



**A RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
SPARTANBURG, SOUTH CAROLINA
(Spartanburg County)**

Victoria Garden Apartments

*695 Howard Street
Spartanburg, South Carolina 29303*

February 25, 2019

Prepared for:

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CERTIFICATE OF ACCURACY AND RELIABILITY

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.



Steven R. Shaw
SHAW RESEARCH & CONSULTING, LLC

Date: February 25, 2019

INTRODUCTION

Shaw Research & Consulting, LLC has prepared the following rental housing study to examine and analyze the Spartanburg area as it pertains to the market feasibility for the rehabilitation of Victoria Garden Apartments - an existing 80-unit subsidized rental development originally constructed in 1970 (last rehabbed in 2006), and operated through the Spartanburg Housing Authority. The subject proposal is located within the city's Northside Neighborhood along the north side of Howard Street (between Fremont Street and Pearl Street), approximately one mile north of downtown Spartanburg. As such, the immediate neighborhood has experienced significant investment in recent years, including the construction of The Fremont School (child development center) and the current development of the Dr. TK Gregg Community Center (which recently broke ground) – both of which are situated adjacent to the subject property.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the local Spartanburg market area. All fieldwork and community data collection was conducted on January 10, 2019 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the rehabilitation of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the renovated Victoria Garden Apartments will feature a total of 80 units (ranging from one to five-bedrooms) restricted to households earning less than 60 percent of the area median income (AMI). Furthermore, because this will be a RAD conversion, all units will continue to receive project-based rental assistance (PBRA) when renovation efforts are complete.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful rehabilitation and re-absorption of Victoria Garden Apartments within the city of Spartanburg. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal represents the rehabilitation of Victoria Garden Apartments, an 80-unit subsidized public housing development targeting very low and low-income family households. As such, the development has a mix consisting of units ranging between one and five bedrooms restricted to households at 60 percent of AMI. In addition, it is proposed that all units will continue to contain project-based rental assistance when renovation efforts are complete.
- 2) Demand estimates for the proposed development show sufficient statistical support for the subject proposal. As such, capture rates as presented in Exhibit S-2 (following the executive summary) are reflective of the need for affordable rental housing locally, and are within industry-accepted thresholds.
- 3) Occupancy rates for rental housing are extremely strong throughout the market area at the current time. As such, an overall occupancy rate of 96.8 percent was calculated from a January 2019 survey of 22 rental developments identified and contacted within the PMA.
- 4) Considering only the four family-oriented tax credit developments participating in the survey, a combined occupancy rate of 99.3 percent was determined along with each property reporting a waiting list, most of which were quite extensive – providing a clear indication of the demand and need for affordable rental options locally.
- 5) Historical occupancy levels within the subject property have been quite positive. As such, the current occupancy rate was reported at 96 percent with a waiting list of more than 500 persons.
- 6) The Spartanburg area has experienced positive demographic growth in recent years, including the Victoria Garden PMA. As such, the overall population is estimated to have increased by six percent between 2010 and 2018, representing a gain of 3,450 additional persons. Future projections indicate an additional four percent increase is anticipated between 2018 and 2023 (more than 2,500 persons). Considering this strong growth, the demand for additional housing will undoubtedly continue as well.
- 7) The proposal's location along Howard Street provides generally easy access to downtown Spartanburg, as well as numerous retail, education, medical, and employment centers - as well as other services required for multi-family housing. Another positive attribute is the recent investment in adjacent properties, including a new child development center and a future community center.

- 8) The proposal represents a substantial upgrade to the subject property and will add several amenities and features that are presently lacking – including ceiling fans, microwave, washer/dryer connections, garbage disposal, mini-blinds, and equipped computer room. A half-bath will also be added to all three-bedroom and larger units. Additionally, each unit will retain PBRA subsidies, ensuring that tenants will continue to have an affordable rental option post-rehab.

- 9) Considering the subject’s location, proposed targeting, continued inclusion of project-based rental assistance, and generally competitive development features, the renovation and re-introduction of the subject proposal should prove successful. Based on positive demographic patterns for the PMA, high occupancy levels throughout the local rental stock (especially affordable properties), and further considering the subject is presently 96 percent occupied with an extremely long waiting list, affordable rental options such as the subject property will continue to be in demand in the foreseeable future.

- 10) As such, evidence presented within this market study suggests a conservative re-absorption period of four to five months (assuming the project is totally re-marketed) should be anticipated based on project characteristics as proposed. However, because it is likely that roughly 75 percent of existing residents will be retained post-rehab, the likely re-absorption period will certainly be much less. As such, the rehabilitation of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - LIHTC

Development Name:	<u>VICTORIA GARDEN APTS</u>	Total # Units:	<u>80</u>
Location:	<u>695 Howard Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>80</u>
Development Type:	<u>XX</u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject:	<u>5 miles</u>

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	3,315	106	96.8%
Market-Rate Housing	12	2,215	95	95.7%
Assisted/Subsidized Housing not to include LIHTC	6	700	6	99.1%
LIHTC (All that are stabilized)*	4	400	3	99.3%
Stabilized Comps**	4	400	3	99.3%
Non-stabilized Comps	0	0	0	NA

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	1 BR	1.0	605	\$530	\$868	\$1.18	38.9%	\$1,170	\$2.17
26	2 BR	1.0	850	\$642	\$940	\$0.94	31.7%	\$1,390	\$1.36
32	3 BR	1.0	1,059	\$862	\$1,128	\$0.88	23.6%	\$1,870	\$1.50
8	4 BR	2.0	1,108	\$988	\$1,241	\$0.83	20.4%	\$1,650	\$1.80
6	5 BR	2.0	1,367	\$1,032	\$1,365	\$0.91	24.4%	\$1,625	\$1.75
Gross Potential Rent Monthly*				\$62,612	\$85,581		26.84%		

*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 38)

	2010		2018		2021	
Renter Households	10,472	48.3%	11,443	49.8%	11,741	49.7%
Income-Qualified Renter HHs (LIHTC)	3,830	36.6%	4,185	36.6%	4,294	36.6%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 48)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Renter Household Growth	--	37	--			76
Existing Households (Overburd + Substand)	--	583	--			1,197
Homeowner Conversion (Seniors)	--	--	--			--
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	37	--			37
Net Income-Qualified Renter HHs	--	583	--	--	--	1,235

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Capture Rate	--	13.7%	--			6.5%

ABSORPTION RATE (found on page 52)

Absorption Period:	<u>4 to 5</u> months
--------------------	----------------------

2019 S-2 RENT CALCULATION WORKSHEET - LIHTC							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
60%	8	1 BR	\$530	\$4,240	\$868	\$6,943	
60%	26	2 BR	\$642	\$16,692	\$940	\$24,435	
60%	32	3 BR	\$862	\$27,584	\$1,128	\$36,090	
60%	8	4 BR	\$988	\$7,904	\$1,241	\$9,925	
60%	6	5 BR	\$1,032	\$6,192	\$1,365	\$8,188	
	Totals	80		\$62,612		\$85,581	

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - PBRA

Development Name:	<u>VICTORIA GARDEN APTS</u>	Total # Units:	<u>80</u>
Location:	<u>695 Howard Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>80</u>
Development Type:	<u>XX</u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject:	<u>5 miles</u>

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Assisted/Subsidized Housing not to include LIHTC	6	700	6	99.1%
LIHTC (All that are stabilized)*	4	400	3	99.3%
Stabilized Comps**	4	400	3	99.3%
Non-stabilized Comps	0	0	0	NA

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	1 BR	1.0	605	\$530	\$868	\$1.18	38.9%	\$1,170	\$2.17
26	2 BR	1.0	850	\$642	\$940	\$0.94	31.7%	\$1,390	\$1.36
32	3 BR	1.0	1,059	\$862	\$1,128	\$0.88	23.6%	\$1,870	\$1.50
8	4 BR	2.0	1,108	\$988	\$1,241	\$0.83	20.4%	\$1,650	\$1.80
6	5 BR	2.0	1,367	\$1,482	\$1,365	\$0.91	-8.6%	\$1,625	\$1.75
Gross Potential Rent Monthly*				\$65,312	\$85,581		23.68%		

*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 38)

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Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 48)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Renter Household Growth	--	37	--			76
Existing Households (Overburd + Substand)	--	583	--			1,197
Homeowner Conversion (Seniors)	--	--	--			--
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	37	--			37
Net Income-Qualified Renter HHs	--	583	--	--	--	1,235

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Capture Rate	--	13.7%	--			6.5%

ABSORPTION RATE (found on page 52)

Absorption Period:	<u>4 to 5</u> months
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	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
60%	8	1 BR	\$530	\$4,240	\$868	\$6,943	
60%	26	2 BR	\$642	\$16,692	\$940	\$24,435	
60%	32	3 BR	\$862	\$27,584	\$1,128	\$36,090	
60%	8	4 BR	\$988	\$7,904	\$1,241	\$9,925	
60%	6	5 BR	\$1,482	\$8,892	\$1,365	\$8,188	
	Totals	80		\$65,312		\$85,581	23.68%

A. PROJECT DESCRIPTION

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions. Because it is anticipated that the proposal will include project-based rental assistance, the following report will be based on the following two scenarios:

Scenario 1 assumes that project-based vouchers will be included for all units;

Scenario 2 assumes no subsidies will be in place for the development of the subject, and that straight tax credit guidelines will be observed.

Project Name:		VICTORIA GARDEN APTS							
Project Address:		695 Howard Street							
Project City:		Spartanburg, South Carolina							
County:		Spartanburg County							
Total Units:		80							
Occupancy Type:		Family							
Construction Type:		Rehabilitation							
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
SCENARIO 1 - INCLUDING PBRA (\$0 to \$45,090 using 60% AMI Limits)									
All units at 60% AMI	80								
One-Bedroom Units	8	Apt	1.0	605	\$530	\$43	\$573	\$660	Yes
Two-Bedroom Units	26	Apt	1.0	850	\$642	\$56	\$698	\$793	Yes
Three-Bedroom Units	32	Apt	1.5	1,059	\$862	\$70	\$932	\$915	Yes
Four-Bedroom Units	8	Apt	2.5	1,108	\$988	\$82	\$1,070	\$1,021	Yes
Five-Bedroom Units	6	Apt	2.5	1,367	\$1,482	\$95	\$1,577	\$1,127	Yes
SCENARIO 2 - Using LIHTC Guidelines and No PBRA (\$19,577 to \$46,500)									
All units at 60% AMI	80								
One-Bedroom Units	8	Apt	1.0	605	\$530	\$43	\$573	\$660	Yes
Two-Bedroom Units	26	Apt	1.0	850	\$642	\$56	\$698	\$793	Yes
Three-Bedroom Units	32	Apt	1.5	1,059	\$845	\$70	\$915	\$915	Yes
Four-Bedroom Units	8	Apt	2.5	1,108	\$939	\$82	\$1,021	\$1,021	Yes
Five-Bedroom Units	6	Apt	2.5	1,367	\$1,032	\$95	\$1,127	\$1,127	Yes

*Maximum LIHTC Rents and Income Limits are based on 2018 Income & Rent Limits (effective 4/1/2018) obtained from SCSHFDA website (www.schousing.com). NOTE: Figures in "red" reflect proposed rents above the 2018 maximum-allowable LIHTC rents.

Project Description:

Development Location.....	Spartanburg, South Carolina
Construction Type.....	Rehabilitation
Occupancy Type	Family/Open
Target Income Group	100% LIHTC
Special Population Group	N/A
Number of Units by Unit Type	See previous page
Unit Sizes	See previous page
Rents and Utility Information	See previous page
Rental Assistance (PBRA).....	80 units

Project Size:

Total Development Size.....	80 units
Number of Affordable Units.....	80 units
Number of Market Rate Units.....	0 units
Number of PBRA Units	80 units
Number of Employee Units	0 units

Development Characteristics:

Number of Total Units	80 units
Number of Garden Apartments.....	80 units
Number of Townhouse Units.....	0 units
Number of Residential Buildings.....	18 (<i>maximum 2 stories</i>)
Number of Community Buildings	1

Unit Amenities (*post-rehab*):

- | | |
|--|-------------------------------|
| ➤ Frost Free Refrigerator w/ Ice Maker | ➤ Ceiling Fans |
| ➤ Oven/Range | ➤ Mini-Blinds/Vertical Blinds |
| ➤ Garbage Disposal | ➤ Central HVAC |
| ➤ Microwave | ➤ Washer/Dryer Hook-up |

Development Amenities (*post-rehab*):

- | | |
|-------------------------------------|-------------------------------------|
| ➤ Community Building | ➤ On-Site Laundry Facility |
| ➤ Multi-Purpose Room w/ Kitchenette | ➤ On-Site Management Office |
| ➤ Equipped Computer Center | ➤ Covered Gazebos w/ Lights/Seating |

Additional Assumptions:

- Water, sewer, trash removal, and gas heat will be included in the rent. Electricity, cable television, internet access, and telephone charges will be paid by the tenant;
- Market re-entry is scheduled for late 2020/early 2021;

Victoria Garden Apartments Profile

Current Occupancy Levels.....96 percent
 Current Waiting List Yes – 500+ names
 Current Program.....Public Housing – HUD ACC Contract
 Proposed Program.....LIHTC w/ PBRA

Project Narrative (provided by sponsor)

Executive Summary

The Spartanburg Housing Authority (SHA) and The NHP Foundation (NHPF) are applying for funding in the Rehabilitation Set-Aside of the 2019 9% Tax Credit RFP for Victoria Gardens Apartments, LLC (Victoria Gardens Apartments) (the Property). The Property is an 80-unit townhouse community located in the Northside neighborhood of Spartanburg, SC. It is subsidized under an ACC contract with HUD and is a part of SHA's portfolio conversion under the Rental Assistance Demonstration (RAD) program. This is, and will remain, a family property. Upon redevelopment, it will receive a full renovation, offer greater services to those families to improve their quality of life, and continue the advancement of the Northside Redevelopment efforts.

The Property

The Property is an all-brick 80-unit townhouse and garden-style apartment community with pitched roofs built in 1970. Located at 695 Howard Street in Spartanburg City of Spartanburg County, South Carolina, the Property is situated on 10.34 acres of land, and has 8 one-bedroom units, 26 two-bedroom units, 32 three-bedroom units, 8 four-bedroom units, and 6 five-bedroom units. Four units will be designed to be fully accessible.

Amenities include a community center, onsite parking, onsite laundry facility, and security cameras. After redevelopment, all current amenities will remain, as well as a computer area, in-unit washer/dryer hook up, and a covered free-standing gazebo with ceiling fan, seating, lighting, and all other required amenities.

Building Operations

Currently, 100% of the units are Public Housing units receiving operating subsidy pursuant to an ACC contract between SHA and HUD. Rent is income based, therefore 30% of the resident's income is charged for rent. The Property is part of SHA's portfolio conversion under the RAD Program and the subsidy will convert to Project Based Vouchers upon redevelopment. All utilities are currently included in the rent. However, after redevelopment, the Property will be individually metered for electric, and residents will be responsible for all in-unit electric charges.

Site/Neighborhood Information

Located in the Northside Community, the Property is minutes from downtown Spartanburg and Spartanburg Regional Medical Center and is across the street from the new TK Gregg Community Center and the Franklin School, which focuses on early childhood education. The Northside Initiative "will result in a completely revitalized, mixed-income, mixed-use neighborhood attractive to families and businesses located close to downtown and served by a mix of highly rated educational opportunities, recreational amenities and responsive and engaged social services" per the Northside Development Corporation which is leading the revitalization effort. Revitalization of the Property will help further the Northside Initiative's redevelopment of the neighborhood.

Development Concept

As a townhouse apartment community with 1- through 5-bedroom unit types, the Property design supports families. The redevelopment efforts will modernize all units, and upgrade of common areas and major systems. For instance, four ADA units will be added along with upgrading all MEPs, windows, and roofs. Any hazardous materials will be remediated, and all plumbing and electrical fixtures will be replaced with energy and water saving equivalents.

Financial and Economic Feasibility

The total development cost is \$10.5 million. The project will be financed with \$3.3 million in permanent debt that will fall within a 1.15 to 1.45 debt service coverage ratio, 6.50% interest rate (including an underwriting cushion for interest rate inflation) and a 35-year amortization. There is \$7.2 million in tax credit equity, which anticipates an \$.85 per credit price.

Construction/Scope of Work

Construction consists of \$88,000 per unit in renovation, including a 10% contingency. The scope of work includes, but will not be limited to:

- Roof replacement, including a 30-year warranty
- Adding new energy star appliances and light fixtures (including microwave)
- New kitchens
- New bathrooms
- New windows
- New flooring
- Vent all kitchens and bathrooms to the outside
- Plumbing and electrical repairs
- Upgrade electrical panel
- New HVAC
- New hot water heaters
- Remediation of hazardous materials
- Creation of four fully accessible units
- Adding one-half bathrooms to all two- and three-bedroom units
- Upgrade landscaping
- Upgrade all dumpster areas
- Upgrade the existing laundry room
- Add washer/dryer hookups in all units
- Upgrade the existing security camera system
- Upgrade the existing common areas and management offices
- Sidewalk repair
- Create a covered free-standing gazebo with all required amenities
- Upgrade existing playground equipment

Relocation

Due to the level of renovation, residents will be required to temporarily relocate out of their units while construction is ongoing. Upon notification of a 9% LIHTC award, SHA will stop leasing units to build vacancy to temporarily relocate residents onsite. In the event there aren't enough vacant units to house all residents on site, residents will be temporarily relocated to off-site units within proximity of the Property. All requirements and regulations of the Uniform Relocation Act will be followed, and residents will not pay for approved relocation expenses. No resident will be displaced during this process. A description of the process and procedures, and itemized budget is included in the relocation plan accompanying this application.

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on January 10, 2019 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property (Victoria Garden Apartments) is a public housing development located within the city's Northside Neighborhood approximately one mile north of downtown Spartanburg. While the management office is situated at 695 Howard Street, the site is situated along the northeast side of Howard Street between Fremont Avenue and Pearl Street. Overall characteristics of the immediate neighborhood are somewhat mixed, consisting of single-family homes in mostly good condition, undeveloped wooded property, and commercial/school buildings. As such, the Cleveland Academy of Leadership is adjacent to the site across Howard Street, as is the Franklin School child development center (opened January 2019). In addition, it should be noted that a new community center (The Dr. TK Gregg Community Center) has recently broken ground directly across from the site along Howard Street, and will offer a pool, fitness room, tennis and basketball courts, and a wide variety of recreation programming.

