

# MARKET STUDY

Property:

Amberly Place Apartments  
Kingstree Drive  
Pageland, Chesterfield County, South Carolina 29728



Type of Property:

Affordable Multifamily Development  
Family-New Construction

Date of Report:

April 12, 2006

Effective Date:

April 8, 2006

Developer:

Frankie W. Pendergraph  
Pendergraph Development, LLC  
3924 Browning Place  
Raleigh, North Carolina 27609  
Phone: 919-755-0558 • Fax: 919-754-8663

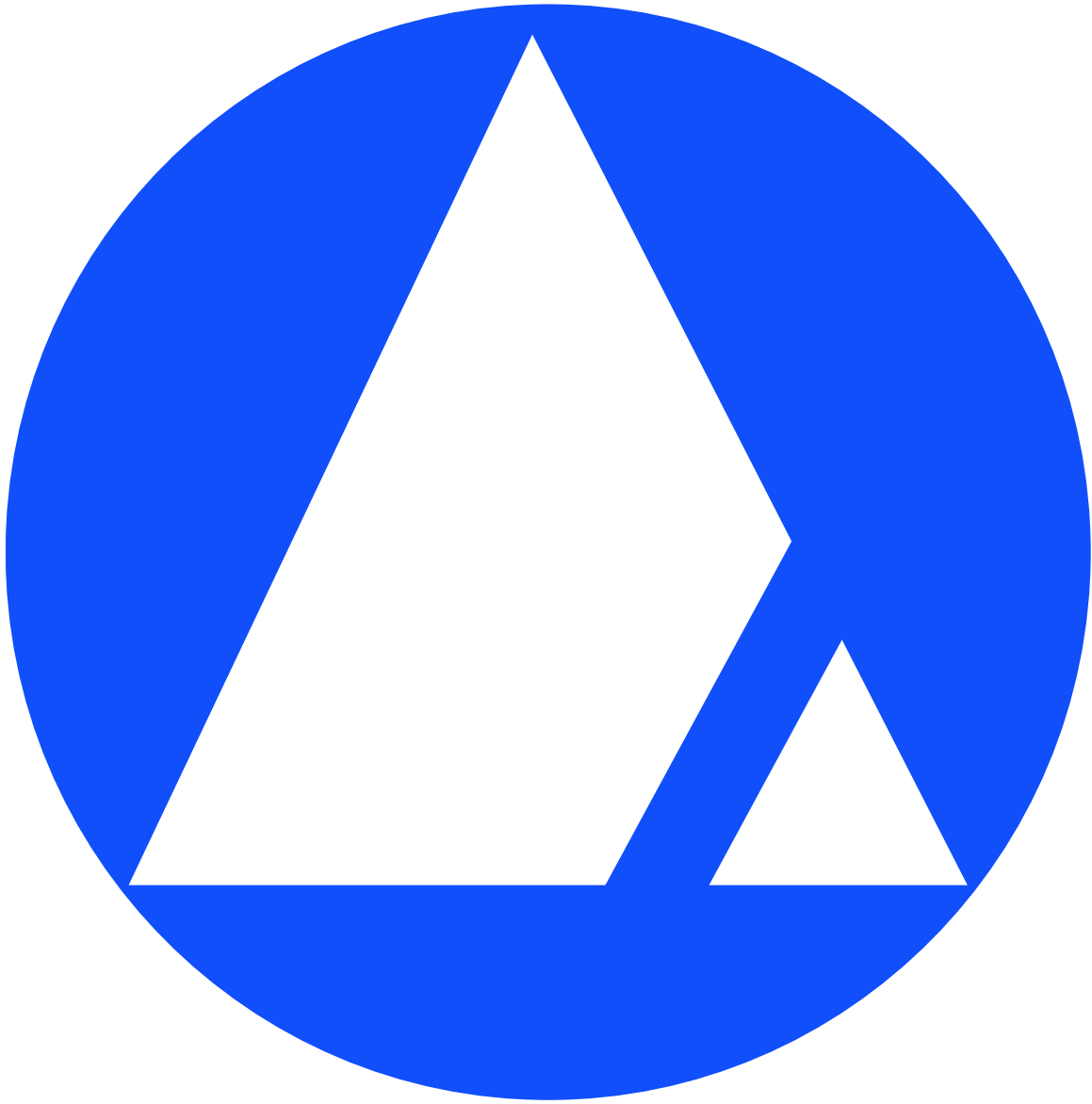
Prepared For:

Ms. Leanne Johnson  
South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Boulevard  
Columbia, South Carolina 29210  
Phone: 803-896-9141 • Fax: 803-896-9189

Prepared By:

Mr. Jeffrey B. Carroll Allen & Associates Consulting 3116 Glen Summit Drive Charlotte, North Carolina 28270 Phone: 704-905-2276 • Fax: 704-708-4261	Douglas P. Koch, MAI, AICP Housing Advisors, LLC 63 Avalon Road Newton, MA 02468 Phone: 617-558-9070 • Fax: 617-969-0920
---	--

AAC File Number: AAC-2006-061



---

Copyright © 2006 Allen & Associates Consulting. Material in this report may not be reprinted, reproduced, or recorded in any manner, in whole or in part, without the specific written permission of Allen & Associates Consulting. Information contained herein has been obtained from sources believed to be reliable. Allen & Associates Consulting and its representatives make no guarantee, warranty or representation regarding the accuracy of information obtained from third-party sources. For more information contact Allen & Associates Consulting at 704-905-2276.



April 12, 2006

Ms. Leanne Johnson  
South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Boulevard  
Columbia, South Carolina 29210

Re: Amberly Place Apartments

Dear Ms. Johnson:

Please find the enclosed market study for the above referenced property.

The subject property, known as Amberly Place Apartments, is a proposed affordable multifamily development to be located on Kingstree Drive, approximately 2 blocks southeast of Maynard Street Extension on the east side of Pageland, Chesterfield County, South Carolina. The project currently consists of approximately 4.0 acres of vacant land. The developer has proposed to build 40 units at the subject property using below-market debt and/or tax credit financing. The subject property is proposed to be an open age community.

The subject property is proposed to consist of a total of 40 revenue-producing units including 2- and 3-bedroom apartments. A total of 16 units are proposed to be restricted to 50% of AMI; a total of 24 units are proposed to be restricted to 60% of AMI; no units are contemplated to be set aside as a market rate units; no units are contemplated to receive project-based rental assistance.

Individual apartments are proposed to include a kitchen, a living room, a dining room, and 2 or 3 bedrooms. The project includes a community center, playground, fitness center, business center, central laundry, and washer/dryer hookups. Bathrooms will include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit will be furnished with a stove, refrigerator, disposal, dishwasher and microwave. Unit heating and cooling will consist of central units.

All utilities – with the exception of trash - will be paid by the resident.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with South Carolina State Housing Finance and Development Authority (SCSHFDA) guidelines, National Council of Affordable Housing Market Analysts (NCAHMA) requirements, Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market. This report is presented in a self-contained report format, of which this section is a part.

The purpose of the report is to evaluate market need for the subject property as of the effective date of this report. The function of this report is to assess the marketability of the subject property for equity financing purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

South Carolina State Housing Finance and Development Authority (SCSHFDA) is our client for purposes of this assignment. Additional users of this report include Amberly Place, LLC and Pendergraph Development, LLC. No other person or entity may use this report for any reason whatsoever without the express written permission of Allen & Associates Consulting.

Our conclusions are summarized in the table found on the following page; an expanded summary is found in the Executive Summary section of this report.

The market rent conclusions are computed in current dollars as of the effective date of this report and are subject to the construction, lease up and operation of the subject property as described in this report.

The findings and conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING

HOUSING ADVISORS, LLC



Jeffrey B. Carroll



Douglas P. Koch

## Conclusions

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
2-BR	50% of AMI	12	70	17.1%	20	45.9%	41		41	29.6%	0.94	12 mos	\$560	\$410	\$450
2-BR	60% of AMI	16	76	21.0%	22	49.8%	27		27	58.4%	1.03	15 mos	\$560	\$515	\$475
3-BR	50% of AMI	4	46	8.6%		8.6%	17		17	24.0%	0.62	6 mos	\$610	\$455	\$480
3-BR	60% of AMI	8	59	13.7%		13.7%	21		21	38.9%	0.79	10 mos	\$610	\$576	\$520
Average/Total		40	251	15.9%	42	32.7%	105		105	38.0%	2.59	15 mos	Stabilized Occupancy		97%

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units to the number of income qualified overburdened and substandard households – net of new supply - in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were developed using state housing finance agency guidelines. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

In our opinion, the planned development is not feasible from a market standpoint as proposed. While the estimated penetration rate (15.9%), saturation rate (32.7%), capture rate (38.0%), absorption period (15 months) and stabilized occupancy rate (97.0%) all appear reasonable, the estimated capture rate for the 2-bedroom units at 60% of AMI (58.4%) appears high. Further, because the proposed rents for the units at 50% of AMI appear to exceed program rents, we recommend that the rents for these units be reduced accordingly.

We recommend a unit mix change for this project in order to achieve penetration rates below 25 percent, capture rates below 50 percent and an absorption period below 18 months. In theory, the sponsor could actually increase the number of units from 40 to 49 units at this location. In order to maximize the unit count at this property the developer will need to deliver the following unit mix and pricing: 17 two-bedroom units at 50% of AMI priced at \$410, 14 two-bedroom units at 60% of AMI priced at \$515, 8 three-bedroom units at 50% of AMI priced at \$455, and 10 three-bedroom units at 60% of AMI priced at \$576.

