\$1.04	Fox Run Apartments (Market)	\$0.88	Fox Run Apartments (Market)	\$0.77
	Lynnwood Place (Market)	\$0.81	Fox Run Apartments (Market)	\$0.87	Villages On Mill Street (@60%)	\$0.61
	Villages On Mill Street (@60%)	\$0.69	Fox Run Apartments (Market)	\$0.81	Lynnwood Place (Market)	\$0.58
	Cobblestone Apartments (Market)	\$0.65	Bridle Ridge Apartments (@60%)(1BA)	\$0.71	Cedarbrook Apartments (@60%)	\$0.58
	Chestnut Court Apartments (@50%)	\$0.61	Camden Condos (Market)(1BA)	\$0.64	Bridle Ridge Apartments (@60%)	\$0.55
	Bridle Station (@60%)	\$0.59	Camden Condos (Market)(1BA)	\$0.63	Bridle Station (@50%)	\$0.48
	Villages On Mill Street (@50%)	\$0.54	Villages On Mill Street (@60%)	\$0.62	Cedarbrook Apartments (@50%)	\$0.48
			Pine Ridge Apartments (Market)	\$0.60	Bridle Station (@60%)	\$0.46
			Cedarbrook Apartments (@60%)	\$0.57	Hallmark At Truesdell (@60%)	\$0.45
			Bridle Ridge Apartments (@50%)(1BA)	\$0.56	Villages On Mill Street (@50%)	\$0.45
			Lynnwood Place (Market)(1BA)	\$0.55	Bridle Ridge Apartments (@50%)	\$0.42
			Bridle Station (@60%)	\$0.53	Chestnut Court Apartments (@50%)(1BA)	\$0.41
			Villages On Mill Street (@50%)	\$0.49	Hallmark At Truesdell (@50%)	\$0.36
			Hallmark At Truesdell (@60%)	\$0.49	Hallmark At Truesdell (@50%)	\$0.36
			Bridle Station (@50%)	\$0.49		
			Cedarbrook Apartments (@50%)	\$0.48		
			Chestnut Court Apartments (@50%)(1BA)	\$0.44		
			Cobblestone Apartments (Market)(2.5BA)	\$0.43		
			Hallmark At Truesdell (@50%)	\$0.37		
			Hallmark At Truesdell (@50%)	\$0.37		

VILLAGES ON MILL STREET – CAMDEN, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

	Subject	Bridle Ridge Apartments	Bridle Station	Cedarbrook Apartments	Chestnut Court	Hallmark At Truesdell	Camden Condos	Cobblestone Apartments	Fox Run Apartments	Lynnwood Place	Pine Ridge Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/HOME	Market	Market	Market	Market	Market
Building											
Property Type	Garden	Garden	Garden	Garden	One-story	Garden	Garden	Various	Garden	Garden	Garden
# of Stories	3-stories	2-stories	2-stories	3-stories	1-stories	3-stories	2-stories	1-stories	3-stories	2-stories	2-stories
Year Built	2021	1999	2013	2017	1975	2010	1995	1982	2002	1981	2002/2004
Year Renovated	n/a	n/a	n/a	n/a	1991	n/a	n/a	n/a	n/a	n/a	n/a
Courtyard	no	no	yes	no	no	yes	no	no	yes	no	no
Utility Structure											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	no	yes	yes	yes	no	no	yes	yes
Sewer	no	yes	yes	no	yes	yes	yes	no	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Unit Amenities											
Balcony/Patio	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	yes	no	yes	no	no	yes	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no
Walk-in Closet	no	yes	yes	yes	yes	yes	yes	no	yes	no	yes
W/D Hookup	yes	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Kitchen											
Dishwasher	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes
Disposal	yes	no	yes	yes	no	yes	yes	yes	yes	no	yes
Microwave	yes	no	yes	yes	no	yes	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community											
Business Center	yes	no	yes	yes	no	yes	no	no	yes	no	no
Community Room	yes	no	yes	yes	no	yes	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	no	yes	no	no	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes
Recreation											
Exercise Facility	yes	no	no	yes	no	no	no	no	yes	no	no
Playground	yes	yes	yes	yes	no	yes	yes	no	no	yes	no
Swimming Pool	no	no	no	no	no	no	no	no	yes	no	no
Picnic Area	yes	no	no	yes	no	yes	yes	no	yes	no	no
Recreational Area	no	no	no	no	no	no	no	no	yes	no	no
Volleyball Court	no	no	no	no	no	no	no	no	yes	no	no
WiFi	no	no	no	no	no	no	no	no	yes	no	no
Security											
Patrol	no	no	no	no	no	no	no	no	yes	no	no
Parking											
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	yes	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Bridle Ridge Apartments