The subject property consists of 18 two-story residential buildings and one community building – each in fair to good condition and in need of an update to remain competitive within the local marketplace. Situated within Census Tract 203.01 of Spartanburg County, the property is currently zoned for multi-family units. Based on current usages, zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- Northwest:** Fremont Avenue/Single-family homes
- Southeast:** Pearl Street/Undeveloped wooded property
- Northeast:** Single-family homes
- Southwest:** Howard Street/Commercial/Schools

The subject property has frontage along Howard Street (representing a moderately-traveled two-lane roadway), while also having access from Fremont Avenue, Aden Street, and Pearl Street (all lightly-traveled secondary residential streets). Overall, the subject's location in a

predominantly residential area within an improving neighborhood (with the recent development of The Franklin School and future community center) provides a generally positive curb appeal (including ingress/egress) with no significant visible traffic congestion and most nearby properties (residential or otherwise) in fair to good condition. Furthermore, the site's location also provides for relatively convenient access to much of the area's retail, medical, recreational, and employment locales, and can be considered a positive factor.

3. Nearby Retail

While there are only limited retail opportunities within walking distance of the site, numerous retail areas are located just a relatively short distance away. In addition to several smaller neighborhood markets/convenient stores situated throughout the area, the Monarch Fresh Food Store, Hub City Farmer's Market, and Fast Point Food Store are all less than one-third mile from the site along Howard Street. Larger and more prominent retail/commercial concentrations can also be found nearby – and include the Pinewood Shopping center, Food Lion grocery, CVS Pharmacy, Family Dollar, and much more all located less than 1½ miles away.

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area, with the Spartanburg Medical Center located approximately ¾ mile north of the subject property along Church Street. In addition to a large variety of medical offices found surrounding the hospital (most of which are less than one mile of the site), other nearby medical offices include MEDcare Urgent Care (one mile away), St. Luke's Free Medical Clinic (1¼ miles), and ReGenesis Health Care (1½ miles).

5. Other PMA Services

As previously noted, the Franklin School child development center and Cleveland Academy of Leadership elementary school can be found adjacent to the subject property, as is the current development of the Dr. TK Gregg Community Center – which is anticipated to be complete in late 2019 and will have a pool, large fitness room, outdoor tennis and basketball courts, after-school programs, and recreational and educational programming for area residents. Additional services of note within the immediate area include a library, YMCA, and several parks and recreation facilities, all within 2¼ miles of the site. Fixed-route bus/transit services are

offered locally through the Spartanburg Area Regional Transit Agency (SPARTA), providing public bus service to all areas of the city and select areas outside of the city’s limits. The nearest bus route can be found adjacent to the site along Howard Street.

The following identifies pertinent locations and features within the local market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway from corner of Howard and Aden Streets*):

Retail

- 1. Pinewood Shopping Center.....1.1 miles northeast
(w/ Big Lots, Dollar General, Rose’s Express, and more)
- 2. Wise Buys Discount Grocery.....1.4 miles northeast
- 3. Food Lion grocery.....1.4 miles northeast
- 4. Rite-Aid Pharmacy.....1.1 miles northeast
- 5. CVS/Pharmacy.....1.3 miles northeast
- 6. Family Dollar1.1 miles south
- 7. Dollar General.....1.1 miles northwest
- 8. Monarch Fresh Food Store / Hub City Farmer’s Market.....0.3 miles southeast
- 9. Greater Spartanburg Ministries Resale and Outreach Center0.2 miles north
- 10. Fast Point/Breaker Food Store0.2 miles southeast

Medical

- 11. Spartanburg Medical Center0.8 miles north
- 12. SMC Physicians Center0.9 miles north
- 13. St. Luke’s Free Medical Clinic1.3 miles southeast
- 14. MEDcare Urgent Care1.0 mile northeast
- 15. ReGenesis Health Care1.5 miles east

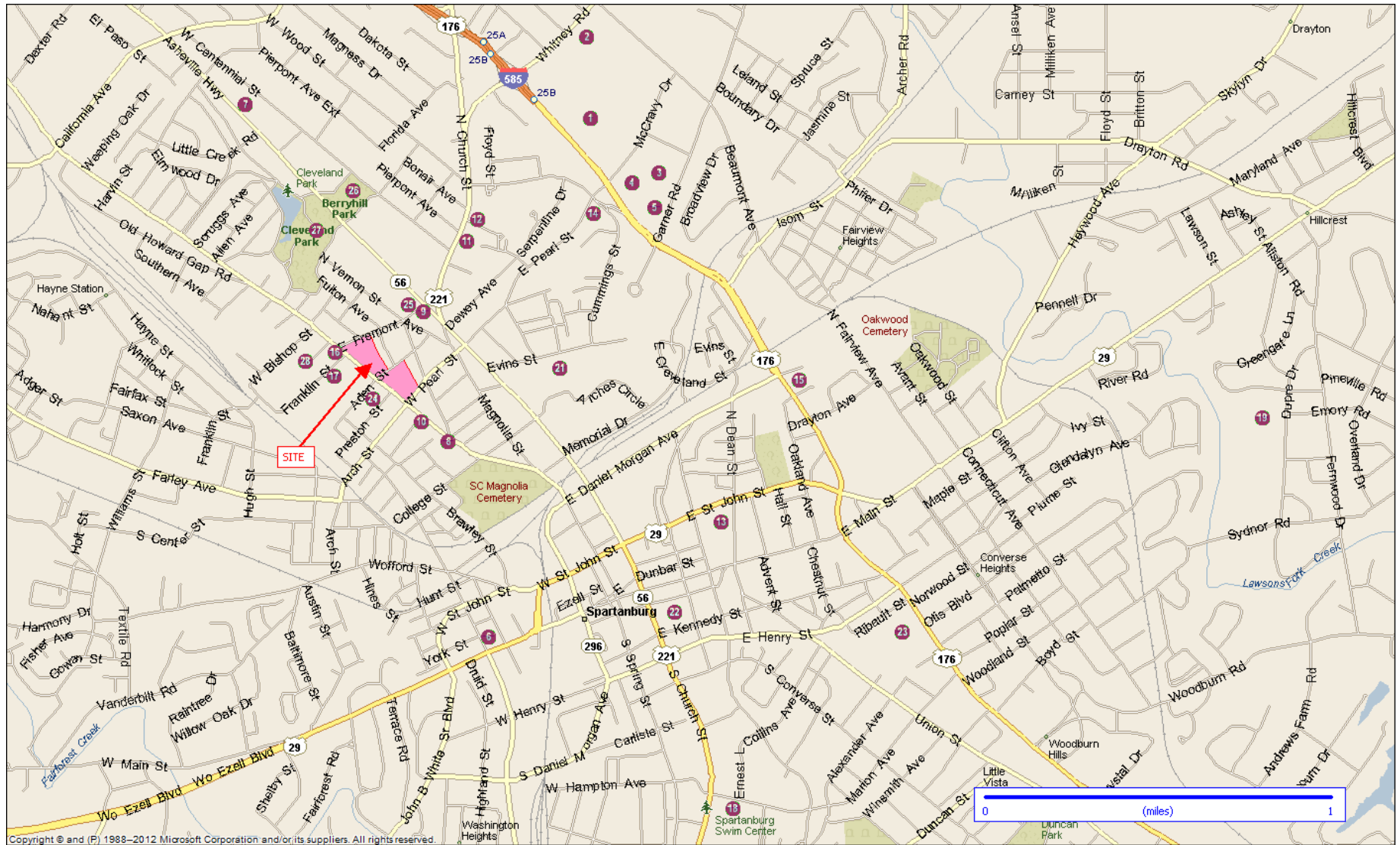
Schools

- 16. The Franklin School preschooladjacent to west
- 17. Cleveland Academy of Leadership.....adjacent to west
- 18. Carver Middle School2.0 miles southeast
- 19. Spartanburg High School.....4.0 miles east
- 20. New Spartanburg High School (under construction).....4.7 miles east
- 21. Wofford College0.5 miles east

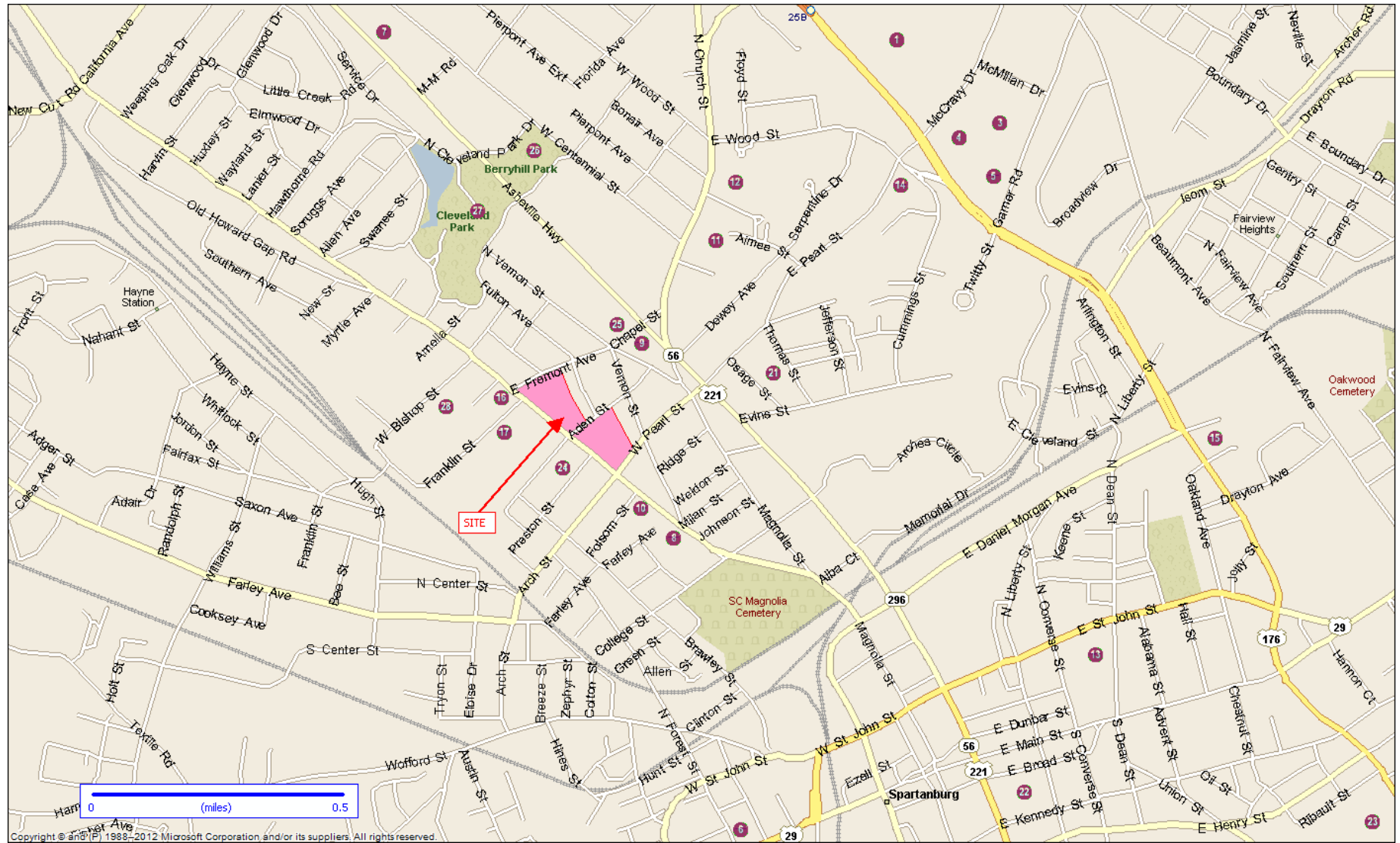
Recreation/Other

- 22. Spartanburg Public Library.....1.3 miles southeast
- 23. YMCA of Greater Spartanburg.....2.2 miles southeast
- 24. Dr. TK Gregg Community Center (*under construction*).....adjacent to west
- 25. Chapel Street Park.....0.3 miles north
- 26. Berry Field0.7 miles north
- 27. Cleveland Park0.4 miles northwest
- 28. Piedmont Interstate Fair Grounds0.3 miles west

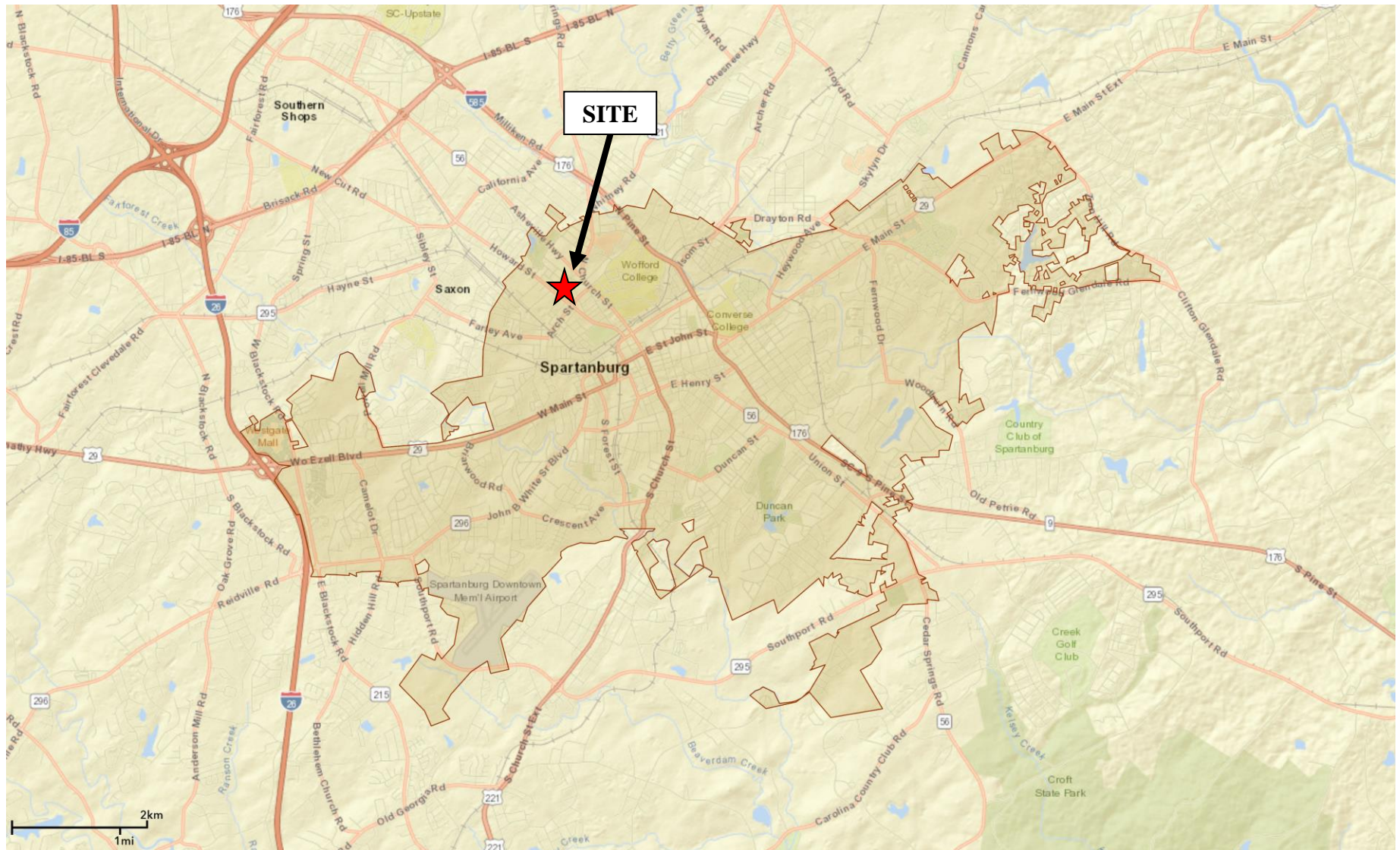
Map 1: Local Features/Amenities – Victoria Gardens Area – Spartanburg, SC