In our opinion, the proposed development is feasible assuming these changes are made. Further, in our opinion, the proposed development will not adversely affect other properties in the market area using the modified unit configuration.

---

## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>8</b>
Identification of the Subject Property .....	8
Scope of the Report .....	8
Purpose of the Report .....	8
Intended Users of the Report .....	9
Statement of Competency .....	9
Date of Site Visit .....	9
Effective Date of Report .....	9
Date of Report .....	9
Date of Market Entry .....	10
Zoning .....	10
Survey & Easements .....	10
Plans & Specifications .....	10
Statement of Assumptions and Limiting Conditions .....	11
Certification .....	12
 <b>EXECUTIVE SUMMARY .....</b>	 <b>14</b>
 <b>PROJECT DESCRIPTION .....</b>	 <b>19</b>
Project Description .....	19
Location Map .....	20
Building Description .....	21
Unit Configuration .....	22
Amenities .....	23
Utilities .....	24
Income & Rent Limits .....	25
Fair Market Rents .....	26
 <b>SITE EVALUATION .....</b>	 <b>27</b>
Neighborhood .....	27
Aerial Photo .....	34
Topography .....	35
Flood Plain .....	36
Environmental .....	37
Surrounding Properties .....	38
Accessibility .....	39
Visibility .....	39
Crime .....	39
Schools .....	39
Proximity to Employment .....	41
Proximity to Area Amenities .....	42
Planned Road & Infrastructure Improvements .....	45
Conclusions .....	45
 <b>SUBJECT PROPERTY PHOTOS .....</b>	 <b>47</b>
 <b>MARKET AREA .....</b>	 <b>49</b>
Overview .....	49
Primary Market Area .....	50

---

Secondary Market Area .....	50
Market Area Map .....	50
<b>REGIONAL ECONOMY .....</b>	<b>54</b>
Employment, Establishment-Based .....	54
Employment, by Industry .....	55
Earnings, by Industry .....	56
Major Employers .....	56
Employment, Population-Based .....	58
Unemployment .....	59
Consumer Price Index .....	60
Residential Permits .....	61
Conclusions .....	61
<b>MARKET AREA DEMOGRAPHIC CHARACTERISTICS .....</b>	<b>62</b>
Population .....	62
Households .....	64
Household Income .....	69
Conclusions .....	72
<b>SUPPLY ANALYSIS .....</b>	<b>73</b>
Overview .....	73
Rental Property Inventory .....	80
Rental Property Inventory Map .....	82
Competing Rental Property Analysis .....	84
Occupancy Summary .....	97
Stabilized Occupancy Rates .....	99
<b>RENT COMPARABILITY ANALYSIS .....</b>	<b>100</b>
Analysis of Restricted Rent Comparables .....	100
Analysis of Market Rate Comparables .....	106
Projected Rent Growth .....	112
Maximum Rents .....	114
Feasibility Rent Estimate .....	115
Utilization of Resources .....	116
<b>DEMAND ANALYSIS .....</b>	<b>118</b>
Demand Assumptions .....	118
Penetration Rate Estimate .....	124
Saturation Rate Estimate .....	127
Capture Rate Estimate .....	129
Absorption Period Estimate .....	135
<b>RECOMMENDATIONS .....</b>	<b>141</b>
<b>APPENDIX .....</b>	<b>143</b>
Data Sources .....	Appendix A
Qualifications .....	Appendix B
Interviews .....	Appendix C
Rental Property Inventory Data .....	Appendix D
SCSHFDA Forms .....	Appendix E

---

---

## INTRODUCTION

### **Identification of the Subject Property**

The subject property, known as Amberly Place Apartments, is a proposed affordable multifamily development to be located on Kingstree Drive, approximately 2 blocks southeast of Maynard Street Extension on the east side of Pageland, Chesterfield County, South Carolina. The project currently consists of approximately 4.0 acres of vacant land. The developer has proposed to build 40 units at the subject property using below-market debt and/or tax credit financing. The subject property is proposed to be an open age community.

The subject property is proposed to consist of a total of 40 revenue-producing units including 2- and 3-bedroom apartments. A total of 16 units are proposed to be restricted to 50% of AMI; a total of 24 units are proposed to be restricted to 60% of AMI; no units are contemplated to be set aside as a market rate units; no units are contemplated to receive project-based rental assistance.

Individual apartments are proposed to include a kitchen, a living room, a dining room, and 2 or 3 bedrooms. The project includes a community center, playground, fitness center, business center, central laundry, and washer/dryer hookups. Bathrooms will include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit will be furnished with a stove, refrigerator, disposal, dishwasher and microwave. Unit heating and cooling will consist of central units.

All utilities – with the exception of trash - will be paid by the resident.

### **Scope of the Report**

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with South Carolina State Housing Finance and Development Authority (SCSHFDA) guidelines, National Council of Affordable Housing Market Analysts (NCAHMA) requirements, Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market. This report is presented in a self-contained report format, of which this section is a part.

### **Purpose of the Report**

The purpose of the report is to evaluate market need for the subject property as of the effective date of this report. The function of this report is to assess the marketability of the subject property for equity financing purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.



**Intended Users of the Report**

South Carolina State Housing Finance and Development Authority (SCSHFDA) is our client for purposes of this assignment. Additional users of this report include Amberly Place, LLC and Pendergraph Development, LLC. No other person or entity may use this report for any reason whatsoever without the express written permission of Allen & Associates Consulting.

**Statement of Competency**

On July 19, 1995 the Appraisal Standards Board issued Advisory Opinion 14 dealing specifically with the evaluation of subsidized housing, including tax-exempt bond and Low Income Housing Tax-Credit properties. The Advisory Opinion makes the following statement regarding the competency of the consultant on subsidized housing:

Appraisers should be aware that the competency required to appraise subsidized housing extends beyond typical residential appraisal competency. Subsidized housing appraisals require the appraiser to understand the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. An appraiser should be capable of analyzing the impact of the programs and definitions in the local subsidized housing submarket, as well as in the general market that is unaffected by subsidized housing programs. Appraisers should also be aware of possible political changes that will affect the durability of the benefits and restrictions to the subsidized housing projects and fully understand interpretation and enforcement of subsidy programs.

The Advisory Opinion underscores the fact that conventional multifamily experience is insufficient for the analysis of subsidized housing. Allen & Associates Consulting has provided demand analyses, market studies, feasibility studies, and appraisals for subsidized multifamily properties since 1988. The analyst is familiar with local multifamily supply and demand characteristics and the technical details of the tax-exempt bond and the Low Income Housing Tax Credit programs. The analysts hereby certify that they are experienced in the analysis of affordable income-producing housing as set forth above.

**Date of Site Visit**

The date of the site visit was April 8, 2006.

**Effective Date of Report**

The effective date of this report is April 8, 2006.

**Date of Report**

The date of this report is April 12, 2006.

**Date of Market Entry**

For purposes of our market analysis, we will use April 8, 2008 as the date of market entry for the subject property.

**Zoning**

We understand from the developer that the property is currently zoned GD, General Development and that the proposed development is a legal, conforming use under this classification.

**Survey & Easements**

A current survey for the subject property was provided to the analyst. The survey did not identify any easements encumbering the subject property. It is our understanding that the site is encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

**Plans & Specifications**

Preliminary plans for the subject property were provided to the analyst. Our review of the preliminary plans did not identify any potential functional obsolescence with respect to the subject property.

---

## Statement of Assumptions and Limiting Conditions

- 1) The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- 2) No liability is assumed for matters legal in nature.
- 3) Ownership and management are assumed to be in competent and responsible hands.
- 4) No survey has been made by the analyst. Dimensions are as supplied by others and are assumed to be correct.
- 5) The report was prepared for the purpose so stated and should not be used for any other reason.
- 6) All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- 7) No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning information provided by Municipal officials.
- 8) The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- 9) Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- 10) The legal description is assumed to be accurate.
- 11) This report specifically assumes that there are no site, subsoil, or building contaminates present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- 12) The Americans with Disabilities Act (ADA) became effective April 8, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
- 13) The market rent conclusions are computed in current dollars as of the effective date of this report and are subject to the construction, lease up and operation of the subject property as described in this report.
- 14) The findings and conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.
- 15) This analysis assumes that the proposed debt and equity financing described in this report is approved and funded.

---

## Certification

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

In addition, I certify to the following:

- 1) We have no present or contemplated future interest in the real estate that is the subject of this report.
- 2) We have no personal interest or bias with respect to the subject matter of this report or the parties involved.
- 3) To the best of our knowledge and belief, the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.
- 4) This report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- 5) This report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
- 6) Our compensation is not contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- 7) Jeffrey B. Carroll (Allen & Associates Consulting, Inc.) and Douglas P. Koch (Housing Advisors, LLC) visited the subject property and surrounding area.
- 8) Jeffrey B. Carroll (Allen & Associates Consulting, Inc.) and Douglas P. Koch (Housing Advisors, LLC) conducted the analysis found in this report.
- 9) The following Allen & Associates employees assisted in the compilation of data for this report: Frank Victory and Debbie Rucker. No one else had a significant contribution to the analyses and opinions expressed in this report.
- 10) The assignment was not based upon a minimum or specific outcomes, or approval of a loan.
- 11) The analyst's analysis, opinions, and conclusions were developed and the report has been prepared in accordance with South Carolina State Housing Finance and Development Authority (SCSHFDA) guidelines, National Council of Affordable Housing Market Analysts (NCAHMA) requirements, Standards 4 and 5 of the Uniform Standards of Professional Practice (USPAP).