Effective Rent Date	2/17/2019
Location	40 Boulware Road Lugoff, SC 29078 Kershaw County
Distance	4.4 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	From Lugoff, Camden, and Elgin
Contact Name	Barbara
Phone	803-408-6952



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 3% to Increased 6% Annually
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	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	12	811	\$535	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (2 stories)	12	811	\$660	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (2 stories)	8	1,096	\$575	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	8	1,096	\$720	\$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 / 1BA	\$535	\$0	\$535	-\$83	\$452	2BR / 1BA	\$660	\$0	\$660	-\$83	\$577
3BR / 2BA	\$575	\$0	\$575	-\$115	\$460	3BR / 2BA	\$720	\$0	\$720	-\$115	\$605

Bridle Ridge Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		

Comments

Management reported that demand has remained strong for affordable units in the market over the past 12 months. However, despite high occupancy management reported that they prefer to lease units on a first come first serve basis when units become vacant in lieu of maintaining an ongoing waiting list.

PROPERTY PROFILE REPORT

Bridle Station

Effective Rent Date	2/17/2019
Location	44 Boulware Road Lugoff, SC 29078 Kershaw County
Distance	6.6 miles
Units	48
Vacant Units	2
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bridle Ridge, Hallmark at Truesdale
Tenant Characteristics	Majority are from Kershaw County
Contact Name	Ashley
Phone	803-713-7137



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	One to two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	2HH for 2BR units

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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	Garden (2 stories)	8	930	\$604	\$0	@60%	No	1	12.5%	yes	None
2	2	Garden (2 stories)	6	1,074	\$606	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	18	1,157	\$700	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	4	1,243	\$715	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	12	1,325	\$727	\$0	@60%	No	1	8.3%	yes	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	\$606	\$0	\$606	-\$83	\$523	1BR / 1BA	\$604	\$0	\$604	-\$59	\$545
3BR / 2BA	\$715	\$0	\$715	-\$115	\$600	2BR / 2BA	\$700	\$0	\$700	-\$83	\$617
						3BR / 2BA	\$727	\$0	\$727	-\$115	\$612

Bridle Station, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Hand Rails		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Playground			

Comments

Management stated that the property typically operates between 92 and 95 percent occupancy and current occupancy is strong. The contact reported that the three-bedroom vacancy is currently pre-leased.

Photos



PROPERTY PROFILE REPORT

Cedarbrook Apartments

Effective Rent Date	2/17/2019
Location	1001 Campbell Street Camden, SC 29020 Kershaw County
Distance	0.7 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	4/01/2017
Leasing Began	7/01/2017
Last Unit Leased	10/31/2017
Major Competitors	Bridle Ridge, Bridle Station, Hallmark at Truesdal
Tenant Characteristics	Mix of locals and households relocating from the Columbia area
Contact Name	Jason
Phone	803-272-0215



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	15
HCV Tenants	10%
Leasing Pace	As current tenants vacate
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes - 10HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	10	1,078	\$513	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	32	1,078	\$610	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	2	1,206	\$582	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	16	1,206	\$695	\$0	@60%	Yes	0	0.0%	yes	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	\$513	\$0	\$513	\$0	\$513	2BR / 2BA	\$610	\$0	\$610	\$0	\$610
3BR / 2BA	\$582	\$0	\$582	\$0	\$582	3BR / 2BA	\$695	\$0	\$695	\$0	\$695

Cedarbrook Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	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
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		

Comments

The property reportedly opened in July 2017 after pre-leasing commenced in April 2017. The property was fully occupied by the end of October 2017 for an approximate absorption pace of 15 units per month. The contact reported that the demand for affordable housing in the area appears stable; however, that tenants in the market have been drawn to newer properties such as Cedarbrook Apartments when they open.