Map 2: Local Features/Amenities – Victoria Gardens Area – Close View



Map 3: Site Location – City of Spartanburg

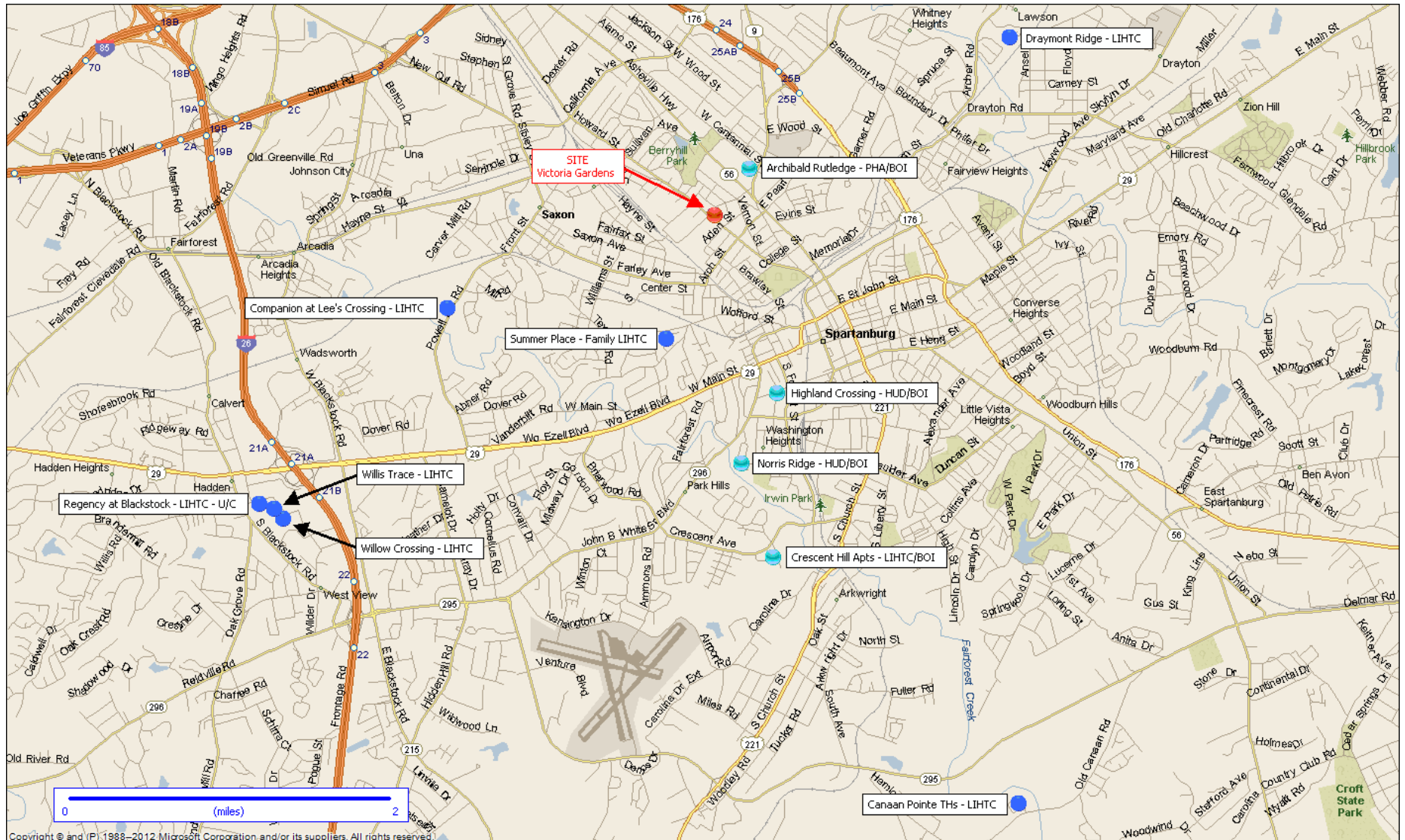


NOTE: Shaded area is city of Spartanburg

Map 4: Site Location - Aerial Photo



Map 5: Affordable Family Rental Housing – Spartanburg Area



Site/Neighborhood Photos



**SITE – Victoria Garden
695 Howard Street
Spartanburg, SC
Community Building/Corner of Howard and Aden St.**



**SITE – Victoria Garden
695 Howard Street
Spartanburg, SC
Typical two-story building**



**SITE – Victoria Garden
695 Howard Street
Spartanburg, SC
Typical one-story building**



**SITE – Victoria Garden
695 Howard Street
Spartanburg, SC
Typical two-story building**



**NEIGHBORHOOD –
Undeveloped wooded property adjacent to site
Facing southeast from Pearl Street**



**NEIGHBORHOOD –
Funeral home adjacent to site
Facing southwest from Howard Street**



**NEIGHBORHOOD –
Future site of Dr. TK Gregg Community Center
adjacent to the site
Facing southwest from Howard Street**



**NEIGHBORHOOD –
The Franklin School child development center
adjacent to the site
Facing southwest from Howard Street**



NEIGHBORHOOD –
Typical single-family homes adjacent to the site



NEIGHBORHOOD –
Typical single-family homes adjacent to the site



NEIGHBORHOOD –
Typical single-family home adjacent to the site



NEIGHBORHOOD –
Typical single-family home adjacent to the site



STREETVIEW –
Facing northwest along Howard Street
Photo taken from Preston Street
Site is on the right
Future community center is on the left



STREETVIEW –
Facing northeast along Fremont Street.
Photo taken from Howard Street.
Site is on the right
Single-family residential is on the left



STREETVIEW –
Facing northeast along Aden Street.
Photo taken from Howard Street.
Site's office/community center is on the left



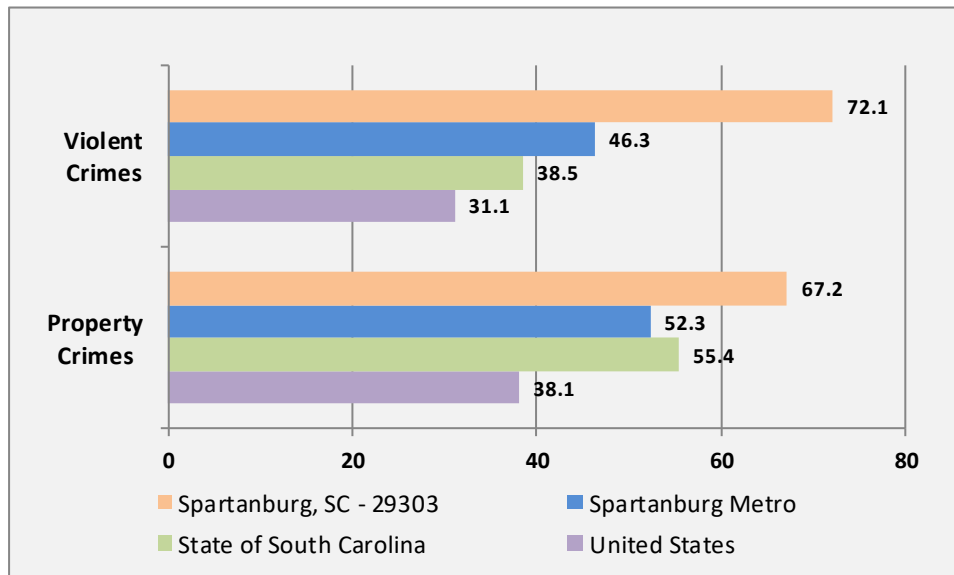
STREETVIEW –
Facing northeast along Pearl Street.
Photo taken from Howard Street.
Site is on the left
Vacant wooded property is on the left

6. Crime Assessment

Based on crime information by zip code, the crime rates for the site neighborhood are notably above region, state, and national levels. As such, on a scale from one (indicating low crime) to 100 (high crime), the area in which the subject property is situated (zip code 29303) had a violent crime (murder, non-negligent manslaughter, rape, robbery, and aggravated assault) score of 72.1, while the property crime (burglary, larceny-theft, motor vehicle theft, and arson) score was 67.2. As can be seen, violent crime scores are significantly above state and national averages, while property crimes are marginally above state norms.

Although first hand observations from a recent site visit did not indicate a significant crime risk at the subject property or surrounding neighborhood, the elevated crime statistics for the immediate area need to be taken into consideration. As such, extra security precautions should be deemed as a necessary measure to provide a safe environment for potential residents of the subject property (such as extra lighting, surveillance cameras, on-site security, and/or in-unit alarm systems). Considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site that would affect marketability or absorption at the subject property.

Table 1: Crime Risk Index



7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the local market area, there does not appear to be any noteworthy road work and/or infrastructure improvement projects near the subject property.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with several grocery stores and retail centers, schools, medical facilities, and other pertinent services located less than 1½ miles away. Furthermore, the subject property is located along a moderately-traveled roadway, offering good visibility and relatively convenient access to other prominent thoroughfares and numerous retail concentrations located throughout the area. Based on a site visit conducted January 10, 2019, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. Recent investment in the neighborhood include a new child development center and the Dr. TK Gregg Community Center (which has recently broken ground), and can be viewed as a very positive factor. Furthermore, the subject property's location provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (commercial, residential, or otherwise) in fair to good condition.

C. PRIMARY MARKET AREA DELINEATION

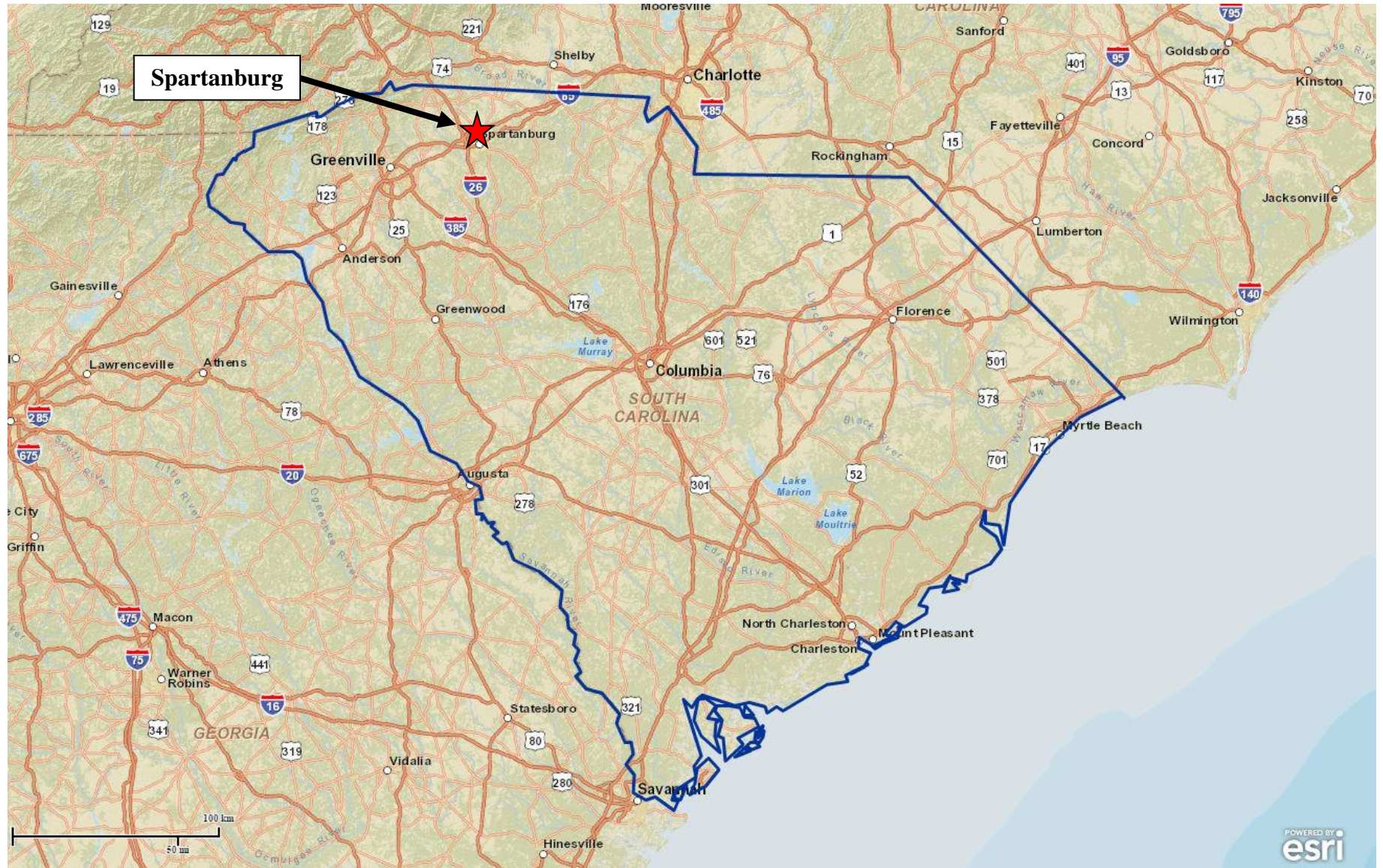
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Victoria Garden PMA consists of the majority of the city of Spartanburg and immediate surrounding area. More specifically, the PMA is comprised of 20 census tracts in central Spartanburg County, and reaches approximately 2½ miles to the west of the site, three miles to the north, 3½ miles to the south, and five miles to the east. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on a site location just north of downtown Spartanburg within a predominantly residential area, as well as its proximity to several of the area’s key roadways - providing relatively convenient transportation throughout the greater Spartanburg region.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, physical boundaries, the proposals targeting (small and large families), a broad unit mix (one to five bedrooms), an already existing successful property, the continued inclusion of project-based rental assistance for all units, and personal experience were also utilized when defining the primary market area. As such, the PMA is comprised of the following census tracts (*all are in Spartanburg County*):

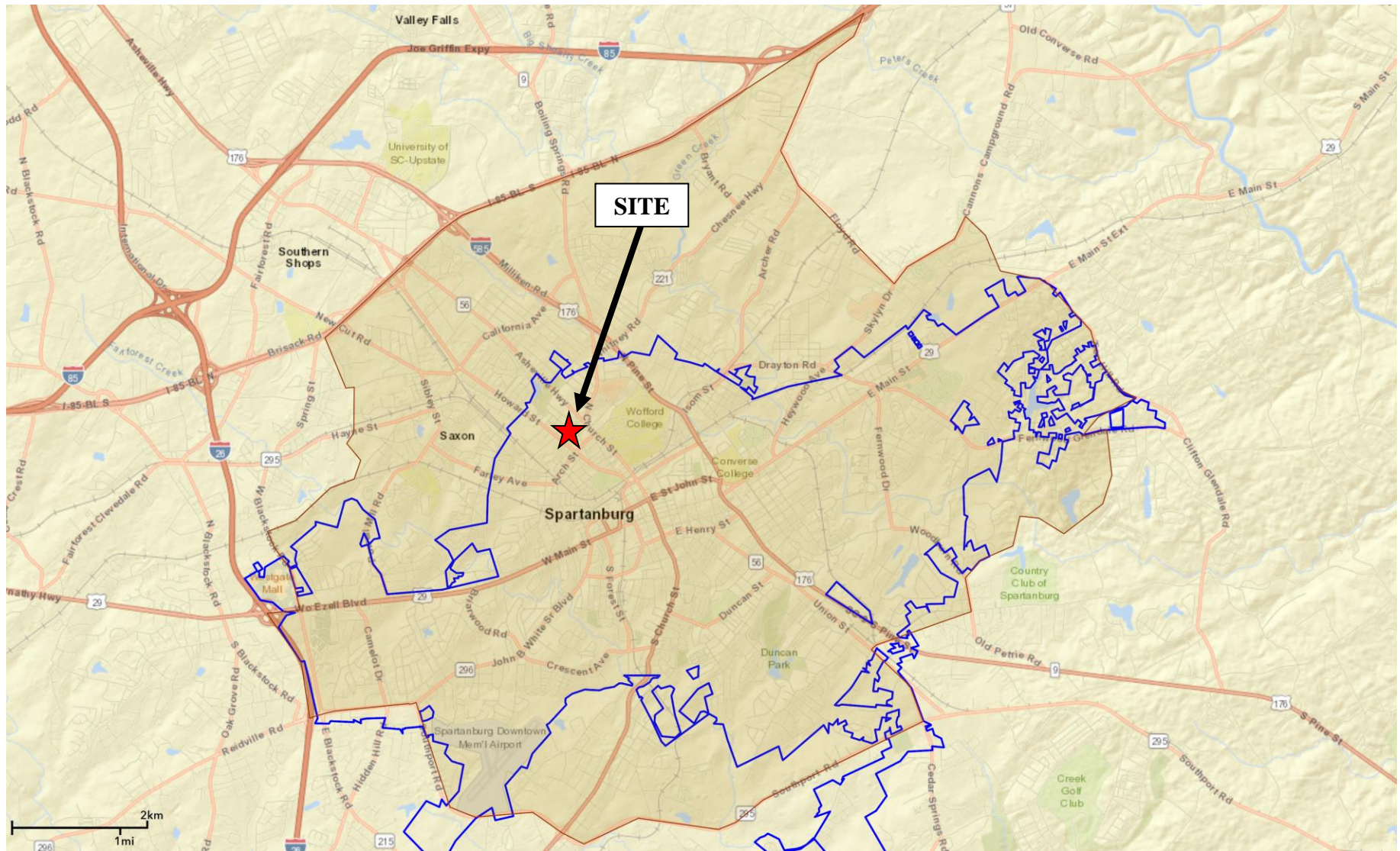
- Tract 203.01*
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- Tract 213.03
- Tract 214.03
- Tract 215.00
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- Tract 217.00

* Site is located in Census Tract 203.01

Map 6: State of South Carolina



Map 7: Victoria Garden PMA – Spartanburg, SC



NOTE: Shaded area is PMA; Blue outline is city of Spartanburg

Map 8: Victoria Garden PMA – Census Tracts

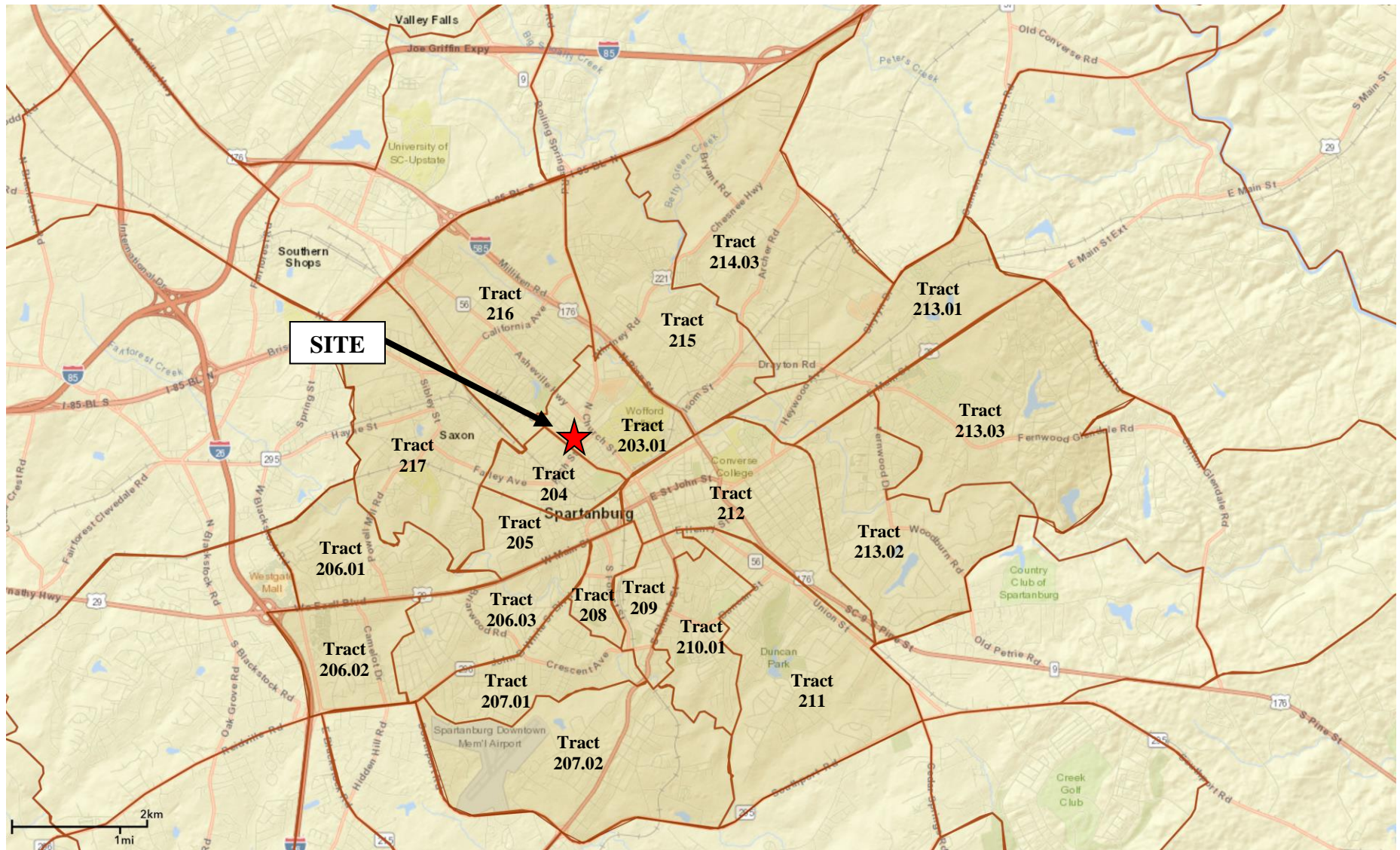


Table 2: Race Distribution (2010)

Census Tract 203.01 - Spartanburg County, SC		
	<u>Number</u>	<u>Percent</u>
Total Population (all races)	2,905	100.0%
White*	1,648	56.7%
Black or African American*	1,193	41.1%
American Indian/Alaska Native*	15	0.5%
Asian*	53	1.8%
Native Hawaiian/Pacific Islander*	2	0.1%
Other Race*	35	1.2%

*NOTE: Race figures are "alone or in combination" - which allows persons to report their racial makeup as more than one race. As such, the sum of individual races may add up to more than the total population.