Respectfully submitted:  
ALLEN & ASSOCIATES CONSULTING

HOUSING ADVISORS, LLC



Jeffrey B. Carroll



Douglas P. Koch

## EXECUTIVE SUMMARY

### Market Study

Property:

Amberly Place Apartments  
Kingstree Drive  
Pageland, Chesterfield County, South Carolina 29728



Type of Property:

Affordable Multifamily Development  
Family-New Construction

Date of Report:

April 12, 2006

Effective Date:

April 8, 2006

Prepared By:

Mr. Jeffrey B. Carroll  
Allen & Associates Consulting  
3116 Glen Summit Drive  
Charlotte, North Carolina 28270  
Phone: 704-905-2276 • Fax: 704-708-4261

Douglas P. Koch, MAI, AICP  
Housing Advisors, LLC  
63 Avalon Road  
Newton, MA 02468  
Phone: 617-558-9070 • Fax: 617-969-0920

### Overview

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units to the number of income qualified overburdened and substandard households – net of new supply - in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were developed using state housing finance agency guidelines. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

In our opinion, the planned development is not feasible from a market standpoint as proposed. While the estimated penetration rate (15.9%), saturation rate (32.7%), capture rate (38.0%), absorption period (15 months) and stabilized occupancy rate (97.0%) all appear reasonable, the estimated capture rate for the 2-bedroom units at 60% of AMI (58.4%) appears high. Further, because the proposed rents for the units at 50% of AMI appear to exceed program rents, we recommend that the rents for these units be reduced accordingly.

We recommend a unit mix change for this project in order to achieve penetration rates below 25 percent, capture rates below 50 percent and an absorption period below 18 months. In theory, the sponsor could actually increase the number of units from 40 to 49 units at this location. In order to maximize the unit count at this property the developer will need to deliver the following unit mix and pricing: 17 two-bedroom units at 50% of AMI priced at \$410, 14 two-bedroom units at 60% of AMI priced at \$515, 8 three-bedroom units at 50% of AMI priced at \$455, and 10 three-bedroom units at 60% of AMI priced at \$576.

In our opinion, the proposed development is feasible assuming these changes are made. Further, in our opinion, the proposed development will not adversely affect other properties in the market area using the modified unit configuration.

The following is a summary of our conclusions and recommendations with respect to the subject property:

### Project Description

The subject property, known as Amberly Place Apartments, is a proposed affordable multifamily development to be located on Kingstree Drive, approximately 2 blocks southeast of Maynard Street Extension on the east side of Pageland, Chesterfield County, South Carolina. The project currently consists of approximately 4.0 acres of vacant land. The developer has proposed to build 40 units at the subject property using below-market debt and/or tax credit financing. The subject property is proposed to be an open age community.

The subject property is proposed to consist of a total of 40 revenue-producing units including 2- and 3-bedroom apartments. A total of 16 units are proposed to be restricted to 50% of AMI; a total of 24 units are proposed to be restricted to 60% of AMI; no units are contemplated to be set aside as a market rate units; no units are contemplated to receive project-based rental assistance.

Individual apartments are proposed to include a kitchen, a living room, a dining room, and 2 or 3 bedrooms. The project includes a community center, playground, fitness center, business center, central laundry, and washer/dryer hookups. Bathrooms will include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit will be furnished with a stove, refrigerator, disposal, dishwasher and microwave. Unit heating and cooling will consist of central units.

All utilities – with the exception of trash - will be paid by the resident.

**Site Evaluation**

In our opinion the location of the subject property is fair. Our observations follow:

- Based on our evaluation of the neighborhood, the subject property is located in a small town that appears to be in the stability stage of its life cycle. Modest population and household increases are anticipated for the next several years, along with small increases in the housing stock. Properties in the immediate area appear to be generally 20-60 years old and in fair to good condition.
- Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting primarily of owners with lower incomes. Blue collar, service and farm jobs are typical, with mostly younger ages.
- The topographic map shows that the site is flat and drains to the south. There do not appear to be any topographic issues with respect to the subject property.
- The FEMA map identified the subject property as not being located in the 100-year flood zone.
- Our public records review identified 0 leaking underground storage tank(s), 0 hazardous waste spill site(s), and 0 hazardous waste generator(s) within ½ mile of the subject property. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.
- Our review of the site shows that the subject is located in a small town with vacant land to the north, vacant land to the south, vacant land to the east, and vacant land & single family to the west.
- The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Accessibility is, therefore, fair by virtue of the site’s location relative to existing traffic patterns.
- The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site’s location relative to existing traffic patterns.
- According to Claritas, the crime rate in the immediate vicinity of the subject property is 1.1 percent. This is

compared with market area and regional crime rates of 1.6 percent and 1.3 percent, respectively. In our opinion, the subject property appears to be located in an area with below-average crime risk.

- According to Standards & Poor the subject property is located in an area with below-average elementary schools and below-average middle schools. According to Claritas, the subject property is located in an area with below-average educational attainment.
- The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 25 minutes. This is compared with market area and regional commute times of 27 minutes and 26 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.
- We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

**Primary Market Area**

We defined the primary market area by generating a drive time zone around the subject property and analyzing median rents and average household income levels in the area. We also considered population densities, existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Based on our evaluation of the local market, we concluded that the primary market area includes the following 2000 Census Tracts:

Census Tract	County	State
209.01	Union	North Carolina
9501	Chesterfield	South Carolina
9502	Chesterfield	South Carolina
9503	Chesterfield	South Carolina
101	Lancaster	South Carolina

The site is located in Chesterfield County Census Tract 9501.

**Secondary Market Area**

Our research suggests that as much as 20 percent of multifamily demand will come from areas outside of the market area defined above.

**Regional Economy**

In our opinion, the economic outlook for the region is fair. Our observations are summarized below:

- Establishment-based employment for the region increased from 86,304 in 1990 to 110,349 in 2005. Employment is forecasted to increase 1.4 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.

- Many of the top employers in this market area specialize in textile manufacturing and textile-related businesses. This sector has been very soft for the past 15-20 years due to foreign competition. Job losses in this sector have taken place and continued losses should be anticipated for the foreseeable future.
- Population-based employment for the region increased from 101,540 in 1996 to 119,426 in 2005. Job growth and unemployment averaged 1.9 and 6.1 percent, respectively, over the past year. Job growth and unemployment for Chesterfield County averaged -2.6 and 10.1 percent, respectively, last year.
- The unemployment rates for the region have generally decreased from about 6.5 percent to approximately 6.0 percent over the past 24 months.
- An estimated 3,462 residential permits are anticipated for the region in 2005. Multifamily is anticipated to account for 3.6 percent of this total through 2010.

### Market Area Demographic Characteristics

In our opinion, the demographic outlook for the market area is fair. Our observations are summarized below:

- Population for the market area increased from 19,306 in 1990 to 24,228 in 2005. Population is forecasted to increase 1.2 percent annually through 2010. This is compared with projected growth of 2.6, 1.1 and 1.0 percent for the region, state and nation, respectively.
- The total number of households for the market area increased from 6,845 in 1990 to 9,173 in 2005. The total number of households is forecasted to increase 1.5 percent annually through 2010. This is compared with projected growth of 2.7, 1.5 and 1.2 percent for the region, state and nation, respectively.
- The total number of owner households for the market area currently stand at 7,150 and are anticipated to increase 1.6 percent annually through 2010. The total number of renter households for the market area currently stand at 2,023 and are anticipated to increase 1.2 percent annually through 2010.
- Average household income for the market area increased from \$26,853 in 1990 to \$46,356 in 2005. Average household income is forecasted to increase 2.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.

### Supply Analysis

#### Competing Rental Property Analysis

The subject property appears to be well-suited to the marketplace. The following is a summary of our comparison of the subject property to the competing rental properties in the expanded market area:

- The proposed rents for the subject property appear to be higher than that found at the competing properties.

A detailed analysis establishing market rents for the subject property is found later in the report.

- The unit sizes for the subject property appear to be in line with that offered by the competitive properties in the market area.
- The project amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property includes a community center, fitness center and business center while the competing properties do not.
- The unit amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers ceiling fans while the competing properties do not.
- The kitchen amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers disposals, dishwashers and microwaves while the competing properties do not.
- The laundry amenities for the subject property appear to be in line with that found at the competing properties in the market area.
- The subject property includes trash paid by the owner. This is consistent with that found at most of the competing properties in the market area.
- The air conditioning systems for the subject property are equivalent to those found at most of the competitive properties in the market area.
- The heating systems for the subject property are equivalent to those found at most of the competitive properties in the market area.
- The parking arrangement for the subject property is in line with that of the competitive properties in the market area.
- The security amenities for the subject property are in line with that found at most of the competing properties in the market area.
- Our research indicates that incentives are not being offered at the competing properties in the market area. Our market rent conclusion accounts for any concessions offered by the selected rent comparables.

#### Occupancy Rates

Occupancies by property type for stabilized elderly properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).

Occupancies by property type for stabilized family properties follow: Market rate, 96.1% (51 units in sample); restricted rents, 100.0% (64 units in sample); and subsidized rents, 98.9% (90 units in sample).

Occupancies by property type for stabilized special needs properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).



Overall market occupancies for stabilized properties currently stand at 98.5% (205 units in sample).