Photos



Photos



PROPERTY PROFILE REPORT

Hallmark At Truesdell

Effective Rent Date	2/17/2019
Location	186 Roy Truesdell Road Lugoff, SC 29078 Kershaw County
Distance	4.9 miles
Units	64
Vacant Units	4
Vacancy Rate	6.2%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	3/01/2010
Last Unit Leased	6/30/2010
Major Competitors	Bridle Ridge, Bridle Station
Tenant Characteristics	Majority are from Kershaw County; have had a few tenants move from the Columbia area
Contact Name	Donna
Phone	803-272-0232



Market Information

Program	@50%, @50% (HOME), @60%
Annual Turnover Rate	14%
Units/Month Absorbed	13
HCV Tenants	10%
Leasing Pace	With
Annual Chg. in Rent	Within one to two weeks
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	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	10	1,060	\$480	\$0	@50%	No	N/A	N/A	no	None
2	2	Garden (3 stories)	6	1,060	\$480	\$0	@50% (HOME)	No	N/A	N/A	no	None
2	2	Garden (3 stories)	16	1,060	\$601	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (3 stories)	9	1,178	\$539	\$0	@50%	No	N/A	N/A	no	None
3	2	Garden (3 stories)	7	1,178	\$539	\$0	@50% (HOME)	No	N/A	N/A	no	None
3	2	Garden (3 stories)	16	1,178	\$650	\$0	@60%	No	N/A	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
2BR / 2BA	\$480	\$0	\$480	-\$83	\$397	2BR / 2BA	\$601	\$0	\$601	-\$83	\$518
3BR / 2BA	\$539	\$0	\$539	-\$115	\$424	3BR / 2BA	\$650	\$0	\$650	-\$115	\$535

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	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
Courtyard	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		

Comments

Management reported that demand for affordable units has increased over the past 12 months with new households moving to the area. The contact was unable to report where these households were relocating from, but indicated it was a mix of in-state and out of state movers.

Comments

Management reported that the higher priced units include washer/dryer hookups. The contact had no further comments at the time of interview.

Photos



PROPERTY PROFILE REPORT

Cobblestone Apartments

Effective Rent Date	2/17/2019
Location	33 Chestnut Ferry Road Camden, SC 29020 Kershaw County
Distance	1.9 miles
Units	12
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1982 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Would not disclose
Contact Name	Robert
Phone	828-254-0069



Market Information

Program	Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	None
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
1	1	One-story	6	750	\$485	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (3 stories)	6	1,500	\$650	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$485	\$0	\$485	\$0	\$485
2BR / 2.5BA	\$650	\$0	\$650	\$0	\$650

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Blinds		
Central A/C		
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking(\$0.00)	None	None

Comments

Management had no further comment at the time of interview.

PROPERTY PROFILE REPORT

Fox Run Apartments

Effective Rent Date	2/17/2019
Location	148 Wall Street Camden, SC 29020 Kershaw County
Distance	1.6 miles
Units	120
Vacant Units	5
Vacancy Rate	4.2%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Speers Creek
Tenant Characteristics	Mixed tenancy primarily from Camden
Contact Name	Heather
Phone	803-432-3997



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
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	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)	16	730	\$847	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	16	823	\$847	\$0	Market	No	2	12.5%	N/A	None
2	2	Garden (3 stories)	16	970	\$914	\$0	Market	No	1	6.2%	N/A	None
2	2	Garden (3 stories)	16	1,057	\$924	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	16	1,060	\$914	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	16	1,150	\$924	\$0	Market	No	2	12.5%	N/A	None
3	2	Garden (3 stories)	16	1,248	\$1,037	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	8	1,341	\$1,019	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$847	\$0	\$847	\$10	\$857
2BR / 2BA	\$914 - \$924	\$0	\$914 - \$924	\$10	\$924 - \$934
3BR / 2BA	\$1,019 - \$1,037	\$0	\$1,019 - \$1,037	\$10	\$1,029 - \$1,047

Fox Run Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Courtyard		
Exercise Facility	Garage(\$100.00)		
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Recreation Areas	Swimming Pool		
Volleyball Court	Wi-Fi		

Comments

Management reported that the property typically maintains a waiting list, although there are no households on the list at the moment. This property does not accept Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Lynnwood Place