SOURCE: U.S. Census - 2010 - Table QT-P6

D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within Spartanburg County in 2017 was manufacturing (at approximately 21 percent of all jobs), followed by persons employed in health care/social assistance (13 percent), and retail trade (11 percent). Based on a comparison of employment by industry from 2012, nearly every industry experienced a net gain over the past five years. Manufacturing and administrative/waste services had the largest growth (with 3,929 and 3,548 new jobs, respectively), followed by health care/social assistance, transportation/warehousing, and retail trade (each increasing by more than 2,450 jobs). In contrast, only two industries experienced minor declines between 2012 and 2017 (both decreasing by fewer than 200 jobs).

Table 3: Employment by Industry – Spartanburg County (2012-2017)

<u>Industry</u>	<u>Annual 2017</u>		<u>Annual 2012</u>		<u>Change (2012-2017)</u>	
	<u>Number Employed</u>	<u>Percent</u>	<u>Number Employed</u>	<u>Percent</u>	<u>Number Employed</u>	<u>Percent</u>
Total, All Industries	137,220	100.0%	114,608	100.0%	22,612	20%
Agriculture, forestry, fishing and hunting	159	0.1%	157	0.1%	2	1%
Mining	145	0.1%	124	0.1%	21	17%
Utilities	553	0.4%	522	0.5%	31	6%
Construction	6,546	4.8%	5,213	4.5%	1,333	26%
Manufacturing	29,024	21.2%	25,095	21.9%	3,929	16%
Wholesale trade	6,808	5.0%	6,071	5.3%	737	12%
Retail trade	15,685	11.4%	13,230	11.5%	2,455	19%
Transportation and warehousing	7,566	5.5%	4,824	4.2%	2,742	57%
Information	1,024	0.7%	946	0.8%	78	8%
Finance and insurance	3,029	2.2%	3,189	2.8%	(160)	(5%)
Real estate and rental and leasing	1,356	1.0%	914	0.8%	442	48%
Professional and technical services	4,824	3.5%	3,759	3.3%	1,065	28%
Management of companies and enterprises	1,931	1.4%	1,531	1.3%	400	26%
Administrative and waste services	10,790	7.9%	7,242	6.3%	3,548	49%
Educational services	10,687	7.8%	9,492	8.3%	1,195	13%
Health care and social assistance	17,601	12.8%	14,660	12.8%	2,941	20%
Arts, entertainment, and recreation	1,126	0.8%	931	0.8%	195	21%
Accommodation and food services	11,630	8.5%	10,397	9.1%	1,233	12%
Other services, exc. public administration	3,167	2.3%	2,566	2.2%	601	23%
Public administration	3,570	2.6%	3,747	3.3%	(177)	(5%)

* - Data Not Available
Source: South Carolina Department of Employment & Workforce - Spartanburg County

2. Commuting Patterns

Based on place of employment (using 2017 American Community Survey data), 87 percent of PMA residents are employed within Spartanburg County, while 13 percent work outside of the county – the overwhelming majority of which commute to neighboring Greenville County for employment.

An overwhelming majority of workers throughout Spartanburg County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to ACS data, approximately 80 percent of workers within the PMA drove alone to their place of employment, while 11 percent carpooled in some manner. A relatively small number (six percent) utilized public transportation, walked, or some other means to work.

Table 4: Place of Work/ Means of Transportation (2017)

EMPLOYMENT BY PLACE OF WORK						
	City of Spartanburg		Victoria Garden PMA		Spartanburg PMA	
Total	15,791	100.0%	22,485	100.0%	132,407	100.0%
Worked in State of Residence	15,680	99.3%	22,288	99.1%	129,508	97.8%
Worked in County of Residence	13,739	87.0%	19,567	87.0%	103,397	78.1%
Worked Outside County of Residence	1,941	12.3%	2,721	12.1%	26,111	19.7%
Worked Outside State of Residence	111	0.7%	197	0.9%	2,899	2.2%
MEANS OF TRANSPORTATION TO WORK						
	City of Spartanburg		Victoria Garden PMA		Spartanburg PMA	
Total	15,791	100.0%	22,485	100.0%	130,042	100.0%
Drove Alone - Car, Truck, or Van	12,477	79.0%	18,023	80.2%	109,343	84.1%
Carpooled - Car, Truck, or Van	1,691	10.7%	2,518	11.2%	13,842	10.6%
Public Transportation	228	1.4%	228	1.0%	615	0.5%
Walked	613	3.9%	756	3.4%	1,823	1.4%
Other Means	176	1.1%	256	1.1%	1,136	0.9%
Worked at Home	606	3.8%	704	3.1%	3,283	2.5%
Source: U.S. Census Bureau; American Community Survey						

Table 5: Employment Commuting Patterns (2010)

Top Places Residents Are Commuting FROM:		Top Places Residents Are Commuting TO:	
Commuters Living In:	<u>Number</u>	Commuters Working In :	<u>Number</u>
Greenville County, SC	14,910	Greenville County, SC	15,920
Cherokee County, SC	3,940	Cherokee County, SC	2,325
Union County, SC	2,947	Union County, SC	768
Polk County, NC	1,728	Laurens County, SC	556
Anderson County, SC	1,622	Polk County, NC	478
Laurens County, SC	1,619	Rutherford County, NC	334
Pickens County, SC	797	Mecklenburg County, NC	316

Source: U.S. Census Bureau - 2010

3. Largest Employers

Below is a table with the 15 largest employers within Spartanburg County, according to information obtained through Spartanburg Economic Futures Group and Upstate Alliance. BMW is the largest employer within the county, as the largest employers involve manufacturing, healthcare, and education.

Employer	Product/Service	Number of Employees
BMW	Manufacturing	10,000
Spartanburg Regional Healthcare System	Healthcare	7,500
Spartanburg School District	Education	5,287
Spartanburg Regional Medical Center	Healthcare	4,127
Milliken & Company	Manufacturing	3,650
Adidas America, Inc.	Manufacturing	2,600
Mary Black Health System, LLC	Healthcare	1,400
Michelin North America	Manufacturing	1,100
DAA Draexlmaier Automotive of America LLC	Manufacturing	1,075
Benore Logistic Systems	Business Services	800
Lear Corp.	Manufacturing	800
Sitel Corp.	Business Services	770
AFL Telecommunications LLC	Communications	768
American Credit Acceptance	Financial	627
DISH Network	Communications	566

4. Employment and Unemployment Trends

The overall economy throughout Spartanburg County has seemingly improved over the past several years, with strong employment increases in each of the last seven years. As such, Spartanburg County recorded an increase of nearly 25,600 jobs since 2010, representing an increase of 22 percent (an annual increase of 2.8 percent). In addition, the average annual unemployment rate for 2017 was calculated at 4.0 percent, which was an improvement from 4.6 percent in 2016 and representing the county’s lowest rate by far since at least 2005. More recently, the county’s November 2018 unemployment rate was 2.8 percent (an improvement from 3.7 percent in November 2017), remaining slightly below both the state and national averages (at 3.1 percent and 3.5 percent, respectively).

Table 6: Historical Employment Trends

Year	Spartanburg County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Spartanburg County	South Carolina	United States	Spartanburg County	South Carolina	United States
2005	131,691	121,861	--	--	--	--	--	7.5%	6.7%	5.1%
2006	133,837	124,936	3,075	2.5%	2.5%	2.3%	1.9%	6.7%	6.4%	4.6%
2007	134,253	126,674	1,738	1.4%	1.4%	1.6%	1.1%	5.6%	5.7%	4.6%
2008	135,710	126,430	(244)	-0.2%	-0.2%	-0.5%	-0.5%	6.8%	6.8%	5.8%
2009	135,629	119,499	(6,931)	-5.5%	-5.5%	-4.3%	-3.8%	11.9%	11.2%	9.3%
2010	131,818	116,205	(3,294)	-2.8%	-2.8%	0.2%	-0.6%	11.8%	11.2%	9.6%
2011	133,260	118,717	2,512	2.2%	2.2%	1.6%	0.6%	10.9%	10.6%	8.9%
2012	134,781	122,074	3,357	2.8%	2.8%	2.0%	1.9%	9.4%	9.2%	8.1%
2013	135,761	125,267	3,193	2.6%	2.6%	2.1%	1.0%	7.7%	7.6%	7.4%
2014	137,001	128,326	3,059	2.4%	2.4%	2.7%	1.7%	6.3%	6.4%	6.2%
2015	139,941	131,924	3,598	2.8%	2.8%	2.6%	1.7%	5.7%	6.0%	5.3%
2016	142,477	135,953	4,029	3.1%	3.1%	2.4%	1.7%	4.6%	4.8%	4.9%
2017	146,296	140,420	4,467	3.3%	3.3%	1.2%	1.3%	4.0%	4.3%	4.4%
Nov 2017*	146,591	141,221	---	---	---	---	---	3.7%	4.0%	3.9%
Nov 2018*	145,878	141,783	562	0.4%	0.4%	1.1%	1.9%	2.8%	3.1%	3.5%

Spartanburg County				South Carolina		
	Number	Percent	Ann. Avg.		Percent	Ann. Avg.
Change (2005-Present):	19,922	16.3%	1.3%	Change (2005-Present):	15.9%	1.2%
Change (2010-Present):	25,578	22.0%	2.8%	Change (2010-Present):	16.8%	2.1%
Change (2015-Present):	9,859	7.5%	2.5%	Change (2015-Present):	4.7%	1.6%
Change (2005-2010):	(5,656)	-4.6%	-0.9%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2015):	15,719	13.5%	2.7%	Change (2010-2015):	11.5%	2.3%

*Monthly data not seasonally adjusted

Figure 1: Employment Growth

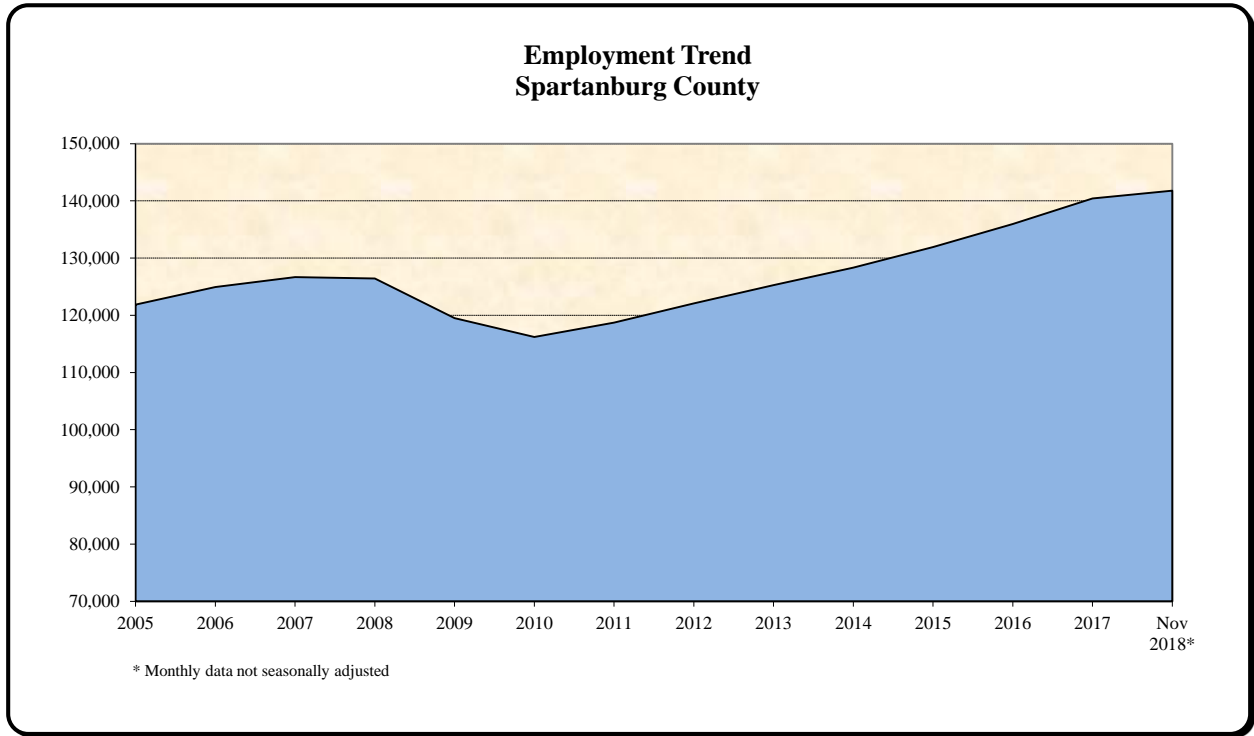
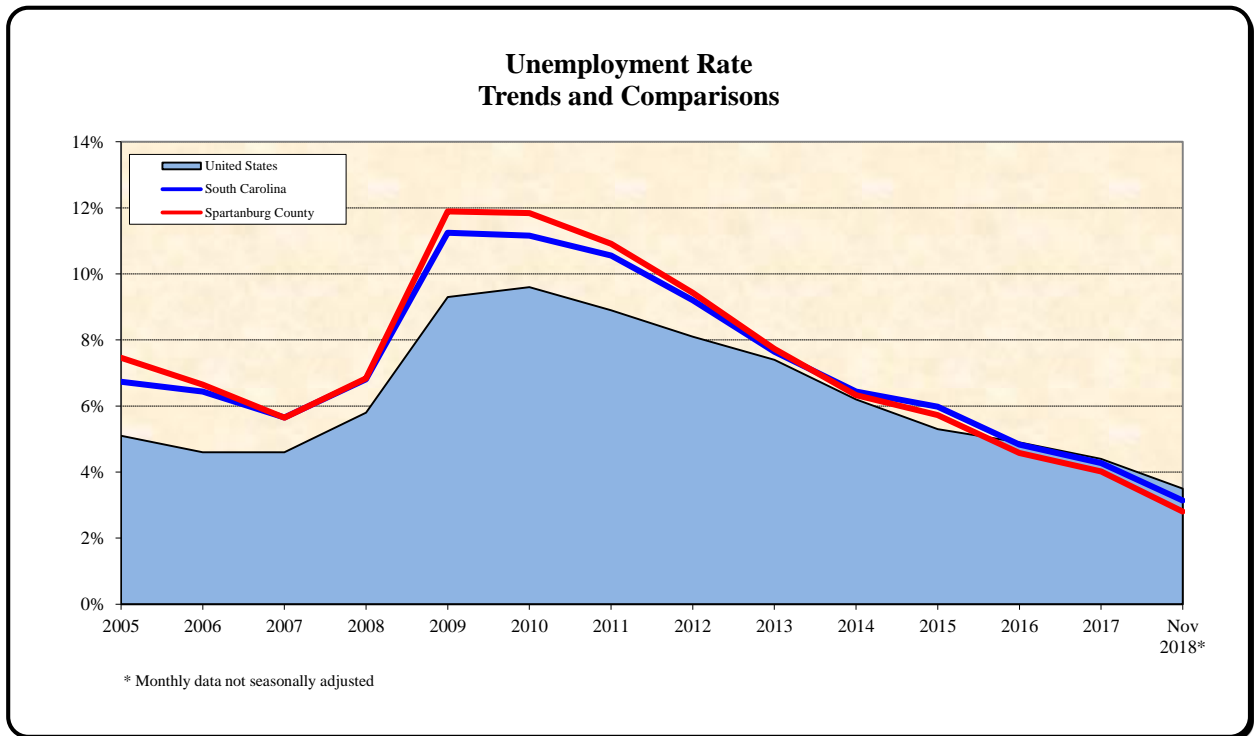
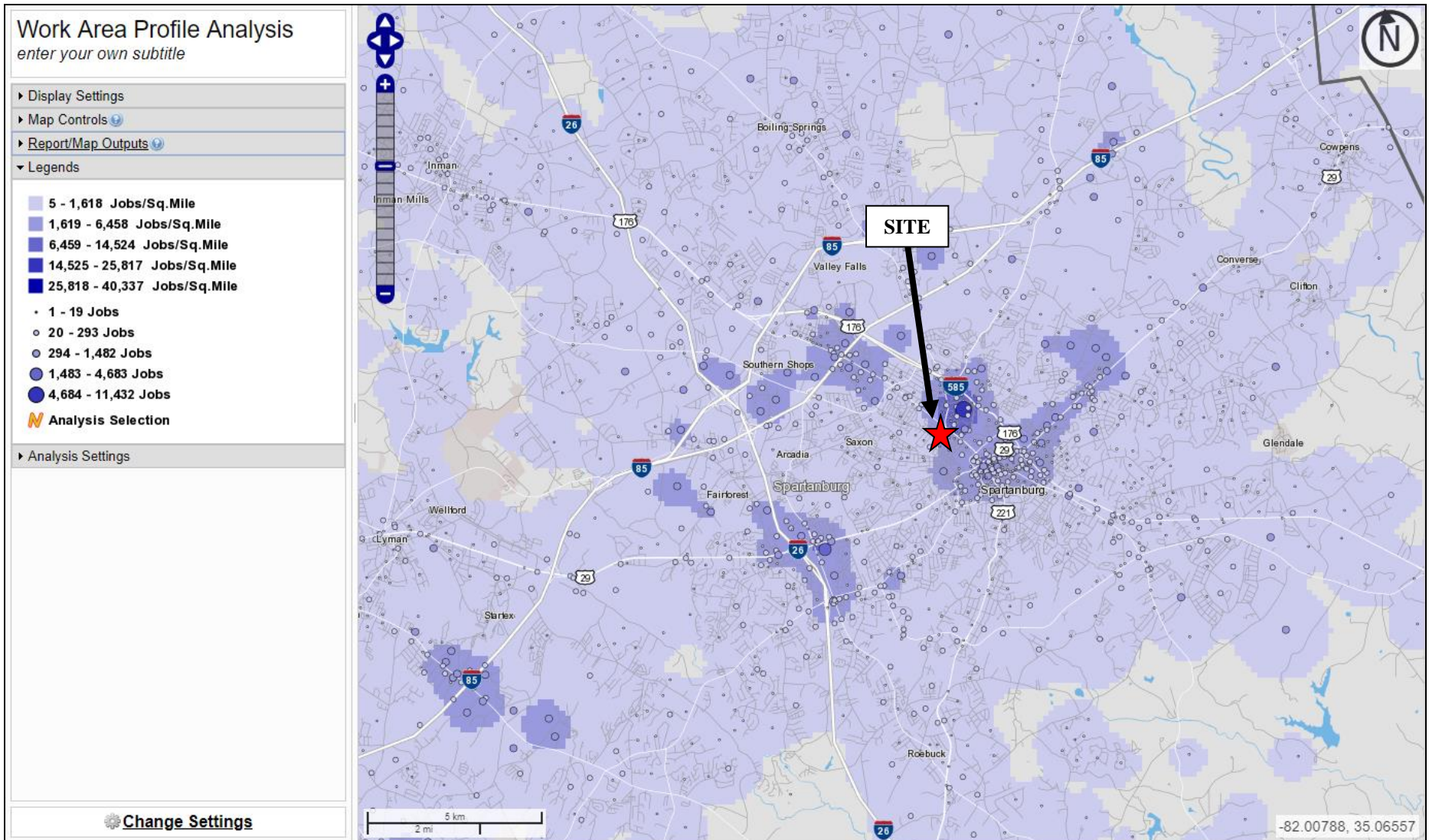