#### Stabilized Occupancy Rates

Based on the prevailing occupancy rates for market rate, restricted and subsidized properties, and considering the unit mix for the subject property, we anticipate a stabilized occupancy rate of approximately 97 percent.

#### **Rent Comparability Analysis**

The following is a summary of our observations from the rent comparability analysis section of this report:

##### Analysis of Restricted Rent Comparables

Based on our evaluation of the rents for competing restricted-rent properties, and considering the location, quality and amenities of the subject property, we conclude the following achievable rents for restricted units at the subject property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

##### Analysis of Market Rate Comparables

Based on our evaluation of the rents for competing market rate properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

The actual rents achieved for market rate units at restricted-rent properties often fall short of the rents at unrestricted properties. Based on the analysis set forth above, we conclude the following achievable rents for the market rate units at the subject property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

##### Projected Rent Growth

Our analysis suggests that the market area is currently underbuilt by approximately 3.5 percent. While the number of renter households is anticipated to increase over the next five years, the number of renter housing units is anticipated to increase at a faster pace, resulting in a market that is 2.5 percent underbuilt in 5 years.

Based the forecasted relationship between supply and demand for this marketplace, we anticipate 0.4 percent real and 3.2 percent nominal rent growth annually for the foreseeable future.

##### Maximum Rents

The maximum rent levels represent the absolute highest rent permissible for the area, considering achievable rental rates

and maximum allowable rent limits. Maximum rents for the subject property follow:

- \$410 for 2BR units at 50% of AMI
- \$515 for 2BR units at 60% of AMI
- \$455 for 3BR units at 50% of AMI
- \$576 for 3BR units at 60% of AMI

Our analysis suggests that all units – with the exception of the 50% of AMI units - appear to be priced at or below allowable tax credit rent limits (proposed rents range from 90% to 110% of program rents). In addition, all units appear to be priced below achievable rents (proposed rents range from 79% to 85% of achievable rents). In our opinion, the sponsor should consider a price change for this project.

##### Feasibility Rents

Our analysis suggests market rents of \$560 and \$610, respectively, for the 2- and 3-bedroom units at the subject property. Our analysis also suggests feasibility rents of \$840 and \$948, respectively, for the 2- and 3-bedroom units. Because of the disparity between market and feasibility rents, we conclude that competing market rate units are not financially feasible in the immediate area and development of such units is not likely under current economic conditions.

##### Utilization of Resources

Based on the relationship between feasibility rents, achievable rents, program rents and proposed rents, we conclude that 25 percent of the financial benefits associated with this transaction are being used to make this project affordable. The remaining 75 percent of the resources are being used to overcome market forces in order to deliver safe & decent housing. This transaction would otherwise not be feasible without the use of these additional resources.

#### **Demand Analysis**

##### Penetration Rate Estimate

We estimate a penetration rate of 15.9% for the subject property. The overall rate breaks down as follows:

- 17.1% for 2BR units at 50% of AMI
- 21.0% for 2BR units at 60% of AMI
- 8.6% for 3BR units at 50% of AMI
- 13.7% for 3BR units at 60% of AMI

In general, the lower the penetration rates the better. Underwriters often utilize penetration rate limits of 10 to 25 percent, depending on the specific project. In our opinion, the estimated penetration rates indicate an appropriate number and mix of units for the subject property.

##### Saturation Rate Estimate

We estimate a saturation rate of 32.7% for the subject property. The overall rate breaks down as follows:

- 45.9% for 2BR units at 50% of AMI

- 49.8% for 2BR units at 60% of AMI
- 8.6% for 3BR units at 50% of AMI
- 13.7% for 3BR units at 60% of AMI

In general, the lower the saturation rates the better. Saturation rates less than 100% suggest that sufficient numbers of income-qualified households exist to fill subject property units. Underwriters often utilize saturation rate limits of 25 to 50 percent, depending on the specific project. In our opinion, the estimated saturation rates indicate an appropriate number and mix of units for the subject property.

#### Capture Rate Estimate

We estimate a capture rate of 38.0% for the subject property. The overall rate breaks down as follows:

- 29.6% for 2BR units at 50% of AMI
- 58.4% for 2BR units at 60% of AMI
- 24.0% for 3BR units at 50% of AMI
- 38.9% for 3BR units at 60% of AMI

In general, the lower the capture rates the better. Capture rates less than 100% suggest that sufficient numbers of income-qualified overburdened and substandard households exist to fill subject property units. Underwriters often utilize capture rate limits of 25 to 50 percent, depending on the specific project. Capture rates in excess of 100% suggest that the property will need to attract income-qualified households that are not currently overburdened or substandard from competing projects in order to fill. Negative capture rates suggest that the need for affordable housing has been addressed by new and proposed construction. In our opinion, the estimated capture rates indicate that too many 2-bedroom units at 60% of AMI may be proposed for the subject property.

#### Absorption Period Estimate

We estimate a 15-month absorption period and an average absorption rate of 2.59 units per month to stabilization for the subject property. The absorption period breaks down by unit type and income level as follows:

- 12 month(s) for 2BR units at 50% of AMI
- 15 month(s) for 2BR units at 60% of AMI
- 6 month(s) for 3BR units at 50% of AMI
- 10 month(s) for 3BR units at 60% of AMI

In general, the lower the absorption period the better. Underwriters often utilize absorption period limits of 12 to 24 months, depending on the specific project. In our opinion, the estimated absorption periods indicate an appropriate number and mix of units for the subject property.

Please note: This analysis does not account for pent-up demand, pre-leasing efforts, relocation program efforts for existing properties, or rents subsidies. In reality, 3 months of pre-leasing could theoretically shave 3 months off the absorption period. Alternatively, a 50% resident retention rate could cut the capture rate and absorption period in half for an

existing property. Finally, any rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods for subsidized units significantly.

#### **Recommendations**

We recommend a unit mix change for this project in order to achieve penetration rates below 25 percent, capture rates below 50 percent and an absorption period below 18 months. In theory, the sponsor could actually increase the number of units from 40 to 49 units at this location. In order to maximize the unit count at this property the developer will need to deliver the following unit mix and pricing:

- 17 two-bedroom units at 50% of AMI priced at \$410
- 14 two-bedroom units at 60% of AMI priced at \$515
- 8 three-bedroom units at 50% of AMI priced at \$455
- 10 three-bedroom units at 60% of AMI priced at \$576

The recommended unit configuration results in the following marketability measures for the subject property:

- Penetration Rate: 19.5% (versus 15.9% with the proposed configuration)
- Saturation Rate: 36.2% (versus 32.7% with the proposed configuration)
- Capture Rate: 46.6% (versus 38.0% with the proposed configuration)
- Absorption Period: 17 months (versus 15 months with the proposed configuration)

Of particular importance is the reduction of the capture rate for the 2-bedroom units at 60% of AMI from 58.4 percent to 51.1 percent. This is accomplished through a unit count reduction from 16 to 14 units.

In our opinion, the proposed development is feasible assuming these changes are made. Further, in our opinion, the proposed development will not adversely affect other properties in the market area using the modified unit configuration.

## PROJECT DESCRIPTION

### Project Description

The subject property, known as Amberly Place Apartments, is a proposed affordable multifamily development to be located on Kingstree Drive, approximately 2 blocks southeast of Maynard Street Extension on the east side of Pageland, Chesterfield County, South Carolina. The project currently consists of approximately 4.0 acres of vacant land. The developer has proposed to build 40 units at the subject property using below-market debt and/or tax credit financing. The subject property is proposed to be an open age community.

An overview of the proposed development follows:

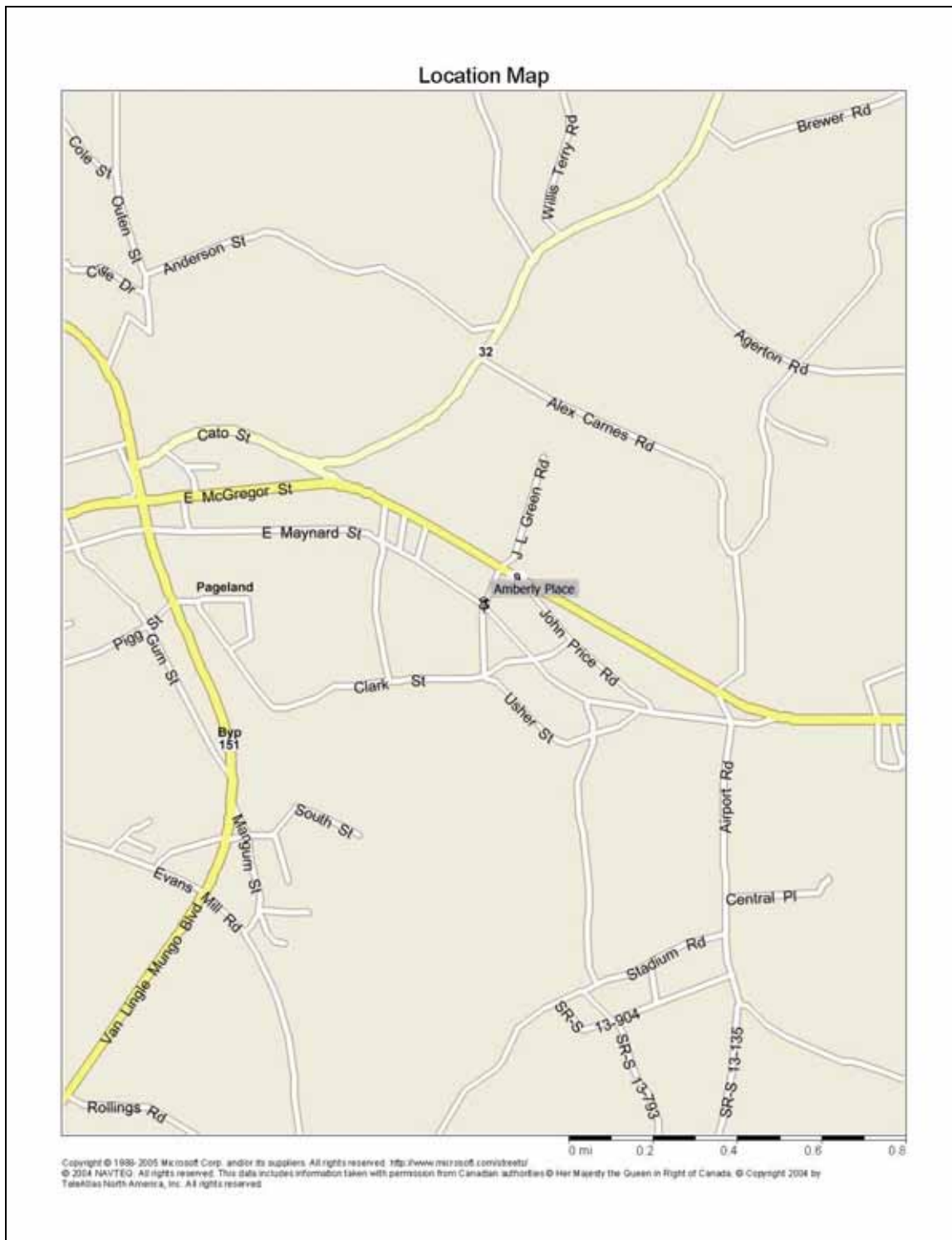
Project Description

Development Location	Kingstree Drive Pageland, Sc
Construction Type	New Construction
Occupancy Type	Family
Target Income Group	16 Units at 50% of AMI 24 Units at 60% of AMI
Special Population Target	None
Unit Configuration	28 Two-Bedroom 12 Three-Bedroom
Average Unit Size	974 sf Two-Bedroom 1193 sf Three-Bedroom
Structure Type	Garden
Rents	\$450-\$475 Two-Bedroom \$480-\$520 Three-Bedroom
Utility Allowances	\$114 Two-Bedroom \$151 Three-Bedroom
Project-Based Rental Assistance	PBRA for 0 Units
Development Amenities	Community Center Playground Fitness Center Business Center
Unit Amenities	Blinds Carpeting Patio/Balcony Storage
Kitchen Amenities	Stove Refrigerator Disposal Dishwasher Microwave
Laundry Amenities	Central Laundry Washer/Dryer Hookups

Source: Developer/Manager/Owner

### Location Map

A map showing the location of the subject property follows:



## Building Description

The following table gives a description of the proposed improvements for the subject property:

Building Description

Acres	4.00
Zoning	GD, General Development
Buildings	5
Parking Spaces	84
Stories	2
Units	40
Net Rentable Area, SF	41,588
Gross Residential Building Area, SF (Estimated)	51,985
Framing	Wood
Exterior Doors	Metal
Windows	All Metal With Thermal Breaks
Façade	Brick & Siding
Roof	Gabled
Roof Covering	Composition
Floor Covering	Carpet & Vinyl
Heating	Central
Cooling	Central
Community Facilities	
Community Center	Yes
Pool	No
Sports Court	No
Playground	Yes
Fitness Center	Yes
Business Center	Yes
Office	Yes
Laundry Room	Yes
Maintenance Room	Yes

Source: Developer/Manager/Owner

## Unit Configuration

The subject property is proposed to consist of a total of 40 revenue-producing units including 2- and 3-bedroom apartments. A total of 16 units are proposed to be restricted to 50% of AMI; a total of 24 units are proposed to be restricted to 60% of AMI; no units are contemplated to be set aside as a market rate units; no units are contemplated to receive project-based rental assistance.

The following is the proposed unit configuration for the subject property:

Unit Configuration AMBERLY PLACE KINGSTREE DRIVE PAGELAND, SC									
Unit Type	Rent Type	Units	Fair Market Rents	Maximum Housing Cost	Housing Cost	Utility Allowance	Rent	Square Feet	\$/SF
0 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
3 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
4 Bedroom	30% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
<b>Total</b>		<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0.00</b>
0 Bedroom	40% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	40% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	40% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
3 Bedroom	40% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
4 Bedroom	40% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
<b>Total</b>		<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0.00</b>
0 Bedroom	50% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	50% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	50% of AMI	12	\$367	\$524	\$564	\$114	\$450	974	\$0.46
3 Bedroom	50% of AMI	4	\$424	\$606	\$631	\$151	\$480	1,193	\$0.40
4 Bedroom	50% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
<b>Total</b>		<b>16</b>	<b>\$381</b>	<b>\$545</b>	<b>\$581</b>	<b>\$123</b>	<b>\$458</b>	<b>1,029</b>	<b>\$0.44</b>
0 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
1 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
2 Bedroom	60% of AMI	16	\$367	\$629	\$589	\$114	\$475	974	\$0.49
3 Bedroom	60% of AMI	8	\$424	\$727	\$671	\$151	\$520	1,193	\$0.44
4 Bedroom	60% of AMI	0	\$0	\$0	\$0	\$0	\$0	0	\$0.00
<b>Total</b>		<b>24</b>	<b>\$386</b>	<b>\$662</b>	<b>\$616</b>	<b>\$126</b>	<b>\$490</b>	<b>1,047</b>	<b>\$0.47</b>
0 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
1 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
2 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
3 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
4 Bedroom	Market Rate	0	NA	NA	\$0	\$0	\$0	0	\$0.00
<b>Total</b>		<b>0</b>	<b>NA</b>	<b>NA</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0.00</b>
0 Bedroom	Total	0	NA	NA	NA	NA	NA	0	NA
1 Bedroom	Total	0	NA	NA	NA	NA	NA	0	NA
2 Bedroom	Total	28	NA	NA	NA	NA	NA	974	NA
3 Bedroom	Total	12	NA	NA	NA	NA	NA	1,193	NA
4 Bedroom	Total	0	NA	NA	NA	NA	NA	0	NA
<b>Grand Total</b>		<b>40</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>1,040</b>	<b>NA</b>

Source: Developer/Manager/Owner

## Amenities

Individual apartments are proposed to include a kitchen, a living room, a dining room, and 2 or 3 bedrooms. The project includes a community center, playground, fitness center, business center, central laundry, and washer/dryer hookups. Bathrooms will include a tub with shower, a vanity, and mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit will be furnished with a stove, refrigerator, disposal, dishwasher and microwave. Unit heating and cooling will consist of central units.

The following table sets forth the proposed amenities for the subject property:

Amenities			
Buildings:	Unit Amenities:	Utilities in Rent:	Parking:
<input type="checkbox"/> Single Family	<input checked="" type="checkbox"/> Blinds	<input type="checkbox"/> Heat	<input checked="" type="checkbox"/> Open
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> Ceiling Fans	<input type="checkbox"/> A/C	<input type="checkbox"/> Assigned
<input type="checkbox"/> Townhouse	<input checked="" type="checkbox"/> Carpeting	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Covered
<input checked="" type="checkbox"/> Garden	<input type="checkbox"/> Fireplace	<input type="checkbox"/> Electricity	<input type="checkbox"/> Garage
<input type="checkbox"/> Mid-Rise	<input checked="" type="checkbox"/> Patio/Balcony	<input type="checkbox"/> Cold Water	
<input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Storage	<input type="checkbox"/> Sewer	
		<input checked="" type="checkbox"/> Trash	
Floors:	Kitchens:	Air Conditioning:	Security:
<input type="checkbox"/> 1 Story	<input checked="" type="checkbox"/> Stove	<input checked="" type="checkbox"/> Central Air	<input type="checkbox"/> Cont Access
<input checked="" type="checkbox"/> 2-4 Story	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Window Units	<input type="checkbox"/> Sec Alarms
<input type="checkbox"/> 5-10 Story	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Wall Units	<input type="checkbox"/> Monitoring
<input type="checkbox"/> 11-20 Story	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Other	<input type="checkbox"/> Sec Patrols
<input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> None	<input type="checkbox"/> Sec Officer
Project Amenities:	Laundry:	Heat:	
<input checked="" type="checkbox"/> Comm Center	<input checked="" type="checkbox"/> Central	<input checked="" type="checkbox"/> Central Heat	
<input type="checkbox"/> Pool	<input type="checkbox"/> W/D Units	<input type="checkbox"/> Baseboards	
<input type="checkbox"/> Sports Court	<input checked="" type="checkbox"/> W/D Hookups	<input type="checkbox"/> Radiators	
<input checked="" type="checkbox"/> Playground		<input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Fitness Ctr			
<input checked="" type="checkbox"/> Business Ctr			

Source: Developer/Manager/Owner

## Utilities

All utilities – with the exception of trash - will be paid by the resident.