Effective Rent Date	2/17/2019
Location	841 Frenwood Lane Lugoff, SC 29078 Kershaw County
Distance	4.4 miles
Units	72
Vacant Units	2
Vacancy Rate	2.8%
Type	Garden (2 stories)
Year Built/Renovated	1981 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pine Ridge Apartments, Fox Run Apartments
Tenant Characteristics	Mostly locals from the Camden and Lugoff area, some from Columbia
Contact Name	Carey
Phone	803-438-3637



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	14%
Leasing Pace	Within two to
Annual Chg. in Rent	None
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	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	Garden (2 stories)	16	550	\$505	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	48	860	\$559	\$0	Market	No	2	4.2%	N/A	None
3	2	Garden (2 stories)	8	980	\$680	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$505	\$0	\$505	-\$59	\$446
2BR / 1BA	\$559	\$0	\$559	-\$83	\$476
3BR / 2BA	\$680	\$0	\$680	-\$115	\$565

Lynnwood Place, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Oven	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		

Comments

Management reported that demand for rental housing in the area has remained stable over the past 12 months. The property draws some tenants from Columbia as that area has grown and tenants relocate further out.

Photos



Comments

Management reported that demand has remained strong as the area population has grown. The contact was unable to opine on the demand for affordable versus market-rate housing.

Comparable Property Analysis

Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge Apartments	LIHTC	40	0	0.0%
Bridle Station	LIHTC	48	2	4.2%
Cedarbrook Apartments	LIHTC	60	0	0.0%
Chestnut Court Apartments	LIHTC	30	5	16.7%
Hallmark At Truesdell	LIHTC/HOME	64	4	6.2%
Camden Condos	Market	64	2	3.1%
Cobblestone Apartments	Market	12	0	0.0%
Fox Run Apartments	Market	120	5	4.2%
Lynnwood Place	Market	72	2	2.8%
Pine Ridge Apartments	Market	76	0	0.0%
Overall Total		586	20	3.4%
Overall Total in PMA		586	20	3.4%

LIHTC VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge Apartments	LIHTC	40	0	0.0%
Bridle Station	LIHTC	48	2	4.2%
Cedarbrook Apartments	LIHTC	60	0	0.0%
Chestnut Court Apartments	LIHTC	30	5	16.7%
Hallmark At Truesdell	LIHTC/HOME	64	4	6.2%
Total LIHTC		242	11	4.5%
Total LIHTC in PMA		242	11	4.5%

MARKET VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Camden Condos	Market	64	2	3.1%
Cobblestone Apartments	Market	12	0	0.0%
Fox Run Apartments	Market	120	5	4.2%
Lynnwood Place	Market	72	2	2.8%
Pine Ridge Apartments	Market	76	0	0.0%
Total Market		344	9	2.6%
Total Market in PMA		344	9	2.6%

Overall vacancy among all 10 comparables the vacancy rate is 3.4 percent, and overall vacancy within the PMA is 3.4 percent. The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. We do not believe that the performance of Chestnut Court Apartments is representative of the market as the property exhibited inferior condition at the time of inspection. Our visual inspection of the property revealed poor access and signage and poor condition relative to the remaining LIHTC supply in the market. Further, historical occupancy surveys conducted by Novogradac & Company LLP since 2006 have shown consistently elevated vacancy at this property. When removing Chestnut Court Apartments from the previous vacancy

comparison, the remaining LIHTC properties exhibit an overall vacancy rate of 2.8 percent. Additionally, the current rents at the property are underachieving the remaining LIHTC supply. As a result, we believe that the high vacancy at Chestnut Court Apartments is property-specific as evidenced by the low vacancy rates at the remaining LIHTC properties in the market. Further, the property has a low number of units, which results in a higher vacancy rate when expressed as a percentage of units. Among the market-rate properties, vacancy is also very low at 2.6 percent, indicating strong support for conventional apartments. Of note, none of the market-rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 4.2 percent. 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, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 242 total LIHTC units in the PMA that we included in this comparable analysis. There are 11 vacancies among these units and some properties maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Midlands 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 percent AMI net rents compared to the maximum allowable 50 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%				
Property Name	1BR	2BR	3BR	Rents at Max?
Villages On Mill Street	\$407	\$469	\$498	Yes / No
LIHTC Maximum Rent (Net)	\$407	\$469	\$515	
Bridle Ridge Apartments	-	\$452	\$460	No
Bridle Station	-	\$523	\$600	Yes
Cedarbrook Apartments	-	\$513	\$582	Yes
Chestnut Court Apartments	\$366	\$367	\$405	No
Hallmark At Truesdell	-	\$397	\$424	No
Average	\$366	\$450	\$494	
Achievable LIHTC Rent	\$407	\$469	\$515	Yes