Figure 2: Historical Unemployment Rate



Map 9: Employment Concentrations – Spartanburg Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Spartanburg County has experienced generally positive demographic gains since 2000, including Spartanburg and the market area. Overall, the PMA had an estimated population of 57,127 persons in 2018, representing an increase of six percent from 2010 (a gain of 3,450 persons). Additionally, Spartanburg proper increased by five percent during this time, while Spartanburg County as a whole increased by a somewhat greater ten percent between 2010 and 2018.

Future projections indicate continued steady growth, with an estimated increase of four percent anticipated within the PMA between 2018 and 2023 (more than 2,500 additional persons), and a similar four percent gain for Spartanburg. In comparison, the overall population within Spartanburg County is expected to increase by six percent during this time frame.

Table 7: Population Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	40,145	37,013	39,018	40,018	40,685
Victoria Garden PMA	58,315	53,677	57,127	58,633	59,637
Spartanburg PMA	253,791	284,307	311,771	322,917	330,347
		<u>2000-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.8%	5.4%	2.6%	4.3%
Victoria Garden PMA		-8.0%	6.4%	2.6%	4.4%
Spartanburg PMA		12.0%	9.7%	3.6%	6.0%
		<u>2000-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		-0.8%	0.7%	0.8%	0.8%
Victoria Garden PMA		-0.8%	0.8%	0.9%	0.9%
Spartanburg PMA		1.1%	1.2%	1.2%	1.2%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 33 percent of all persons. In comparison, this age group also represented the largest cohort within Spartanburg and Spartanburg County. Persons under the age of 20 years also accounted for a relatively large portion of the population in each area. As such, 27 percent of the total population in the PMA was within this age cohort in 2010, while representing similar proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2023, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 45 has consistently declined slightly since 2000, and is expected to decrease further through 2023. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons 55 years and over, which represented 25 percent of the population in 2000, is expected to increase to account for 32 percent of all persons by 2023 – clearly demonstrating the aging of the baby boom generation.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Spartanburg and the PMA (both at 58 percent of all persons in 2023) signifies positive trends for the subject proposal by continuing to provide a solid base of potential family tenants for the subject development.

Table 8: Age Distribution (2000 to 2023)

	City of Spartanburg				Victoria Garden PMA				Spartanburg PMA			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>
Under 20 years	10,335	29.1%	27.9%	25.7%	14,478	27.4%	27.0%	25.6%	78,388	27.6%	27.6%	25.2%
20 to 24 years	3,516	8.3%	9.5%	8.2%	4,793	7.9%	8.9%	7.6%	18,886	6.4%	6.6%	5.7%
25 to 34 years	4,447	13.0%	12.0%	12.5%	6,434	13.2%	12.0%	12.9%	33,863	14.3%	11.9%	12.3%
35 to 44 years	4,184	13.6%	11.3%	11.1%	6,283	13.8%	11.7%	11.5%	38,810	15.6%	13.7%	12.7%
45 to 54 years	4,824	12.5%	13.0%	10.6%	7,161	12.9%	13.3%	10.8%	40,946	14.0%	14.4%	12.3%
55 to 64 years	4,296	8.0%	11.6%	12.3%	6,321	8.7%	11.8%	12.2%	35,187	9.5%	12.4%	13.1%
65 to 74 years	2,658	7.1%	7.2%	10.6%	3,993	7.7%	7.4%	10.5%	22,066	6.7%	7.8%	10.9%
75 to 84 years	1,800	6.1%	4.9%	6.2%	2,793	6.1%	5.2%	6.2%	11,736	4.3%	4.1%	5.9%
85 years and older	953	2.3%	2.6%	2.8%	1,421	2.4%	2.6%	2.8%	4,425	1.4%	1.6%	1.9%
Under 20 years	10,335	29.1%	27.9%	25.7%	14,478	27.4%	27.0%	25.6%	78,388	27.6%	27.6%	25.2%
20 to 44 years	12,147	34.9%	32.8%	31.8%	17,510	34.9%	32.6%	31.9%	91,559	36.3%	32.2%	30.7%
45 to 64 years	9,120	20.6%	24.6%	22.9%	13,482	21.6%	25.1%	23.0%	76,133	23.6%	26.8%	25.4%
65 years and older	5,411	15.4%	14.6%	19.6%	8,207	16.1%	15.3%	19.5%	38,227	12.5%	13.4%	18.7%
55 years and older	9,707	23.5%	26.2%	31.9%	14,528	24.8%	27.1%	31.7%	73,414	22.0%	25.8%	31.8%
75 years and older	2,753	8.4%	7.4%	9.0%	4,214	8.5%	7.9%	9.0%	16,161	5.8%	5.7%	7.8%
Non-Elderly (<65)	31,602	84.6%	85.4%	80.4%	45,470	83.9%	84.7%	80.5%	246,080	87.5%	86.6%	81.3%
Elderly (65+)	5,411	15.4%	14.6%	19.6%	8,207	16.1%	15.3%	19.5%	38,227	12.5%	13.4%	18.7%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

2. Household Trends

Similar to population patterns, much of the Spartanburg area has experienced positive household creation since 2000. As such, occupied households within the PMA numbered 22,989 units in 2018, representing an increase of six percent from 2000 (a gain of over 1,300 households). ESRI forecasts for 2023 indicate this number will continue to increase, with a forecasted growth rate of five percent (more than 1,000 additional households) anticipated between 2018 and 2023. In comparison, the number of households also grew at a steady rate within both Spartanburg and Spartanburg County as a whole between 2010 and 2018, demonstrating relatively positive demographic patterns throughout the region.

Table 9: Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	16,367	15,184	15,928	16,355	16,640
Victoria Garden PMA	23,536	21,674	22,989	23,616	24,034
Spartanburg PMA	97,735	109,246	119,046	123,180	125,936
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.2%	4.9%	2.7%	4.5%
Victoria Garden PMA		-7.9%	6.1%	2.7%	4.5%
Spartanburg PMA		11.8%	9.0%	3.5%	5.8%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Table 10: Average Household Size (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	2.30	2.27	2.27	2.27	2.28
Victoria Garden PMA	2.33	2.30	2.31	2.31	2.31
Spartanburg PMA	2.52	2.53	2.55	2.55	2.56
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.3%	-0.1%	0.1%	0.1%
Victoria Garden PMA		-1.6%	0.6%	0.1%	0.2%
Spartanburg PMA		0.3%	0.8%	0.2%	0.3%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Renter-occupied households throughout the Spartanburg market area have also exhibited notable gains over the past decade, increasing at a slightly faster rate than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 11,443 renter-occupied households are estimated within the PMA for 2018, representing an increase of nine percent from 2010 figures (a gain of almost 1,000 additional rental units).

Overall, a relatively large ratio of renter households exists throughout the Spartanburg market area. For the PMA, the renter household percentage was calculated at 50 percent in 2018, nearly identical to the city ratio (50 percent), and notably larger than the county’s renter representation (31 percent). Furthermore, it should also be noted that overall renter propensities have continued to increase throughout the PMA, increasing by four percentage points since 2000.

Table 11: Renter Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	7,874	7,728	8,027	8,227	8,360
Victoria Garden PMA	10,905	10,472	11,443	11,741	11,940
Spartanburg PMA	27,396	32,986	36,885	37,864	38,517
		<u>2000-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.9%	3.9%	2.5%	4.1%
Victoria Garden PMA		-4.0%	9.3%	2.6%	4.3%
Spartanburg PMA		20.4%	11.8%	2.7%	4.4%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	48.1%	50.9%	50.4%	50.3%	50.2%
Victoria Garden PMA	46.3%	48.3%	49.8%	49.7%	49.7%
Spartanburg PMA	28.0%	30.2%	31.0%	30.7%	30.6%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

Similar to overall households, renter sizes for the Victoria Garden PMA were generally larger than those reported for Spartanburg itself, on average, but somewhat smaller than averages calculated for Spartanburg County as a whole. As such, average renter sizes increased somewhat within the PMA over the past decade – from 2.25 persons per unit in 2000 to 2.30 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (66 percent), with three persons occupying 16 percent of units, and 18 percent of units consisting of four or more persons.

Table 12: Rental Units by Size (2010)

	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>	<u>5 or More</u>	Median Persons Per Rental Unit	
	<u>Person</u>	<u>Persons</u>	<u>Persons</u>	<u>Persons</u>	<u>Persons</u>	<u>2000</u>	<u>2010</u>
City of Spartanburg	3,171	1,983	1,199	728	647	2.26	2.24
Victoria Garden PMA	4,249	2,684	1,664	991	884	2.25	2.30
Spartanburg PMA	11,553	8,478	5,529	3,984	3,442	2.38	2.44
	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5+ Person</u>	Median Change	
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>		
City of Spartanburg	41.0%	25.7%	15.5%	9.4%	8.4%	-0.9%	
Victoria Garden PMA	40.6%	25.6%	15.9%	9.5%	8.4%	2.1%	
Spartanburg PMA	35.0%	25.7%	16.8%	12.1%	10.4%	2.5%	

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

3. Household Income Trends

Income levels throughout the Spartanburg area have experienced somewhat sluggish gains over the past decade, with most areas within Spartanburg County experiencing median income increases of less than two percent annually between 2010 and 2018. Overall, the median household income for the PMA was estimated at \$37,365 for 2018, which was nearly identical to that estimated for Spartanburg proper (\$37,542), but 24 percent below that recorded for Spartanburg County as a whole (\$49,047). Furthermore, the PMA figure represents an annual increase of just 0.9 percent from 2010.

According to ESRI data, however, income appreciation is forecast to improve somewhat for the PMA through 2023. As such, it is projected that the median income will increase by 2.5 percent annually over the next five years, similar to both the city and county (at 2.7 percent and 2.4 percent annually, respectively).

Table 13: Median Household Incomes (1999 to 2023)

	<u>1999</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	\$28,836	\$33,276	\$37,542	\$40,532	\$42,526
Victoria Garden PMA	\$31,386	\$34,895	\$37,365	\$40,179	\$42,055
Spartanburg PMA	\$37,332	\$42,680	\$49,047	\$52,531	\$54,853
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		15.4%	12.8%	8.0%	13.3%
Victoria Garden PMA		11.2%	7.1%	7.5%	12.6%
Spartanburg PMA		14.3%	14.9%	7.1%	11.8%
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		1.4%	1.6%	2.7%	2.7%
Victoria Garden PMA		1.0%	0.9%	2.5%	2.5%
Spartanburg PMA		1.3%	1.9%	2.4%	2.4%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 48 percent of all households within the Victoria Garden PMA had an annual income of less than \$35,000 in 2017 – the portion of the population with the greatest need for affordable housing options. In comparison, a similar 46 percent of households within Spartanburg proper had incomes within this range. With nearly one-half of all households within the immediate Spartanburg area earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 14: Overall Household Income Distribution (2017)

Income Range	City of Spartanburg		Victoria Garden PMA		Spartanburg PMA	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	1,836	11.9%	2,506	11.4%	8,726	7.7%
\$10,000 to \$14,999	1,263	8.2%	1,905	8.6%	6,508	5.7%
\$15,000 to \$19,999	1,091	7.1%	1,663	7.5%	6,630	5.9%
\$20,000 to \$24,999	1,125	7.3%	1,722	7.8%	7,742	6.8%
\$25,000 to \$29,999	953	6.2%	1,388	6.3%	6,218	5.5%
\$30,000 to \$34,999	837	5.4%	1,417	6.4%	6,621	5.8%
\$35,000 to \$39,999	1,188	7.7%	1,555	7.1%	6,340	5.6%
\$40,000 to \$44,999	854	5.6%	1,333	6.0%	5,179	4.6%
\$45,000 to \$49,999	735	4.8%	990	4.5%	4,925	4.4%
\$50,000 to \$59,999	1,101	7.2%	1,598	7.3%	9,759	8.6%
\$60,000 to \$74,999	1,305	8.5%	1,902	8.6%	12,506	11.0%
\$75,000 to \$99,999	1,278	8.3%	1,835	8.3%	13,393	11.8%
\$100,000 to \$124,999	510	3.3%	744	3.4%	7,622	6.7%
\$125,000 to \$149,999	385	2.5%	471	2.1%	4,499	4.0%
\$150,000 to \$199,999	402	2.6%	418	1.9%	3,569	3.2%
\$200,000 and Over	<u>505</u>	<u>3.3%</u>	<u>589</u>	<u>2.7%</u>	<u>2,954</u>	<u>2.6%</u>
TOTAL	15,368	100.0%	22,036	100.0%	113,191	100.0%
Less than \$34,999	7,105	46.2%	10,601	48.1%	42,445	37.5%
\$35,000 to \$49,999	2,777	18.1%	3,878	17.6%	16,444	14.5%
\$50,000 to \$74,999	2,406	15.7%	3,500	15.9%	22,265	19.7%
\$75,000 to \$99,999	1,278	8.3%	1,835	8.3%	13,393	11.8%
\$100,000 and Over	1,802	11.7%	2,222	10.1%	18,644	16.5%

Source: American Community Survey

Should the subject property not include any project-based rental assistance, the key income range for the subject proposal is \$19,646 to \$46,500 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a sizeable number of low-income households throughout the area. As such, roughly 32 percent of the PMA's owner-occupied household number, and 37 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for 35 percent of all households within the PMA. Considering the relative density of the PMA, this equates to approximately 8,150 potential income-qualified households for the proposed development, including nearly 4,300 income-qualified renter households.

However, considering that the proposal is expected to include project-based subsidies, the more accurate targeted income range is \$0 to \$46,500 – representing approximately 8,800 income-qualified renter households.

Table 15: Household Income by Tenure – Victoria Garden PMA (2021)

Income Range	Number of 2021 Households			Percent of 2021 Households		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$5,000	1,116	315	801	4.8%	2.7%	6.8%
\$5,001 - \$9,999	1,506	263	1,242	6.6%	2.2%	10.6%
\$10,000 - \$14,999	2,002	557	1,446	8.6%	4.7%	12.3%
\$15,000 - \$19,999	1,762	647	1,114	7.5%	5.5%	9.5%
\$20,000 - \$24,999	1,835	798	1,037	7.8%	6.7%	8.8%
\$25,000 - \$34,999	3,003	1,476	1,527	12.7%	12.4%	13.0%
\$35,000 - \$49,999	4,148	1,994	2,154	17.6%	16.8%	18.3%
\$50,000 - \$74,999	3,779	2,224	1,556	15.9%	18.7%	13.2%
\$75,000 or More	<u>4,466</u>	<u>3,601</u>	<u>865</u>	<u>18.4%</u>	<u>30.3%</u>	<u>7.4%</u>
Total	23,616	11,875	11,741	100.0%	100.0%	100.0%

Source: U.S. Census of Population and Housing; BLS CPI Calculator; Shaw Research & Consulting

The 2017 American Community Survey shows that approximately 40 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 16: Renter Overburdened Households (2017)

Gross Rent as a % of Household Income	City of Spartanburg		Victoria Garden PMA		Spartanburg PMA	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Rental Units	8,314	100.0%	11,435	100.0%	35,088	100.0%
Less than 10.0 Percent	236	3.1%	387	3.7%	1,129	3.6%
10.0 to 14.9 Percent	615	8.1%	877	8.4%	3,029	9.8%
15.0 to 19.9 Percent	1,154	15.2%	1,385	13.2%	4,432	14.3%
20.0 to 24.9 Percent	782	10.3%	1,301	12.4%	3,891	12.6%
25.0 to 29.9 Percent	1,006	13.2%	1,242	11.9%	3,587	11.6%
30.0 to 34.9 Percent	792	10.4%	1,130	10.8%	2,650	8.6%
35.0 to 39.9 Percent	580	7.6%	805	7.7%	2,085	6.7%
40.0 to 49.9 Percent	556	7.3%	712	6.8%	2,911	9.4%
50 Percent or More	1,886	24.8%	2,637	25.2%	7,227	23.4%
Not Computed	707	--	959	--	4,147	--
35 Percent or More	3,022	39.7%	4,154	39.7%	12,223	39.5%
40 Percent or More	2,442	32.1%	3,349	32.0%	10,138	32.8%

Source: U.S. Census Bureau; American Community Survey

F. DEMAND ANALYSIS

1. Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for two separate scenarios: 1) based on straight LIHTC guidelines assuming no PBRA will be included (with targeting at 60 percent of AMI); and 2) based on the inclusion of PBRA and using 60 percent AMI maximum levels. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of \$46,500 (the 8-person income limit at 60 percent AMI for Spartanburg County) for both LIHTC and PBRA units. The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
60% AMI (assuming no PBRA)	\$19,646	\$46,500
60% AMI (including PBRA)	\$0	\$46,500

By applying the income-qualified range and 2021 household forecasts to the current-year household income distribution by tenure (adjusted from 2010 data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 37 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range, while 75 percent are estimated within the PBRA range. In addition, due to the large number of units with three or more bedrooms in the proposal, it should also be noted that only larger renter households (those with three persons or more) were utilized within the demand calculations.