The following table shows the proposed utility allowances for the subject property:

Utility Allowances		
Developer Schedule		
	2 BR	3 BR
Heat - Natural Gas	-	-
Heat - Electric	-	-
Heat - Propane	-	-
Heat - 78%+ AFUE Gas	-	-
Heat - Electric Heat Pump	-	-
Heat - Electric Aquatherm	-	-
Heat - Gas Aquatherm	-	-
Cooking - Natural Gas	-	-
Cooking - Electric	-	-
Cooking - Propane	-	-
Hot Water - Natural Gas	-	-
Hot Water - Electric	-	-
Hot Water - Propane	-	-
Air Conditioning	-	-
Lights - Electric	-	-
Sewer	-	-
Water	-	-
Refuse Collection	-	-
Unclassified	114	151
<b>Total Utility Allowance</b>	<b>114</b>	<b>151</b>

Source: Developer/Manager/Owner



## Income & Rent Limits

The project is proposed to be subject to income and rent restrictions. The following tables give the proposed income and rent limits for the subject property:

Income & Rent Limits						
Income Limits						
	Subsidized	30%	40%	50%	60%	100%
1 person	\$16,300	\$9,800	\$13,050	\$16,300	\$19,550	\$32,600
2 person	\$18,650	\$11,200	\$14,900	\$18,650	\$22,400	\$37,300
3 person	\$20,950	\$12,550	\$16,750	\$20,950	\$25,150	\$41,900
4 person	\$23,300	\$14,000	\$18,650	\$23,300	\$27,950	\$46,600
5 person	\$25,150	\$15,100	\$20,100	\$25,150	\$30,200	\$50,300
6 person	\$27,050	\$16,250	\$21,650	\$27,050	\$32,450	\$54,100
7 person	\$28,900	\$17,350	\$23,100	\$28,900	\$34,700	\$57,800
8 person	\$30,750	\$18,450	\$24,600	\$30,750	\$36,900	\$61,500
Maximum Housing Expense						
	Subsidized	30%	40%	50%	60%	100%
0 bedroom	\$408	\$245	\$326	\$408	\$489	\$815
1 bedroom	\$437	\$263	\$349	\$437	\$524	\$874
2 bedroom	\$524	\$314	\$419	\$524	\$629	\$1,048
3 bedroom	\$606	\$364	\$484	\$606	\$727	\$1,211
4 bedroom	\$676	\$406	\$541	\$676	\$811	\$1,353
Utility Allowance						
	Subsidized	30%	40%	50%	60%	100%
0 bedroom	\$57	\$57	\$57	\$57	\$57	\$57
1 bedroom	\$80	\$80	\$80	\$80	\$80	\$80
2 bedroom	\$114	\$114	\$114	\$114	\$114	\$114
3 bedroom	\$151	\$151	\$151	\$151	\$151	\$151
4 bedroom	\$169	\$169	\$169	\$169	\$169	\$169
Rent Limits						
	Subsidized	30%	40%	50%	60%	100%
0 bedroom	\$351	\$188	\$269	\$351	\$432	\$758
1 bedroom	\$357	\$183	\$269	\$357	\$444	\$794
2 bedroom	\$410	\$200	\$305	\$410	\$515	\$934
3 bedroom	\$455	\$213	\$333	\$455	\$576	\$1,060
4 bedroom	\$507	\$237	\$372	\$507	\$642	\$1,184

Source: State Housing Finance Agency; HUD

### Fair Market Rents

The following table sets forth the fair market rents for any Section 8 voucher recipients at the subject property:

Fair Market Rents	
0 bedroom	\$340
1 bedroom	\$424
2 bedroom	\$481
3 bedroom	\$575
4 bedroom	\$844
Utility Allowance	
0 bedroom	\$57
1 bedroom	\$80
2 bedroom	\$114
3 bedroom	\$151
4 bedroom	\$169
Rent Limits	
0 bedroom	\$283
1 bedroom	\$344
2 bedroom	\$367
3 bedroom	\$424
4 bedroom	\$675

Source: U.S. Department of Housing & Urban  
Development

---

## SITE EVALUATION

Our assessment of the site includes an evaluation of the following factors with respect to the subject property: (1) Neighborhood, (2) Aerial Photograph, (3) Topography, (4) Flood Plain, (5) Environmental, (6) Surrounding Properties, (7) Accessibility, (8) Visibility, (9) Crime, (10) Schools, (11) Proximity to Employment, (12) Proximity to Area Amenities; and (13) Planned Road and Infrastructure Improvements.

Our discussion begins with an evaluation of the neighborhood in which the subject property is located.

### **Neighborhood**

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

For purposes of this analysis we define the neighborhood as zip code 29728. A map showing the neighborhood boundaries is found on the following page.

Based on our evaluation of the neighborhood, the subject property is located in a small town that appears to be in the stability stage of its life cycle. Modest population and household increases are anticipated for the next several years, along with small increases in the housing stock. Properties in the immediate area appear to be generally 20-60 years old and in fair to good condition.

Prizm Demographics provides demographic segmentation data for the area. According to Prizm Demographics, the neighborhood consists of the following main demographic groups: (1) Back Country Folks, (2) Big Sky Families, (3) Blue Highways, (4) Shotguns & Pickups; and (5) Young & Rustic. Detailed write ups for each of these demographic groups are found in the following pages.

Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting primarily of owners with lower incomes. Blue collar, service and farm jobs are typical, with mostly younger ages.



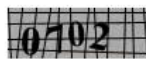
**ZIP Code Look-up**

PRIZM NE

► **PRIZM NE Segmentation System**

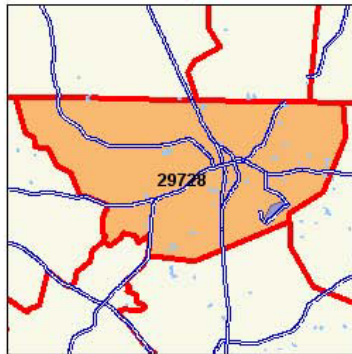
Enter 5-digit ZIP CODE 29728

Enter the security code shown below\*:



Submit

\* This is to improve performance and prevent unauthorized automated scripts.

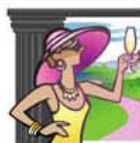


**Pageland, SC 29728's most common PRIZM NE Segments are:**

Number	Name
58	<a href="#">Back Country Folks</a>
33	<a href="#">Big Sky Families</a>
45	<a href="#">Blue Highways</a>
51	<a href="#">Shotguns &amp; Pickups</a>
48	<a href="#">Young &amp; Rustic</a>

Click on the segment name for more detail.

**Please Note:** Segments are listed in alphabetical order by segment name. You must [log in](#) to view segments in order of their predominant concentration of households within the selected ZIP Code.



**About Claritas**

Since 1971, Claritas has been the pre-eminent source of accurate, up-to-date demographic data and target marketing information about the population, consumer behavior, consumer spending, households and businesses within any specific geographic market area in the United States. Claritas' target marketing research and market analysis services are aimed at reducing your cost of customer acquisition and growing customer value.

Claritas is a target marketing information company dedicated to helping you with consumer and B2B marketing, and dedicated to maximizing your profitability with measurable target marketing programs, marketing tools and B2B marketing



## 2005 PRIZM NE Segmentation System

Snapshot Demographics Lifestyles Media Markets

>>>



### 58 Back Country Folks

BACK

Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

**Social Group:** [Rustic Living](#)

**Lifestage Group:** [Sustaining Seniors](#)

#### 2005 Statistics:

US Households: 2,626,222 (2.37%)

Median HH Income: \$30,631

#### Lifestyle Traits

- Sew from patterns
- Go bird watching
- Read Flower and Garden
- Watch TNN
- Drive a GMC Sierra 1500

#### Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Singles/Couples
Age Ranges:	55+
Education Levels:	Elementary/H.S.
Employment Levels:	Service, BC, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Downscale
Income Producing Assets:	not available

BACK

[© Claritas Inc.](#) | [Privacy Policy](#) | [Legal Information](#) | [Contact Us](#) | [Site Index](#)

site location solutions - demographics, market segmentation, site location and target marketing software

□□□□



## 2005 PRIZM NE Segmentation System

Snapshot Demographics Lifestyles Media Markets

>>>



### 33 Big Sky Families

BACK

Scattered in placid towns across the American heartland, Big Sky Families is a segment of young rural families who have turned high school educations and blue-collar jobs into busy, middle-class lifestyles. Residents like to play baseball, basketball and volleyball, besides going fishing, hunting and horseback riding. To entertain their sprawling families, they buy virtually every piece of sporting equipment on the market.

**Social Group:** [Country Comfort](#)

**Lifestage Group:** [Mainstream Families](#)

#### 2005 Statistics:

US Households: 1,853,806 (1.67%)

Median HH Income: \$54,121

#### Lifestyle Traits

- Own a camper
- Attend auto races
- Read Hot Rod
- Listen to classic rock radio
- Drive a Chevy Silverado 2500

#### Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Families
Age Ranges:	25-54
Education Levels:	High School
Employment Levels:	Blue-Collar, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Midscale
Income Producing Assets:	not available

BACK

[© Claritas Inc.](#) | [Privacy Policy](#) | [Legal Information](#) | [Contact Us](#) | [Site Index](#)

site location solutions - demographics, market segmentation, site location and target marketing software

□□□□



## 2005 PRIZM NE Segmentation System

Snapshot Demographics Lifestyles Media Markets

>>>



### 45 Blue Highways

BACK

On maps, blue highways are often two-lane roads that wind through remote stretches of the American landscape. Among lifestyles, Blue Highways is the standout for lower-middle-class couples and families who live in isolated towns and farmsteads. Here, Boomer men like to hunt and fish, the women enjoy sewing and crafts, and everyone looks forward to going out to a country music concert.