The Subject’s proposed 50 percent AMI rents are set either at, or slightly below, the maximum allowable 2018 rents at this AMI level. Two of the five comparable properties offering units at the 50 percent AMI level reported operated with rents at the maximum allowable level. It should be noted that due to differences in property-specific utility allowances, some properties may appear to operate with rents above the maximum allowable levels. As seen in the previous table, Chestnut Court Apartments is reporting the lowest 50 percent AMI rents in the market, which provide further evidence of property-specific market underperformance

relative to the remaining LIHTC supply. The properties reporting rents at the maximum allowable levels, Bridle Station and Cedarbrook Apartments, are among the newest comparables in the market. We believe that this points to a rent premium in the market for properties in superior condition. Further, Cedarbrook Apartments, the newest comparables, opened in mid-2017 and reached stabilized occupancy within four months of opening with a reported absorption pace of 15 units per month. The Subject will offer a similar design and amenity package to Cedarbrook Apartments. Bridle Station reported a total of two vacancies at the time of interview, while management at Cedarbrook Apartments reported no vacancies with a waiting list of 10 households (property-wide). Because the Subject will be in a market with demonstrated demand for affordable housing, as well as the limited number of units proposed at 50 percent AMI, we believe the Subject’s proposed rents at this level are achievable.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 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.

	1BR	2BR	3BR	Rents at Max?
Villages On Mill Street	\$517	\$591	\$666	Yes / No
LIHTC Maximum Rent (Net)	\$517	\$601	\$667	
Bridle Ridge Apartments	-	\$577	\$605	No
Bridle Station	\$545	\$617	\$612	Yes
Cedarbrook Apartments	-	\$610	\$695	Yes
Hallmark At Truesdell	-	\$518	\$535	No
Average	\$545	\$581	\$612	
Achievable LIHTC Rent	\$517	\$601	\$667	Yes

The Subject’s proposed 60 percent AMI rents are set either at, or slightly below, the maximum allowable 2018 rents at this AMI level. Two of the four comparable properties offering units at the 60 percent AMI level reported operated with rents at the maximum allowable level. It should be noted that due to differences in property-specific utility allowances, some properties may appear to operate with rents above the maximum allowable levels. The properties reporting rents at the maximum allowable levels, Bridle Station and Cedarbrook Apartments, are among the newest comparables in the market. We believe that this points to a rent premium in the market for properties in superior condition. Further, Cedarbrook Apartments, the newest comparables, opened in mid-2017 and reached stabilized occupancy within four months of opening with a reported absorption pace of 15 units per month. The Subject will offer a similar design and amenity package to Cedarbrook Apartments. Bridle Station reported a total of two vacancies at the time of interview, while management at Cedarbrook Apartments reported no vacancies with a waiting list of 10 households (property-wide). Because the Subject will be in a market with demonstrated demand for affordable housing, as well as the limited number of units proposed at 60 percent AMI, we believe the Subject’s proposed rents at this 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%	\$407	\$446	\$857	\$661	\$850	52%
1BR / 1BA	@60%	\$517	\$446	\$857	\$661	\$850	39%
2BR / 2BA	@50%	\$469	\$476	\$934	\$754	\$915	49%
2BR / 2BA	@60%	\$591	\$476	\$934	\$754	\$915	35%
3BR / 2BA	@50%	\$498	\$565	\$1,047	\$880	\$965	48%
3BR / 2BA	@60%	\$666	\$565	\$1,047	\$880	\$965	31%