Based on U.S. Census data and projections from ESRI, approximately 298 additional renter households are anticipated within the PMA between 2018 and 2021. By applying the income-qualified percentage and ratio of large renter households to the overall eligible figure, a demand for 37 tax credit and 76 PBRA rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately five percent of all renter households within the PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 70 LIHTC units and 143 PBRA units.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on American Community Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the ACS, the percentage of renter households within this overburdened range is reported at approximately 40 percent. Applying this rate to the number of renter households yields a total demand of 513 LIHTC units and 1,054 PBRA units as a result of rent overburden.

According to SCSHFDA information, there is one comparable tax credit property currently under construction at the current time. Therefore, 37 units at The Regency at Blackstock (allocated tax credits in 2017 and presently under construction) need to be deducted from the demand calculations. Combining all above factors results in an overall demand of 583 LIHTC units and 1,235 PBRA units for 2021.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, the rehabilitation of the subject proposal should receive a positive response due to the continued demographic growth and demand forecasts for the Spartanburg area, as well as strong occupancy levels within existing local affordable rental developments.

Table 17: Demand Calculation – by Income Targeting

2010 Total Occupied Households	21,674		
2010 Owner-Occupied Households	11,202		
2010 Renter-Occupied Households	10,472		
		60% AMI	
		No PBRA	Incl. PBRA
QUALIFIED-INCOME RANGE			
Minimum Annual Income		\$19,646	\$0
Maximum Annual Income		\$46,500	\$46,500
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2018-2021	298	298	
Percent Income Qualified Renter Households	36.6%	75.1%	
Percentage of large renter households (3+ persons)	33.8%	33.8%	
Total Demand From New Households	37	76	
DEMAND FROM EXISTING HOUSEHOLDS			
Percent of Renters in Substandard Housing	5.4%	5.4%	
Percent Income Qualified Renter Households	36.6%	75.1%	
Percentage of large renter households (3+ persons)	33.8%	33.8%	
Total Demand From Substandard Renter HHs	70	143	
Percent of Renters Rent-Overburdened	39.7%	39.7%	
Percent Income Qualified Renter Households	36.6%	75.1%	
Percentage of large renter households (3+ persons)	33.8%	33.8%	
Total Demand From Overburdened Renter HHs	513	1,054	
Total Demand From Existing Households	583	1,197	
TOTAL DEMAND	620	1,272	
LESS: Total Comparable Activity Since 2018	37	37	
TOTAL NET DEMAND	583	1,235	
PROPOSED NUMBER OF UNITS	80	80	
CAPTURE RATE	13.7%	6.5%	
Note: Totals may not sum due to rounding			

Table 18: Demand Calculation – by Bedroom Size

2010 Total Occupied Households	21,674											
2010 Owner-Occupied Households	11,202											
2010 Renter-Occupied Households	10,472											
			1BR Units		2BR Units		3BR Units		4BR Units		5BR Units	
			60% AMI		60% AMI		60% AMI		60% AMI		60% AMI	
	No	Incl.	No	Incl.	No	Incl.	No	Incl.	No	Incl.	No	Incl.
	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA	PBRA
QUALIFIED-INCOME RANGE												
Minimum Annual Income	\$19,646	\$0	\$23,931	\$0	\$31,371	\$0	\$35,006	\$0	\$38,640	\$0	\$46,500	\$0
Maximum Annual Income	\$28,200	\$28,200	\$31,740	\$31,740	\$38,040	\$38,040	\$40,860	\$40,860	\$46,500	\$46,500		
DEMAND FROM NEW HOUSEHOLD GROWTH												
Renter Household Growth, 2018-2021	298	298	298	298	298	298	298	298	298	298	298	298
Percent Income Qualified Renter Households	14%	52%	11%	57%	8%	65%	7%	68%	10%	75%		
Percentage of large renter households (3+ persons)	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Total Demand From New Households	14	53	11	57	9	65	7	69	10	76		
DEMAND FROM EXISTING HOUSEHOLDS												
Percent of Renters in Substandard Housing	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Percent Income Qualified Renter Households	14%	52%	11%	57%	8%	65%	7%	68%	10%	75%		
Percentage of large renter households (3+ persons)	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Total Demand From Substandard Renter HHs	26	99	20	108	16	123	14	130	18	143		
Percent of Renters Rent-Overburdened	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%
Percent Income Qualified Renter Households	14%	52%	11%	57%	8%	65%	7%	68%	10%	75%		
Percentage of large renter households (3+ persons)	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Total Demand From Overburdened Renter HHs	192	733	149	797	118	909	100	957	135	1,054		
Total Demand From Existing Households	218	832	170	905	134	1,032	114	1,087	153	1,197		
TOTAL DEMAND	231	884	180	962	143	1,097	121	1,156	163	1,272		
LESS: Total Comparable Activity Since 2018	0	0	13	13	24	24	0	0	0	0		
TOTAL NET DEMAND	231	884	167	949	119	1,073	121	1,156	163	1,272		
PROPOSED NUMBER OF UNITS	8	8	26	26	32	32	8	8	6	6		
CAPTURE RATE	3.5%	0.9%	15.5%	2.7%	26.9%	3.0%	6.6%	0.7%	3.7%	0.5%		
Note: Totals may not sum due to rounding												

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. Should the project be totally remarketed upon completion of rehab efforts (that is, no current tenants will be retained), an overall LIHTC capture rate of 13.7 percent was determined based on the demand calculation (including renter household growth, substandard and/or overburdened units among existing renter households, utilizing larger renter households, and excluding any comparable activity since 2018), while the capture rate for PBRA units is 6.5 percent. As such, these capture rates provide a positive indication of the need for affordable rental options locally and are within acceptable industry thresholds.

Taking into consideration the generally positive demographic growth within the PMA, coupled with the strong occupancy levels with local rental properties, an estimate of the overall absorption period (should the entire facility be remarketed) to reach 93 percent occupancy is conservatively estimated at four to five months. This determination also takes into consideration a market entry in late 2020/early 2021; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market as they are completed. Because it is likely that more than 75 percent of current residents will remain post-rehab, the actual absorption rate will undoubtedly be somewhat shorter. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Spartanburg Rental Market Characteristics

As part of the rental analysis for the Spartanburg area, a survey of existing rental projects within or near the primary market area was completed by Shaw Research & Consulting in January 2019. Excluding senior-only developments, a total of 22 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 3,315 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 29 percent of all units had one bedroom, 43 percent had two bedrooms, and 20 percent of units contained three bedrooms. There were relatively few studio/efficiency and four-bedroom units reported in the survey. The average age of the rental properties was 15 years old (an average build/rehab date of 2004), with nine properties built/rehabbed since 2010. In addition, a total of ten facilities reported to have some sort of income eligibility requirements – with four tax credit and six subsidized developments participating in the survey.

Overall conditions for the Spartanburg rental market appear to be quite positive at the current time. Among the 22 properties included in the survey, the overall occupancy rate was calculated at 96.8 percent. When breaking down occupancy rates by financing type, the 12 market rate developments averaged 95.7 percent occupied, the four tax credit properties were a combined 99.3 percent occupied, and the six subsidized projects were 98.9 percent occupied – demonstrating the positive conditions for all types of rental options, affordable and market rate.

It should also be noted that the subject property has historically been quite successful, with occupancy rates typically above 95 percent over the past three years. Based on the most recent survey, the property was reported to be 96 percent occupied with over 500 names on a waiting list.

2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits, Shaw Research has identified four tax credit facilities within or near the PMA as being most comparable. According to survey results, the combined occupancy rate for these developments was calculated at 99.3 percent, with two of the four at 100 percent occupancy. Furthermore, each LIHTC property surveyed reported a waiting list, most of which were quite extensive – again providing clear evidence of the ongoing need for affordable housing locally. It should be noted that one family LIHTC property (Willis Trace Townhomes) would not return repeated phone calls, and is therefore not included in survey results.

Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$548 per month with an average size of 661 square feet – the resulting average rent per square foot ratio is \$0.83. Further, the average tax credit rent for a two-bedroom unit was \$578 with an average size of 1,044 square feet (an average rent per square foot ratio of \$0.55), while three-bedroom units averaged \$760 and 1,225 square feet (\$0.62 per square foot).

In comparison to tax credit averages (at 60 percent AMI) and taking into account utilities (the subject will include gas heat and all utilities, with the exception of electricity), the subject proposal's rental rates are generally competitive, albeit with somewhat smaller unit sizes. In addition, the proposed rents can be considered as quite affordable in relation to overall market rate averages. Although the proposed rental rates for five-bedroom units are somewhat elevated, the inclusion of PBRA for all units diminishes any potential rent concerns.

From a market standpoint, it is evident that sufficient demand is present for the rehabilitation and re-introduction of the subject proposal. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any newly introduced rental development. Therefore, considering that all units will contain project-based rental assistance, rental rates are not an issue and should be considered a positive factor.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, only one directly comparable rental property is currently proposed or under construction within the market area – The Regency at Blackstock is a 37-unit family-oriented LIHTC project (received an allocation in 2017 and is presently under construction) located approximately 4½ miles west of the subject property near the intersection of U.S. 29 and I-26. While this property will target the same population group, it will likely be fully occupied prior to the subject re-entering the market and will therefore have no direct adverse effect on the absorption of the proposal, especially considering positive occupancy levels of existing LIHTC properties.

4. Impact on Existing Tax Credit Properties

Based on the extremely strong occupancy rates among all LIHTC developments included in the survey (with a combined occupancy rate of 99.3 percent, and most maintaining an extensive waiting list), the rehabilitation of the proposal will not have any adverse impact on existing or proposed affordable rental properties. Considering prevailing income levels and future demographic growth anticipated for the PMA, as well as the generally positive characteristics of the market area, affordable housing will undoubtedly continue to be in demand locally.

5. Competitive Environment

According to Realtor.com, price points are relatively affordable within the immediate area as compared to previous years. However, considering recent recessionary conditions throughout the state and region, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who have generally lower incomes and a greater likelihood of having credit issues and/or require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 19: Rental Housing Survey - Overall

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Archibald Rutledge Apts	1987	150	90	60	0	0	0	Yes	Yes	Yes	99%	Open	Spartanburg
Canaan Pointe THs	1993	120	0	0	0	60	60	No	Yes	No	98%	Open	Spartanburg
City View Apts	2015	36	0	NA	NA	0	0	No	Yes	No	97%	Open	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Crescent Hill Apts	2001	150	0	0	NA	NA	NA	No	Yes	No	100%	Open	Spartanburg
Crown Point	2007	241	0	NA	NA	NA	0	No	No	No	96%	Open	Spartanburg
Draymont Ridge	2016	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Drayton Mills Lofts	2017	289	0	NA	NA	NA	0	No	No	No	99%	Open	Spartanburg
Highland Crossing Apts	2016	72	0	16	32	24	0	No	Yes	No	100%	Open	Spartanburg
Liberty Square THs	1990	40	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Mayfair Lofts	2007	107	0	57	50	0	0	No	Yes	No	100%	Open	Spartanburg
Norris Ridge Apts	1987	194	0	NA	NA	NA	0	Yes	Yes	Yes	98%	Open	Spartanburg
River Run Apts	2008	272	0	NA	NA	NA	0	No	Yes	No	95%	Open	Spartanburg
Riverwind Apts	1983	227	0	84	98	45	0	No	No	No	95%	Open	Spartanburg
Summer Place Apts	2006	53	0	0	0	53	0	No	No	No	100%	Open	Spartanburg
The Bluffs Apts	1983	144	0	48	80	16	0	No	No	No	96%	Open	Spartanburg
The Brick Lofts	2018	43	NA	NA	NA	0	0	No	Yes	No	100%	Open	Spartanburg
The Park at Vietti	1986	204	0	76	128	0	0	No	No	No	99%	Open	Spartanburg
The Reserve At Park West	2016	408	0	138	204	66	0	No	No	No	89%	Open	Spartanburg
Victoria Gardens	2006	81	6	9	26	32	8	Yes	Yes	Yes	96%	Open	Spartanburg
Willow Crossing	2011	48	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Willows At North End	2018	204	0	48	120	36	0	No	Yes	No	98%	Open	Spartanburg
Totals and Averages	2004	3,315	96	582	857	399	68				96.8%		
<i>Unit Distribution</i>			5%	29%	43%	20%	3%						
SUBJECT PROJECT													
VICTORIA GARDEN APTS	2021	80	6	8	26	32	8	Yes	Yes	No		Open	Spartanburg

Note: Shaded Properties are LIHTC

Table 20: Rental Housing Summary - Overall

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Totals and Averages <i>Unit Distribution</i>	2004	3,315	96 5%	582 29%	857 43%	399 20%	68 3%				96.8%		
SUBJECT PROJECT													
VICTORIA GARDEN APTS	2021	80	6	8	26	32	8	Yes	Yes	No		Open	Spartanburg
SUMMARY													
	Number of Dev.	Year Built/Rehab	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.				
Total Developments	22	2004	3,315	96	582	857	399	68	96.8%				
Market Rate Only	12	2004	2,215	0	451	680	163	0	95.7%				
LIHTC Only	4	2008	400	0	46	119	127	60	99.3%				
Subsidized Only	6	2001	700	96	85	58	109	8	98.9%				

Table 21: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Archibald Rutledge Apts	BOI-PHA	150			611									
Canaan Pointe THs	LIHTC/Mrkt	0												
City View Apts	Market	0	\$650	\$800	600		\$1.08	\$1.33	\$775	\$800	900		\$0.86	\$0.89
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Crescent Hill Apts	LIHTC/BOI	150									871			
Crown Point	Market	0	\$695		756		\$0.92	\$0.92	\$775		1,014		\$0.76	\$0.76
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Drayton Mills Lofts	Market	0	\$1,025		744		\$1.38	\$1.38	\$1,220		1,267		\$0.96	\$0.96
Highland Crossing Apts	BOI-HUD	72			839						1,177			
Liberty Square THs	Market	0							\$650					
Mayfair Lofts	Market	0	\$990	\$1,170	717		\$1.38	\$1.63	\$1,175	\$1,455	1,100		\$1.07	\$1.32
Norris Ridge Apts	BOI-HUD	194			507						625			
River Run Apts	Market	0	\$1,057		823	916	\$1.15	\$1.28	\$1,225		1,086		\$1.13	\$1.13
Riverwind Apts	Market	0	\$845	\$995	671	702	\$1.20	\$1.48	\$1,000	\$1,045	988		\$1.01	\$1.06
Summer Place Apts	LIHTC/BOI	53												
The Bluffs Apts	Market	0	\$795		700		\$1.14	\$1.14	\$855	\$865	875	925	\$0.92	\$0.99
The Brick Lofts	Market	0	\$795	\$975	449	835	\$0.95	\$2.17	\$895	\$990	789	937	\$0.96	\$1.25
The Park at Vietti	Market	0	\$795	\$815	694	826	\$0.96	\$1.17	\$845	\$1,000	840	1,048	\$0.81	\$1.19
The Reserve At Park West	Market	0	\$912	\$1,153	740	826	\$1.10	\$1.56	\$1,103	\$1,390	1,023	1,173	\$0.94	\$1.36
Victoria Gardens	BOI-PHA	80			630						800			
Willow Crossing	LIHTC	0							\$495	\$550	1,200		\$0.41	\$0.46
Willows At North End	Market	0	\$855	\$1,220	675	816	\$1.05	\$1.81	\$845	\$1,337	916	1,075	\$0.79	\$1.46
Totals and Averages		699		\$882		713		\$1.24		\$925		981		\$0.94
SUBJECT PROPERTY														
VICTORIA GARDEN APTS	LIHTC/BOI	80		\$530		605		\$0.88		\$642		850		\$0.76
SUMMARY														
Overall				\$882		713		\$1.24		\$925		981		\$0.94
Market Rate Only				\$919		735		\$1.25		\$1,012		997		\$1.02
LIHTC Only				\$548		661		\$0.83		\$578		1,044		\$0.55
Subsidized Only				NA		647		NA		NA		868		NA