**Social Group:** [Middle America](#)

**Lifestage Group:** [Striving Singles](#)

#### 2005 Statistics:

US Households: 1,316,921 (1.19%)

Median HH Income: \$41,929

#### Lifestyle Traits

- Do crafts and needlework
- Go freshwater fishing
- Read Flower and Garden
- Listen to country music radio
- Drive a Ford F-super duty

#### Demographics Traits:

Ethnic Diversity:	White
Family Types:	Mix
Age Ranges:	25-44
Education Levels:	High School
Employment Levels:	Blue-Collar, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Lower Middle
Income Producing Assets:	not available

BACK

[© Claritas Inc.](#) | [Privacy Policy](#) | [Legal Information](#) | [Contact Us](#) | [Site Index](#)

site location solutions - demographics, market segmentation, site location and target marketing software

□□□□



# MyBestSegments

## 2005 PRIZM NE Segmentation System

[Snapshot](#)
[Demographics](#)
[Lifestyles](#)
[Media](#)
[Markets](#)
[>>>](#)


### 51 Shotguns & Pickups

[BACK](#)

The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families - more than half have two or more kids - living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than anywhere else in the nation.

**Social Group:** [Middle America](#)

**Lifestage Group:** [Mainstream Families](#)

#### 2005 Statistics:

US Households: 1,761,715 (1.59%)

Median HH Income: \$40,722

#### Lifestyle Traits

- Go hunting with a gun
- Buy hard rock music
- Read Field & Stream
- Watch Daytona 500
- Drive a Ford F-super duty

#### Demographics Traits:

Ethnic Diversity:	White, AmInd
Family Types:	Families
Age Ranges:	25-44
Education Levels:	High School
Employment Levels:	Blue-Collar, Farm
Housing Types:	Homeowners
Urbanicity:	Rural
Income:	Lower Middle
Income Producing Assets:	not available

[BACK](#)

[© Claritas Inc.](#) | [Privacy Policy](#) | [Legal Information](#) | [Contact Us](#) | [Site Index](#)

site location solutions - demographics, market segmentation, site location and target marketing software

□□□□





# MyBestSegments

## 2005 PRIZM NE Segmentation System

[Snapshot](#)
[Demographics](#)
[Lifestyles](#)
[Media](#)
[Markets](#)
[>>>](#)


### 48 Young & Rustic

[BACK](#)

Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and living in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.

**Social Group:** [Rustic Living](#)

**Lifestage Group:** [Striving Singles](#)

#### 2005 Statistics:

US Households: 3,393,228 (3.06%)

Median HH Income: \$31,884

#### Lifestyle Traits

- Play basketball
- Eat convenience store meals
- Read Motorcycle magazines
- Watch Days of Our Lives
- Drive a Ford Escort

#### Demographics Traits:

Ethnic Diversity:	White, Amlnd
Family Types:	Mix
Age Ranges:	<35
Education Levels:	High School
Employment Levels:	Service, Blue-Collar
Housing Types:	Renters
Urbanicity:	Town
Income:	Downscale
Income Producing Assets:	not available

[BACK](#)

[© Claritas Inc.](#) | [Privacy Policy](#) | [Legal Information](#) | [Contact Us](#) | [Site Index](#)

site location solutions - demographics, market segmentation, site location and target marketing software

□□□□

### Aerial Photo

A recent aerial photo showing the location of the subject property is found below:

TerraServer Image Courtesy of the USGS Page 1 of 1

[Send To Printer](#)   [Back To TerraServer](#)   [Change to 11x17 Print Size](#)   [Show Grid Lines](#)   [Change to Landscape](#)

**USGS 3 km E of Pageland, South Carolina, United States 26 Feb 1994**



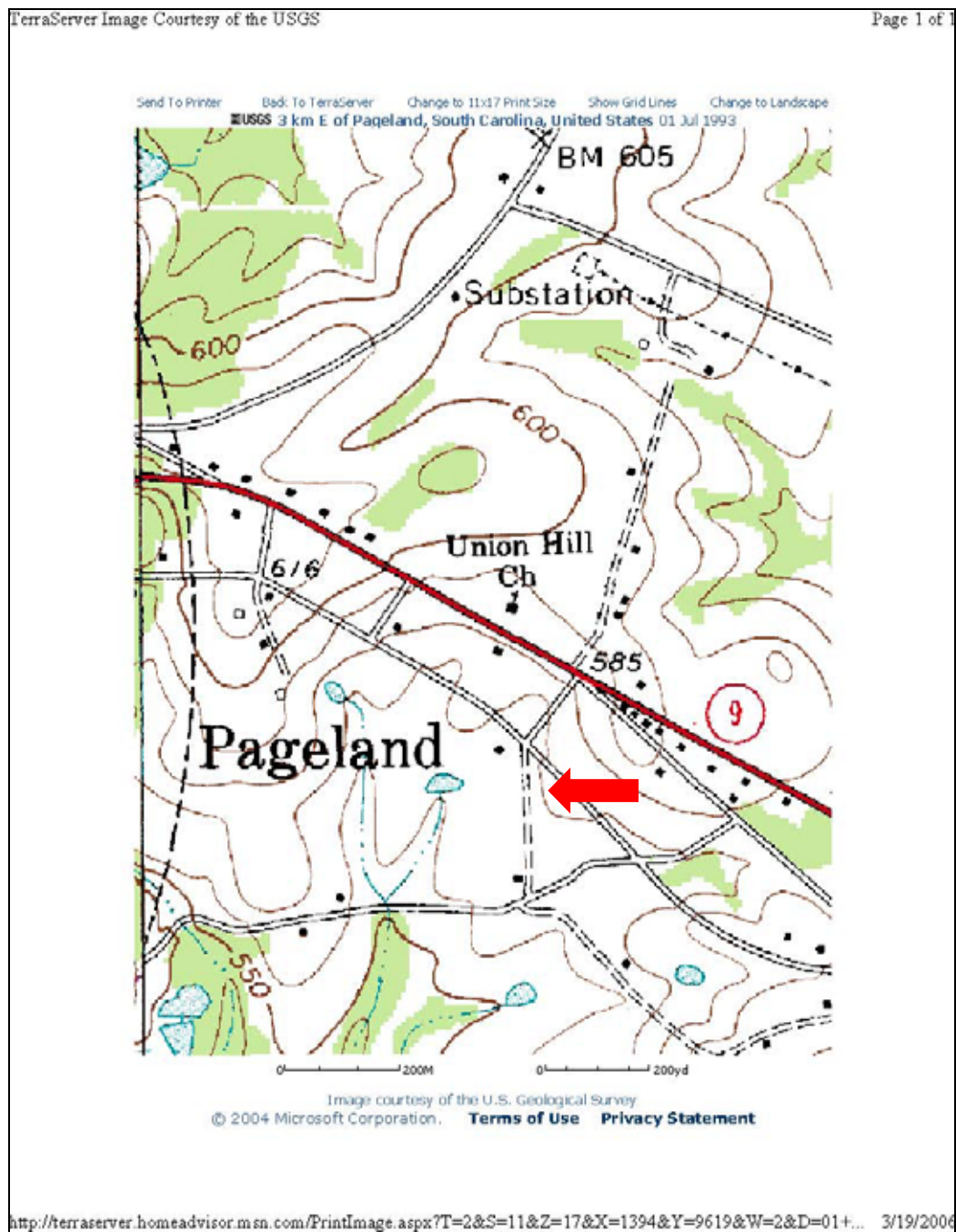
0 200M      0 200yd

Image courtesy of the U.S. Geological Survey  
© 2004 Microsoft Corporation. [Terms of Use](#) [Privacy Statement](#)

<http://terraserver.homeadvisor.msn.com/PrintImage.aspx?T=1&S=11&Z=17&X=1394&Y=9619&W=2&D=26+...> 3/19/2006