All of the market-rate properties were built between 1981 and 2004. The market-rate comparables are considered slightly inferior to the Subject with respect to amenities, age, and condition with the exception of Fox Run Apartments, which offers a more comprehensive amenities package relative to the Subject. The Subject will offer superior condition relative to Fox Run Apartments. Based on these factors, we believe that the Subject could operate with market rents in line with Fox Run Apartments, with consideration given to square footage differential in each unit type. Thus, we have concluded to achievable market rents of **\$850**, **\$915**, and **\$965** for one-, two-, and three-bedroom units, respectively. The Subject’s proposed LIHTC rents will have advantages of 31 to 52 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are 11 total comparable vacant LIHTC units surveyed, and two of the LIHTC comparables maintain waiting lists. There are five LIHTC properties we surveyed in the PMA. With a somewhat limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject’s opening and lease-up will have no long-term impact on the existing area LIHTC apartments. 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 is somewhat limited supply of LIHTC units without subsidies in the PMA. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic growth of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy among all 10 comparables the vacancy rate is 3.4 percent, and overall vacancy within the PMA is 3.4 percent. The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. 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 31 to 52 percent below what we have determined to be the 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 have attempted to reach Shawn Putnam (803-432-2421), Director of Planning with the City of Camden’s Planning Department. However, our calls have not been returned as of the date of this report. We conducted additional research regarding planned or under construction multifamily developments in Camden and the surrounding region. We did not uncover evidence of any current multifamily development activity in the area and did not observe any under construction multifamily development during the course of our site inspection and fieldwork. The most recently completed development in the PMA is Cedarbrook Apartments, which was completed in mid-2017, which has been included as a comparable property in our supply analysis.

Section 8/Public Housing

We contacted a representative with South Carolina Housing (803-896-8888) for information regarding the Housing Choice Voucher program in the area. Kershaw County is one of seven counties within the state of South Carolina where the Housing Choice Voucher (HCV) program is administered by South Carolina Housing. The authority is authorized to distribute 2,000 tenant-based Housing Choice Vouchers in these seven counties. All of these vouchers are currently in use. The waiting list is currently closed and when the list is to be reopened South Carolina Housing purchases advertising in area new publications to notify prospective voucher households. The following table illustrates the current payment standards for the program as of January 1, 2019.

PAYMENT STANDARDS	
Unit Type	Standard
One-Bedroom	\$650
Two-Bedroom	\$744
Three-Bedroom	\$995

Source: South Carolina Housing, effective January 2019

The Subject’s proposed rents are below the current payment standards. Tenants with vouchers will not have to pay 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 13.0 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 7.0 to 16.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Camden) that has limited affordable multifamily housing alternatives. The Subject site is located within 2.0 miles of most community services and facilities that families would utilize on a consistent basis.

The surveyed comparable LIHTC properties have a 4.5 percent vacancy rate, and some maintain waiting lists, indicating demand for affordable housing. Further, when excluding the high outlier, Chestnut Court Apartments, there are only six vacancies at the remaining LIHTC properties. 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 31 to 52 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

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

February 28, 2019

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
SC State Certified Appraiser #7493
Brian.Neukam@novoco.com



David Kermode
Analyst
Dave@thoreauroad.com

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

DAVID W. KERMODE

I. Education

The University of Cincinnati, Cincinnati, OH
Bachelor of Urban Planning

II. Professional Experience

Thoreau Road Analytics, LLC

Owner / Analyst | *May 2017 – Present*

Novogradac & Company LLP

Manager | *December 2015 – May 2017*

Real Estate Analyst | *October 2011 – December 2015*

Researcher | *April 2010 – October 2011*

Intern | RTKL & Associates | *March 2008 – December 2008*

Intern | Cleveland Metroparks Division of Planning | *March 2007 – June 2007*

Intern | Mead & Hunt | *June 2006 – September 2006*

III. Real Estate Assignments

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

- Conducted 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, Low-Income Housing Tax Credit (LIHTC), HOME-funded, USDA Rural Development and HUD subsidized properties Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Market studies completed in: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Florida, Georgia, Idaho, Illinois, Kansas, Louisiana, Michigan, Minnesota, Mississippi, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin and Wyoming.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties. Appraisals completed in: Alabama, Alaska, Arizona, Colorado, Connecticut, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Nebraska, New Jersey, New Hampshire, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia and Wisconsin.
- Assisted with numerous market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted with numerous appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program.
- Assisted with commercial office, retail and specialty use appraisals.

- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease and sublease terms.
- Assisted with Rent Comparability Studies for project-based rental assistance contracts in accordance with HUD guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted with various appraisals for the US Army Corps of Engineers relating to the Base Realignment and Closure (BRAC) process, including portions of Walter Reed Army Medical Center, Fort Monmouth and Fort Meade.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Assisted in the preparation of the Fair Market Value analyses for renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.