Note: Shaded Properties are LIHTC

Table 22: Rent Range for 3 & 4 Bedrooms - Overall

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Archibald Rutledge Apts	BOI-PHA												
Canaan Pointe THs	LIHTC/Mrkt	\$781	\$1,200	1,109	1,309	\$0.60	\$1.08	\$875	\$1,200	1,216	1,358	\$0.64	\$0.99
City View Apts	Market												
Companion At Lees Crossing	LIHTC	\$801		1,107		\$0.72	\$0.72						
Crescent Hill Apts	LIHTC/BOI			1,039						1,108			
Crown Point	Market	\$875		1,198		\$0.73	\$0.73						
Draymont Ridge	LIHTC	\$620	\$700	1,348		\$0.46	\$0.52						
Drayton Mills Lofts	Market	\$1,760		1,552		\$1.13	\$1.13						
Highland Crossing Apts	BOI-HUD			1,304									
Liberty Square THs	Market	\$750											
Mayfair Lofts	Market												
Norris Ridge Apts	BOI-HUD			1,014									
River Run Apts	Market	\$1,425		1,280		\$1.11	\$1.11						
Riverwind Apts	Market	\$1,205		1,252		\$0.96	\$0.96						
Summer Place Apts	LIHTC/BOI			1,274									
The Bluffs Apts	Market	\$995		1,225		\$0.81	\$0.81						
The Brick Lofts	Market												
The Park at Vietti	Market												
The Reserve At Park West	Market	\$1,160	\$1,870	1,249	1,317	\$0.88	\$1.50						
Victoria Gardens	BOI-PHA			1,033						1,137			
Willow Crossing	LIHTC	\$565	\$650	1,250		\$0.45	\$0.52						
Willows At North End	Market	\$1,015	\$1,645	1,130	1,292	\$0.79	\$1.46						
Totals and Averages			\$1,060		1,225		\$0.86		\$1,038		1,205		\$0.86
SUBJECT PROPERTY													
VICTORIA GARDEN APTS	LIHTC/BOI		\$862		1,059		\$0.81		\$988		1,108		\$0.89
SUMMARY													
Overall			\$1,060		1,225		\$0.86		\$1,038		1,205		\$0.86
Market Rate Only			\$1,235		1,280		\$0.96		\$1,038		1,287		\$0.81
LIHTC Only			\$686		1,204		\$0.57		\$875		1,216		\$0.72
Subsidized Only			NA		1,133		NA		NA		1,123		NA

Note: Shaded Properties are LIHTC

Table 23a: Project Amenities - Overall

Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Archibald Rutledge Apts	ELE	No	Yes	Yes	Yes	No	Some	No	No	4 units	No	Yes	No
Canaan Pointe THs	ELE	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No
City View Apts	H2O	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No	No
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Crescent Hill Apts	ELE	Yes	No	No	No	No	No	Yes	Yes	No	No	No	No
Crown Point	ELE	No	Yes	Yes	Yes	No	Some	Some	Yes	Yes	Yes	No	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Drayton Mills Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Highland Crossing Apts	ELE	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Liberty Square THs	Gas	Yes	No	Yes	Yes	No	Some	No	Yes	Yes	No	No	No
Mayfair Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes
Norris Ridge Apts	ELE	No	No	No	No	No	Some	No	Yes	Some	Yes	No	No
River Run Apts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Riverwind Apts	Gas	Yes	No	Yes	Yes	Some	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Summer Place Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No
The Bluffs Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes
The Brick Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
The Park at Vietti	ELE	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes
The Reserve At Park West	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Some	Yes	Yes	Yes
Victoria Gardens	Gas	Yes	No	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Willow Crossing	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Willows At North End	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Totals and Averages	--	86%	9%	77%	86%	41%	77%	68%	86%	73%	68%	45%	55%
SUBJECT PROJECT													
VICTORIA GARDEN APTS	Gas	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No
SUMMARY													
Overall	--	86%	9%	77%	86%	41%	77%	68%	86%	73%	68%	45%	55%
Market Rate Only	--	92%	8%	92%	100%	50%	83%	75%	92%	75%	75%	42%	75%
LIHTC Only	--	100%	0%	75%	100%	50%	75%	75%	100%	75%	50%	50%	50%
Subsidized Only	--	67%	17%	50%	50%	17%	67%	50%	67%	67%	67%	50%	17%

Table 23b: Project Amenities - Overall

Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Archibald Rutledge Apts	No	No	No	No	No	Yes	No	Yes	Yes	No	No	No	No
Canaan Pointe THs	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	No	No
City View Apts	No	No	No	No	No	Yes	No	Yes	Yes	No	No	No	No
Companion At Lees Crossing	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Crescent Hill Apts	No	Yes	No	No	No	Yes	No	Yes	No	No	No	No	No
Crown Point	Yes	Yes	No	No	No	Yes	No	Yes	Yes	2 & 3BR	No	No	No
Draymont Ridge	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No
Drayton Mills Lofts	Yes	No	No	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No
Highland Crossing Apts	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
Liberty Square THs	No	No	No	No	No	Yes	No	No	No	Yes	No	No	Yes
Mayfair Lofts	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	No	No	Yes
Norris Ridge Apts	No	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
River Run Apts	Yes	Yes	No	Yes	No	Yes	No	No	Yes	2 & 3BR	1BR	No	Yes
Riverwind Apts	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No	Yes	No	No
Summer Place Apts	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
The Bluffs Apts	Yes	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
The Brick Lofts	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No	No	No
The Park at Vietti	Yes	No	No	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No
The Reserve At Park West	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes
Victoria Gardens	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Willow Crossing	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Willows At North End	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No
Totals and Averages	50%	68%	9%	41%	23%	100%	14%	45%	68%	64%	14%	0%	23%
SUBJECT PROJECT													
VICTORIA GARDEN APTS	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
SUMMARY													
Overall	50%	68%	9%	41%	23%	100%	14%	45%	68%	64%	14%	0%	23%
Market Rate Only	75%	50%	0%	50%	33%	100%	25%	50%	67%	58%	25%	0%	33%
LIHTC Only	50%	100%	25%	75%	25%	100%	0%	50%	50%	100%	0%	0%	25%
Subsidized Only	0%	83%	17%	0%	0%	100%	0%	33%	83%	50%	0%	0%	0%

Table 24: Other Information - Overall

Project Name	Address	City	Telephone Number	Contact	On-Site Mgt	Waiting List	Concessions/Notes	Survey Date
Archibald Rutledge Apts	764 N. Church Street	Spartanburg	(864) 598-6085	Stephanie	Yes	347 Names	None	11-Jan-19
Canaan Pointe THs	200 Canaan Poine Circle	Spartanburg	(864) 577-9922	Carrie	Yes	Small	None	11-Jan-19
City View Apts	144 W. Henry St.	Spartanburg	(864) 582-0022	Amanda	Yes	No	None	14-Jan-19
Companion At Lees Crossing	100 Lees Crossing Dr	Spartanburg	(864) 574-8494	Jackie	Yes	2 Months	None	2-Jan-19
Crescent Hill Apts	108 Pineneedle Drive	Spartanburg	(864) 582-7877	April	Yes	2-3 Months	None	4-Jan-19
Crown Point	201 Powell Mill Rd	Spartanburg	(864) 576-7670	Amber	Yes	No	None	26-Dec-18
Draymont Ridge	3900 Taggart Drive	Spartanburg	(864) 585-6116	Jeanine	Yes	50+ Names	1BR for mentally disabled	11-Jan-19
Drayton Mills Lofts	1800 Drayton Rd	Spartanburg	(864) 573-0092	Marissa	Yes	Yes	None	3-Jan-19
Highland Crossing Apts	201 Highland Ave	Spartanburg	(864) 504-2375	NA	Yes	Closed	None	11-Jan-19
Liberty Square THs	200 S. Liberty Street	Spartanburg	(864) 585-4976	Georgia	Yes	No	None	11-Jan-19
Mayfair Lofts	100 W Cleveland St	Spartanburg	(864) 576-1073	Megan	Yes	No	None	28-Dec-18
Norris Ridge Apts	350 Norris Street	Spartanburg	(864) 585-5176	Tara	Yes	1 Month	None	2-Jan-19
River Run Apts	901 Meridian River Run	Spartanburg	(864) 595-7474	Brittany	Yes	No	2BR=\$200 off/3BR=\$1,200 off	28-Dec-18
Riverwind Apts	200 Heywood Ave	Spartanburg	(864) 585-9463	Katie	Yes	No	None	4-Jan-19
Summer Place Apts	480 Alma Byrd Lane	Spartanburg	(864) 598-6045	Melissa	Yes	10+ Names	None	4-Jan-19
The Bluffs Apts	100 Vanderbilt Lane	Spartanburg	(864) 574-4877	Rhonda	Yes	No	None	2-Jan-19
The Brick Lofts	600 Magnolia Street	Spartanburg	(864) 308-1659	Todd	Yes	No	None	11-Jan-19
The Park at Vietti	1000 Hunt Club Ln	Spartanburg	(864) 576-0928	Destiny	Yes	Small	Formerly Hunt Club Apts	11-Jan-19
The Reserve At Park West	100 Keats Dr	Spartanburg	864-208-0900	Heather	Yes	No	None	28-Dec-18
Victoria Gardens	695 Howard St.	Spartanburg	(864) 598-6090	Jill	Yes	500+ Names	None	23-Jan-19
Willow Crossing	101 Willow Lane	Spartanburg	(864) 699-9965	Martha	Yes	400+ Names	None	4-Jan-19
Willows At North End	425 Willowdale Dr	Spartanburg	(864) 598-9999	Hannah	Yes	No	None	2-Jan-19

Note: Shaded Properties are LIHTC

Table 25: Rental Housing Survey – Comparable LIHTC

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Canaan Pointe THs	1993	120	0	0	0	60	60	No	Yes	No	98%	Open	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Draymont Ridge	2016	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Willow Crossing	2011	48	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Totals and Averages <i>Unit Distribution</i>	2008	400	0 0%	46 13%	119 34%	127 36%	60 17%				99.3%		
SUBJECT PROJECT													
VICTORIA GARDEN APTS	2021	80	6	8	26	32	8	Yes	Yes	No		Open	Spartanburg

Table 26: Rent Range for 1 & 2 Bedrooms – Comparable LIHTC

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Canaan Pointe THs	LIHTC/Mrkt	0												
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Willow Crossing	LIHTC	0							\$495	\$550	1,200		\$0.41	\$0.46
Totals and Averages		0		\$548		661		\$0.83		\$578		1,044		\$0.55
SUBJECT PROPERTY														
VICTORIA GARDEN APTS	LIHTC/BOI	80		\$530		605		\$0.88		\$642		850		\$0.76

Table 27: Rent Range for 3 & 4 Bedrooms – Comparable LIHTC

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range		
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH			
Canaan Pointe THs	LIHTC/Mrkt	\$781	\$1,200	1,109	1,309	\$0.60	\$1.08	\$875	\$1,200	1,216	1,358	\$0.64	\$0.99	
Companion At Lees Crossing	LIHTC	\$801		1,107		\$0.72	\$0.72							
Draymont Ridge	LIHTC	\$620	\$700	1,348		\$0.46	\$0.52							
Willow Crossing	LIHTC	\$565	\$650	1,250		\$0.45	\$0.52							
Totals and Averages			\$760		1,225		\$0.62		\$1,038		1,287		\$0.81	
SUBJECT PROPERTY														
VICTORIA GARDEN APTS	LIHTC/BOI		\$862		1,059		\$0.81		\$988		1,108		\$0.89	

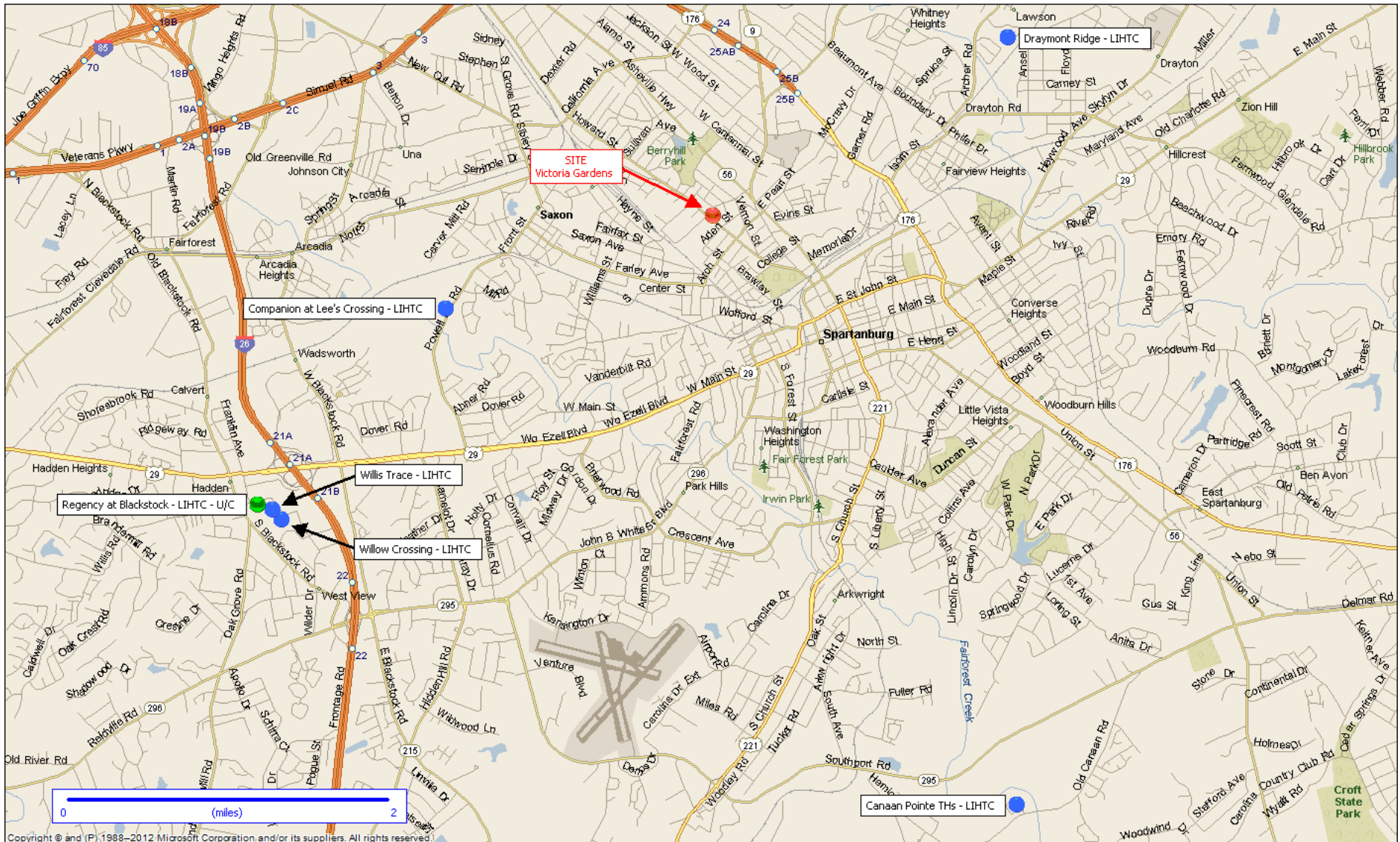
Table 28a: Project Amenities – Comparable LIHTC


Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Canaan Pointe THs	ELE	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Willow Crossing	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Totals and Averages	--	100%	0%	75%	100%	50%	75%	75%	100%	75%	50%	50%	50%
SUBJECT PROJECT													
VICTORIA GARDEN APTS	Gas	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No

Table 28b: Project Amenities – Comparable LIHTC


Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Canaan Pointe THs	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	No	No
Companion At Lees Crossing	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Draymont Ridge	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No
Willow Crossing	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Totals and Averages	50%	100%	25%	75%	25%	100%	0%	50%	50%	100%	0%	0%	25%
SUBJECT PROJECT													
VICTORIA GARDEN APTS	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No


Map 10: LIHTC Rental Developments – Spartanburg area



COMPARABLE PROJECT INFORMATION												
Project Name: Canaan Pointe THs Address: 200 Canaan Poine Circle City: Spartanburg State: SC Zip Code: 29306 Phone Number: (864) 577-9922 Contact Name: Carrie Contact Date: 01/11/19 Current Occup: 98.3%												
DEVELOPMENT CHARACTERISTICS												
Total Units:		120		Year Built:		1993						
Project Type:		Open		Floors:		2						
Program:		LIHTC/Mrkt		Accept Vouchers:		Yes						
PBRA Units*:		0		Voucher #:		NA						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 3-BEDROOM UNITS				60					2	96.7%		
3	2.0	60	Apt	5	1,109			\$781	0	100.0%	Yes	
3	2.0	Mrkt	Apt	3	1,109		\$925	\$1,200	0	100.0%	Yes	
3	2.0	60	TH	43	1,309			\$781	0	100.0%	Yes	
3	2.0	Mrkt	TH	9	1,309		\$925	\$1,200	2	77.8%	Yes	
TOTAL 4-BEDROOM UNITS				60					0	100.0%		
4	2.0	60	Apt	13	1,216			\$875	0	100.0%	Yes	
4	2.0	Mrkt	Apt	3	1,216		\$975	\$1,200	0	100.0%	Yes	
4	2.0	60	TH	35	1,358			\$875	0	100.0%	Yes	
4	2.0	Mrkt	TH	9	1,358		\$975	\$1,200	0	100.0%	Yes	
TOTAL DEVELOPMENT				120					2	98.3%	Yes/Small	
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
<input checked="" type="checkbox"/>	- Central A/C			<input type="checkbox"/>	- Clubhouse			<input type="checkbox"/> - Coin-Operated Laundry				
<input type="checkbox"/>	- Wall A/C Unit			<input type="checkbox"/>	- Community Room			<input checked="" type="checkbox"/> - In-Unit Hook-Up				
<input checked="" type="checkbox"/>	- Garbage Disposal			<input type="checkbox"/>	- Computer Center			<input type="checkbox"/> - In-Unit Washer/Dryer				
<input checked="" type="checkbox"/>	- Dishwasher			<input type="checkbox"/>	- Exercise/Fitness Room							
<input type="checkbox"/>	- Microwave			<input type="checkbox"/>	- Community Kitchen							
<input type="checkbox"/>	- Ceiling Fan			<input checked="" type="checkbox"/>	- Swimming Pool			<input checked="" type="checkbox"/> - Surface Lot				
<input checked="" type="checkbox"/>	- Walk-In Closet			<input checked="" type="checkbox"/>	- Playground			<input type="checkbox"/> - Carport				
<input checked="" type="checkbox"/>	- Mini-Blinds			<input type="checkbox"/>	- Gazebo			<input type="checkbox"/> - Garage (att)				
<input type="checkbox"/>	- Draperies			<input type="checkbox"/>	- Elevator			<input type="checkbox"/> - Garage (det)				
<input checked="" type="checkbox"/>	- Patio/Balcony			<input checked="" type="checkbox"/>	- Storage							
<input type="checkbox"/>	- Basement			<input checked="" type="checkbox"/>	- Sports Courts							
<input type="checkbox"/>	- Fireplace			<input checked="" type="checkbox"/>	- On-Site Management							
<input type="checkbox"/>	- High-Speed Internet			<input type="checkbox"/>	- Security - Access Gate							
<input type="checkbox"/>				<input type="checkbox"/>	- Security - Intercom							
								<u>Utilities Included</u>				
								<input type="checkbox"/> - Heat				
								<input type="checkbox"/> - Electricity				
								<input checked="" type="checkbox"/> - Trash Removal				
								<input checked="" type="checkbox"/> - Water/Sewer				
								<input type="checkbox"/> - ELEC				

COMPARABLE PROJECT INFORMATION																
Project Name: Companion At Lees Crossing Address: 100 Lees Crossing Dr City: Spartanburg State: SC Zip Code: 29301 Phone Number: (864) 574-8494 Contact Name: Jackie Contact Date: 01/02/19 Current Occup: 99.5%																
DEVELOPMENT CHARACTERISTICS																
Total Units: 192		Year Built: 2010		Project Type: Open		Floors: 4		Program: LIHTC		Accept Vouchers: Yes						
PBRA Units*: 0		Voucher #: NA														
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy																
UNIT CONFIGURATION/RENTAL RATES																
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List					
					Low	High	Low	High								
TOTAL 1-BEDROOM UNITS				34					0	100.0%						
1	1.0	60	Apt	34	687		\$581		0	100.0%	Yes					
TOTAL 2-BEDROOM UNITS				102					1	99.0%						
2	2.0	60	Apt	102	932		\$696		1	99.0%	Yes					
TOTAL 3-BEDROOM UNITS				56					0	100.0%						
3	2.0	60	Apt	56	1,107		\$801		0	100.0%	Yes					
TOTAL DEVELOPMENT				192					1	99.5%	2 Months					
AMENITIES																
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>								
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport <table border="1" style="float: right;"><tr><td>\$0</td></tr></table> <input type="checkbox"/> - Garage (att) <table border="1" style="float: right;"><tr><td>\$0</td></tr></table> <input checked="" type="checkbox"/> - Garage (det) <table border="1" style="float: right;"><tr><td>\$60</td></tr></table> <u>Utilities Included</u> <input type="checkbox"/> - Heat <table border="1" style="float: right;"><tr><td>ELE</td></tr></table> <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer					\$0	\$0	\$60	ELE
\$0																
\$0																
\$60																
ELE																

COMPARABLE PROJECT INFORMATION																
Project Name: Willow Crossing Address: 101 Willow Lane City: Spartanburg State: SC Zip Code: 29301 Phone Number: (864) 699-9965 Contact Name: Martha Contact Date: 01/04/19 Current Occup: 100.0%																
DEVELOPMENT CHARACTERISTICS																
Total Units: 48		Year Built: 2011		Project Type: Open		Floors: 2		Program: LIHTC		Accept Vouchers: Yes						
PBRA Units*: 0		Voucher #: Enter														
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy																
UNIT CONFIGURATION/RENTAL RATES																
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List					
					Low	High	Low	High								
TOTAL 2-BEDROOM UNITS				NA					0	100.0%						
2	2.0	50	Apt	NA	1,200		\$495		0	100.0%	Yes					
2	2.0	60	Apt	NA	1,200		\$550		0	100.0%	Yes					
TOTAL 3-BEDROOM UNITS				NA					0	100.0%						
3	2.0	50	Apt	NA	1,250		\$565		0	100.0%	Yes					
3	2.0	60	Apt	NA	1,250		\$650		0	100.0%	Yes					
TOTAL DEVELOPMENT				48					0	100.0%	400+ Names					
AMENITIES																
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input checked="" type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport <input type="checkbox"/> - Garage (att) <input type="checkbox"/> - Garage (det)								
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	ELE															
								<u>Utilities Included</u> <input type="checkbox"/> - Heat <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer								

COMPARABLE PROJECT INFORMATION											
Project Name: Draymont Ridge Address: 3900 Taggart Drive City: Spartanburg State: SC Zip Code: 29303 Phone Number: (864) 585-6116 Contact Name: Jeanine Contact Date: 01/11/19 Current Occup: 100.0%											
DEVELOPMENT CHARACTERISTICS											
Total Units:		40		Year Built:		2003-04					
Project Type:		Open/SN		Floors:		1					
Program:		LIHTC		Accept Vouchers:		Yes					
PBRA Units*:		0		Voucher #:		10					
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy											
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
TOTAL 2-BEDROOM UNITS				17					0	100.0%	
2	Enter	50	Click	NA					0	100.0%	Yes
2	Enter	60	Click	NA					0	100.0%	Yes
TOTAL 3-BEDROOM UNITS				11					0	100.0%	
3	Enter	50	Click	NA					0	100.0%	Yes
3	Enter	60	Click	NA					0	100.0%	Yes
TOTAL DEVELOPMENT				40					0	100.0%	50+ Names
AMENITIES											
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer			

6. Market Rent Calculations

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, target market, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

A total of five market-rate properties were selected to determine the estimated market rate, based largely on the availability of bedroom types, location, and building type. Furthermore, single-family home rentals from on-line sources were utilized for four and five-bedroom calculations. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property's corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
One-Bedroom Units			
60% AMI	\$530	\$868	39%
Two-Bedroom Units			
60% AMI	\$642	\$940	32%
Three-Bedroom Units			
60% AMI	\$862	\$1,128	24%
Four-Bedroom Units			
60% AMI	\$988	\$1,241	20%
Five-Bedroom Units			
60% AMI	\$1,482	\$1,365	-9%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6	
Project Name		Canaan Pointe THs		Crown Point		Riverwind Apts		The Brick Lofts		The Reserve At Park West		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/11/19		12/26/18		1/4/19		1/11/19		12/28/18		1/2/19	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apts								(\$100)				
Yr. Built/Yr. Renovated	2021	1993	\$21	2007	\$11	1983	\$25	2018	\$2	2016	\$4	2018	\$2
Condition /Street Appeal													
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		No	\$15	Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes		Yes		Yes	
Dishwasher	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Microwave	Yes	No	\$5	No	\$5	Yes		Yes		Yes		No	\$5
Walk-In Closet	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	No		Yes	(\$3)
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	Yes	Yes		Yes		Yes		No	\$5	Yes		Yes	
Basement	No	No		No		No		No		No		No	
Fireplace	No	No		No		Yes	(\$5)	No		No		Yes	(\$5)
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	Yes	No	\$5	Yes		Yes		No	\$5	Yes		Yes	
Community Room	Yes	No	\$5	No	\$5	Yes		No	\$5	No	\$5	No	\$5
Computer Center	Yes	No	\$3	No	\$3	Yes		No	\$3	Yes		Yes	
Exercise Room	No	No		Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)	Yes	(\$5)
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)	Yes	(\$5)
Playground	Yes	Yes		Yes		Yes		No	\$3	Yes		Yes	
Sports Courts	No	Yes	(\$3)	No		Yes	(\$3)	No		Yes	(\$3)	Yes	(\$3)
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		No		Yes	(\$5)	Yes	(\$5)	No		No	
Security - Intercom	No	No		Yes	(\$3)	No		Yes	(\$3)	Yes	(\$3)	No	
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	No	\$5	Yes		No	\$5	Yes		Yes		Yes	
In-Unit Hook-Up	Yes	Yes		Yes		No	\$10	No	\$10	Yes		Yes	
In-Unit Washer/Dryer	No	No		No		Yes	(\$20)	No		No		No	
Carport	No	No		No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No		No	
Garage (detached)	No	No		No		No		No		Yes	(\$10)	No	
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	Yes	No	XX	No	XX	No	XX	No	XX	No	XX	No	XX
Electric	No	No		No		No		No		No		No	
Trash Removal	Yes	Yes		No	XX	Yes		Yes		No	XX	Yes	
Water/Sewer	Yes	Yes		No	XX	No	XX	Yes		No	XX	Yes	
Heat Type	Gas	ELE		ELE		Gas		ELE		ELE		ELE	
Utility Adjustments													
One-Bedroom Units					\$87		\$71		\$14		\$87		\$14
Two-Bedroom Units					\$112		\$96		\$16		\$112		\$16
Three-Bedroom Units			\$18		\$150		\$134		\$18		\$150		\$18
Four-Bedroom Units			\$20										

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6	
Project Name		Canaan Pointe THs		Crown Point		Riverwind Apts		The Brick Lofts		The Reserve At Park West		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/11/2019		12/26/2018		1/4/2019		1/11/2019		12/28/2018		1/2/2019	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
One-Bedroom Units	605			756	(\$23)	687	(\$12)	642	(\$6)	783	(\$27)	746	(\$21)
Two-Bedroom Units	850			1,014	(\$25)	988	(\$21)	863	(\$2)	1,098	(\$37)	996	(\$22)
Three-Bedroom Units	1,059	1,209	(\$23)	1,198	(\$21)	1,252	(\$29)			1,283	(\$34)	1,211	(\$23)
Four-Bedroom Units	1,108	1,287	(\$27)										
G. Number of Bathrooms		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
One-Bedroom Units	1.0			1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0
Two-Bedroom Units	1.0			2.0	(\$15)	2.0	(\$15)	1.0	\$0	1.5	(\$8)	2.0	(\$15)
Three-Bedroom Units	1.0	2.0	(\$15)	2.0	(\$15)	2.0	(\$15)			2.0	(\$15)	2.0	(\$15)
Four-Bedroom Units	2.0	2.0	\$0										
G. Total Adjustments Recap													
One-Bedroom Units					\$82		\$48		(\$74)		\$38		(\$21)
Two-Bedroom Units					\$90		\$49		(\$69)		\$45		(\$35)
Three-Bedroom Units			\$9		\$132		\$79				\$79		(\$34)
Four-Bedroom Units			\$21										

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6	
Project Name		Canaan Pointe THs		Crown Point		Riverwind Apts		The Brick Lofts		The Reserve At Park West		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/11/2019		12/26/2018		1/4/2019		1/11/2019		12/28/2018		1/2/2019	
H. Rent/Adjustment Summary		Unadj. Rent	Adj. Rent	Unadj. Rent	Adj. Rent	Unadj. Rent	Adj. Rent	Unadj. Rent	Adj. Rent	Unadj. Rent	Adj. Rent	Unadj. Rent	Adj. Rent
Market Rate Units													
One-Bedroom Units	\$868			\$695	\$777	\$920	\$968	\$885	\$811	\$912	\$950	\$855	\$834
Two-Bedroom Units	\$940			\$775	\$865	\$1,000	\$1,049	\$895	\$826	\$1,103	\$1,148	\$845	\$810
Three-Bedroom Units	\$1,128	\$1,200	\$1,209	\$875	\$1,007	\$1,205	\$1,284			\$1,160	\$1,239	\$1,015	\$981
Four-Bedroom Units	\$1,241	\$1,200	\$1,221										
Five-Bedroom Units	\$1,365												

H. INTERVIEWS

Throughout the course of performing this analysis of the Spartanburg rental market, many individuals were contacted. Based on discussions with local government officials, the only directly comparable LIHTC multi-family activity reported (either proposed or under construction) within the market area at the current time is The Regency at Blackstock - a 37-unit open tax credit project currently under construction at 281 Willis Road. While a number of additional multi-family developments were reported in various stages of progress, all are market-rate and cannot be considered as comparable to the subject proposal. As such, none of the known multi-family activity will have an adverse effect on the marketability or absorption of the subject. The following planning departments were contacted:

Location: City of Spartanburg
Contact: Natalia Rosario, Planner
Phone: (864) 596-2068
Date: 2/25/2019

Location: Spartanburg County
Contact: Josh Henderson, Senior Planner
Phone: (864) 596-3689
Date: 2/25/2019

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Spartanburg rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful rehabilitation of Victoria Garden Apartments, as proposed, within the Spartanburg market area. Factors supporting the renovation of the subject property include the following:

1. Generally positive demographic patterns since 2010 throughout the PMA – the overall population is estimated to have increased by six percent between 2010 and 2018, representing nearly 3,500 additional persons;
2. Relatively strong occupancy levels throughout the market area, with an overall occupancy rate of 96.8 percent calculated among 22 properties surveyed;
3. Extremely positive occupancy rates within the area’s family LIHTC properties. Of the four tax credit properties within the survey, a combined occupancy rate of 99.3 percent was calculated – each development was 98 percent occupied or better and also had a waiting list, most of which were quite extensive;
4. The proposal’s location along Howard Street provides generally easy access to downtown Spartanburg, as well as numerous retail, education, medical, and employment centers - as well as other services required for multi-family housing. Another positive attribute is the recent investment in adjacent properties, including a new child development center and a future community center.
5. The proposal represents the rehabilitation of an existing successful development, upgrading appliances, amenities, and features while remaining affordable for low income residents;
6. The subject property will also contain four and five-bedroom units, which are extremely limited within the PMA; and
7. A sufficient statistical demand calculation, with an absorption period conservatively estimated at approximately four to five months.

As such, the proposed facility should continue to maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and that information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & 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.



Steven R. Shaw
SHAW RESEARCH & CONSULTING, LLC

Date: February 25, 2019

K. SOURCES

2000 U.S. Census of Population and Housing - U.S. Census Bureau

2010 U.S. Census of Population and Housing – U.S. Census Bureau

2018/2023 Demographic Forecasts, ESRI Business Analyst Online

American Community Survey – 5-Year Estimates – U.S. Census Bureau

Apartment Listings – www.socialserve.com

Apartment Listings – Yahoo! Local – local.yahoo.com

Apartment Listings – YellowPages – www.yellowpages.com

Community Profile 2019 – Spartanburg County – SC Department of Employment & Workforce

CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor

Crime Data – BestPlaces.net

ESRI Business Analyst Online

Income & Rent Limits – South Carolina State Housing Finance & Development Authority

Interviews with community planning officials

Interviews with managers and leasing specialists at local rental developments

Microsoft Streets and Trips

South Carolina Industry Data – SC Works Online Services

South Carolina Labor Market Information – U.S. Bureau of Labor Statistics

South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority

L. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING, LLC

Mr. Shaw is a principal at Shaw Research and Consulting, LLC. With over twenty-eight years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - PBRA

Development Name:	<u>VICTORIA GARDEN APTS</u>	Total # Units:	<u>80</u>
Location:	<u>695 Howard Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>80</u>
Development Type:	<u>XX</u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject:	<u>5 miles</u>

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	3,315	106	96.8%
Market-Rate Housing	12	2,215	95	95.7%
Assisted/Subsidized Housing not to include LIHTC	6	700	6	99.1%
LIHTC (All that are stabilized)*	4	400	3	99.3%
Stabilized Comps**	4	400	3	99.3%
Non-stabilized Comps	0	0	0	NA

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	1 BR	1.0	605	\$530	\$868	\$1.18	38.9%	\$1,170	\$2.17
26	2 BR	1.0	850	\$642	\$940	\$0.94	31.7%	\$1,390	\$1.36
32	3 BR	1.0	1,059	\$862	\$1,128	\$0.88	23.6%	\$1,870	\$1.50
8	4 BR	2.0	1,108	\$988	\$1,241	\$0.83	20.4%	\$1,650	\$1.80
6	5 BR	2.0	1,367	\$1,482	\$1,365	\$0.91	-8.6%	\$1,625	\$1.75
Gross Potential Rent Monthly*				\$65,312	\$85,581		23.68%		

*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 38)

	2010		2018		2021	
Renter Households	10,472	48.3%	11,443	49.8%	11,741	49.7%
Income-Qualified Renter HHs (LIHTC)	3,830	36.6%	4,185	36.6%	4,294	36.6%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 48)

Type of Demand	50%	60%	Market Rate	Other:	Other:	PBRA
Renter Household Growth	--	37	--			76
Existing Households (Overburd + Substand)	--	583	--			1,197
Homeowner Conversion (Seniors)	--	--	--			--
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	37	--			37
Net Income-Qualified Renter HHs	--	583	--	--	--	1,235

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other:	Other:	PBRA
Capture Rate	--	13.7%	--			6.5%

ABSORPTION RATE (found on page 52)

Absorption Period:	<u>4 to 5</u> months
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2019 S-2 RENT CALCULATION WORKSHEET - PBRA							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
60%	8	1 BR	\$530	\$4,240	\$868	\$6,943	
60%	26	2 BR	\$642	\$16,692	\$940	\$24,435	
60%	32	3 BR	\$862	\$27,584	\$1,128	\$36,090	
60%	8	4 BR	\$988	\$7,904	\$1,241	\$9,925	
60%	6	5 BR	\$1,482	\$8,892	\$1,365	\$8,188	
	Totals	80		\$65,312		\$85,581	23.68%

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - LIHTC

Development Name:	<u>VICTORIA GARDEN APTS</u>	Total # Units:	<u>80</u>
Location:	<u>695 Howard Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>80</u>
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Assisted/Subsidized Housing not to include LIHTC	6	700	6	99.1%
LIHTC (All that are stabilized)*	4	400	3	99.3%
Stabilized Comps**	4	400	3	99.3%
Non-stabilized Comps	0	0	0	NA

*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.

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6	5 BR	2.0	1,367	\$1,032	\$1,365	\$0.91	24.4%	\$1,625	\$1.75
Gross Potential Rent Monthly*				\$62,612	\$85,581		26.84%		

*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 38)

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Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 48)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Renter Household Growth	--	37	--			76
Existing Households (Overburd + Substand)	--	583	--			1,197
Homeowner Conversion (Seniors)	--	--	--			--
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	37	--			37
Net Income-Qualified Renter HHs	--	583	--	--	--	1,235

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Capture Rate	--	13.7%	--			6.5%

ABSORPTION RATE (found on page 52)

Absorption Period:	<u>4 to 5</u> months
--------------------	----------------------

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60%	32	3 BR	\$862	\$27,584	\$1,128	\$36,090	
60%	8	4 BR	\$988	\$7,904	\$1,241	\$9,925	
60%	6	5 BR	\$1,032	\$6,192	\$1,365	\$8,188	
	Totals	80		\$62,612		\$85,581	