## Topography

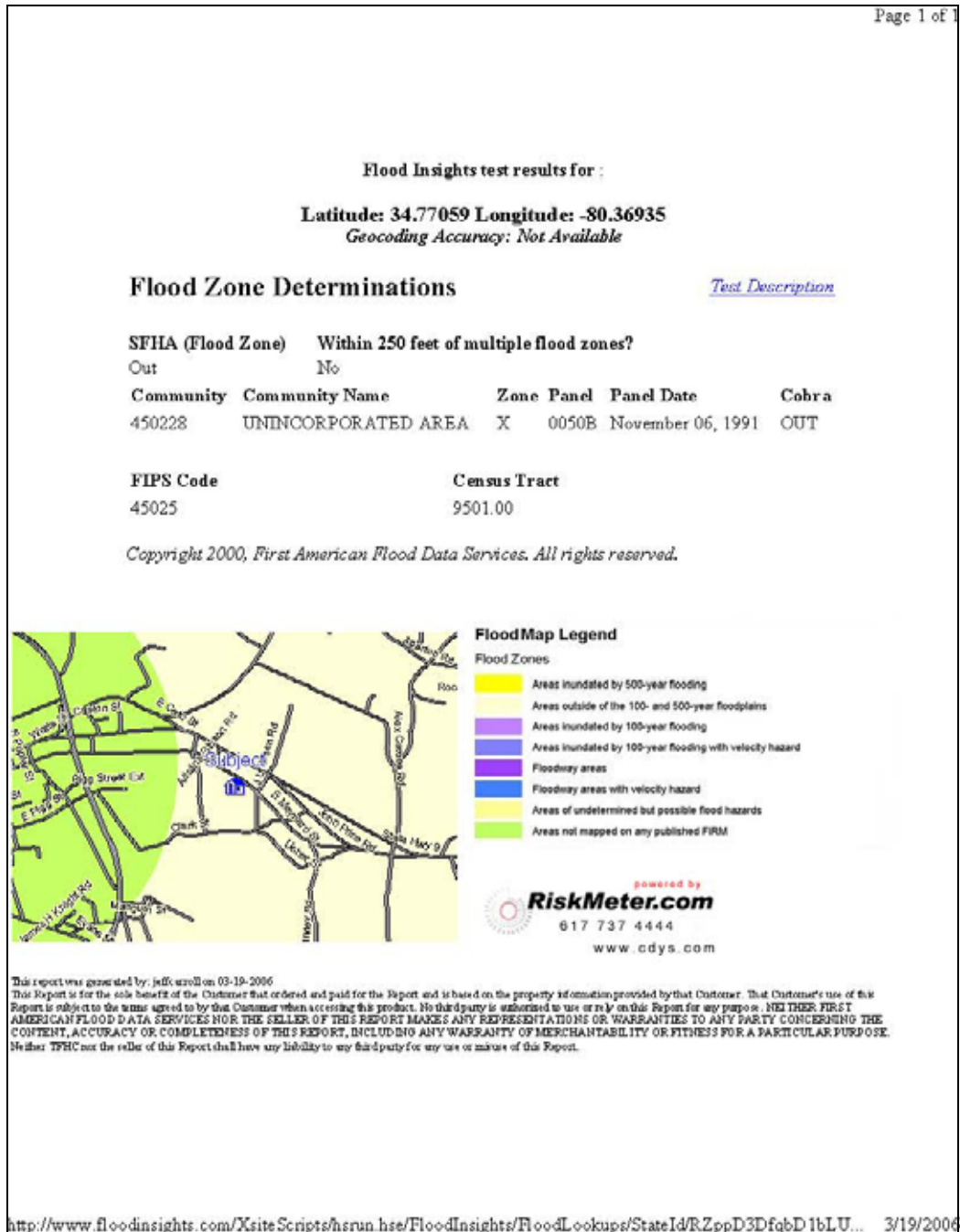
The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to the south. There do not appear to be any topographic issues with respect to the subject property.

## Flood Plain

The FEMA map showing the location of the subject property relative to nearby areas prone to flooding (the 100-year flood plain is identified in purple; the 500-year flood plain is identified in yellow) is found below:



The FEMA map identified the subject property as not being located in the 100-year flood zone.

## Environmental

The FirstSearch public records review identifying the location of any potential recognized environmental conditions with respect to the subject property is found below:

<b>Environmental FirstSearch Search Summary Report</b>										
<b>Target Site:</b>										
PAGELAND SC 29728										
<b>FirstSearch Summary</b>										
Database	Sel	Updated	Radius	Site	1/8	1/4	1/2	1/2>	ZIP	TOTALS
NPL	Y	01-13-06	1.00	0	0	0	0	0	0	0
CERCLIS	Y	01-13-06	0.50	0	0	0	0	-	0	0
NFRAP	Y	01-13-06	0.25	0	0	0	-	-	0	0
RCRA TSD	Y	02-06-06	0.50	0	0	0	0	-	0	0
RCRA COR	Y	02-06-06	1.00	0	0	0	0	0	0	0
RCRA GEN	Y	02-06-06	0.25	0	0	0	-	-	0	0
ERNS	Y	12-31-05	0.15	0	0	0	-	-	0	0
State Sites	Y	08-08-05	1.00	0	0	0	0	0	1	1
Spills-1990	Y	01-17-06	0.25	0	0	0	-	-	0	0
SWL	Y	03-15-00	0.50	0	0	0	0	-	0	0
Other	Y	01-01-05	0.25	0	0	0	-	-	0	0
REG UST/AST	Y	01-17-06	0.25	0	0	0	-	-	0	0
Leaking UST	Y	01-17-06	0.50	0	0	0	0	-	0	0
- TOTALS -				0	0	0	0	0	1	1

**Notice of Disclaimer**

Due to the limitations, constraints, inaccuracies and incompleteness of government information and computer mapping data currently available to FirstSearch Technology Corp., certain conventions have been utilized in preparing the locations of all federal, state and local agency sites residing in FirstSearch Technology Corp.'s databases. All EPA NPL and state landfill sites are depicted by a rectangle approximating their location and size. The boundaries of the rectangles represent the eastern and western most longitudes; the northern and southern most latitudes. As such, the mapped areas may exceed the actual areas and do not represent the actual boundaries of these properties. All other sites are depicted by a point representing their approximate address location and make no attempt to represent the actual areas of the associated property. Actual boundaries and locations of individual properties can be found in the files residing at the agency responsible for such information.

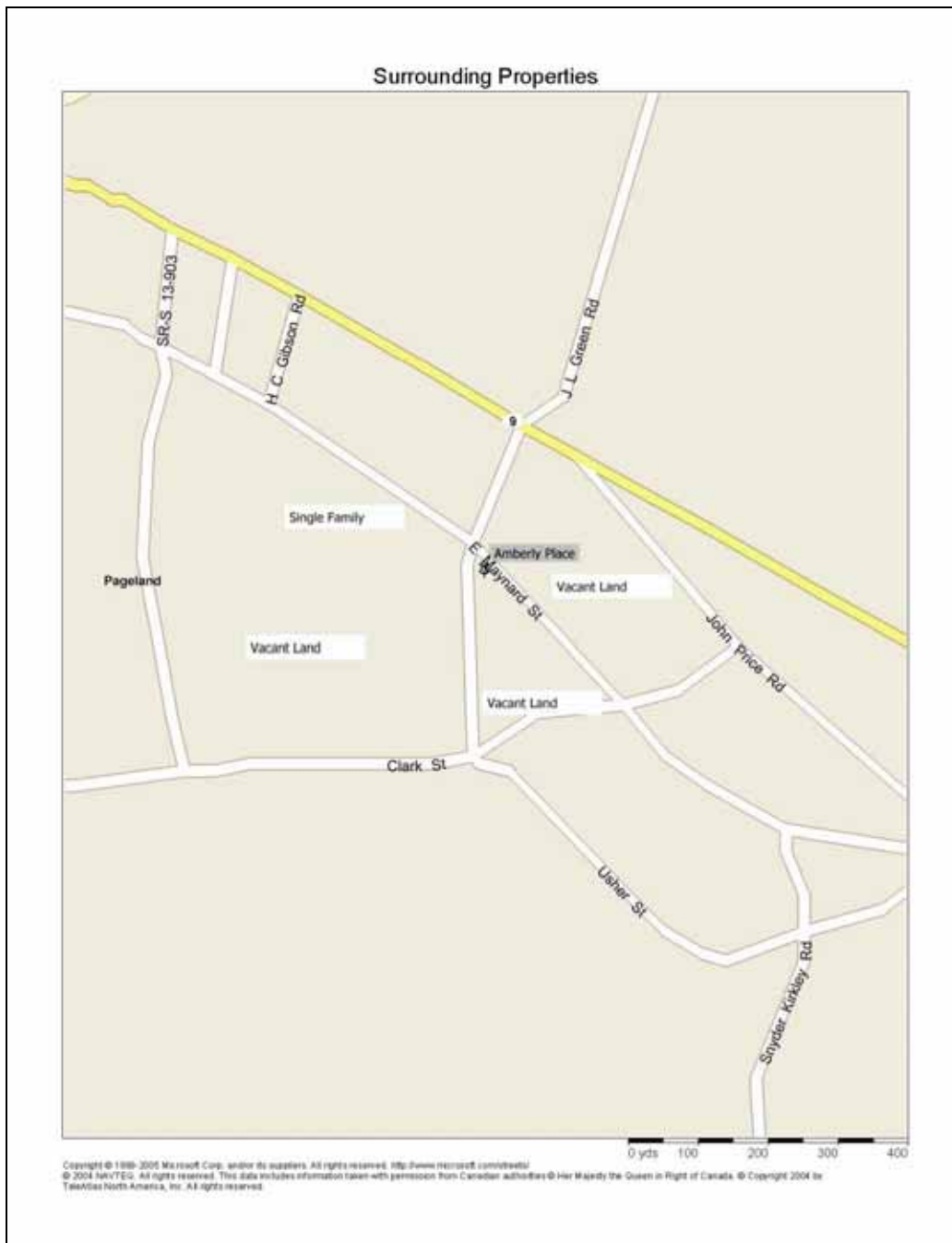
**Waiver of Liability**

Although FirstSearch Technology Corp. uses its best efforts to research the actual location of each site, FirstSearch Technology Corp. does not and can not warrant the accuracy of these sites with regard to exact location and size. All authorized users of FirstSearch Technology Corp.'s services proceeding are signifying an understanding of FirstSearch Technology Corp.'s searching and mapping conventions, and agree to waive any and all liability claims associated with search and map results showing incomplete and or inaccurate site locations.

Our public records review identified 0 leaking underground storage tank(s), 0 hazardous waste spill site(s), and 0 hazardous waste generator(s) within 1/2 mile of the subject property. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.

## Surrounding Properties

A map showing the location of the subject property relative to adjacent and nearby parcels is shown below:



Our review of the site shows that the subject is located in a small town with vacant land to the north, vacant land to the south, vacant land to the east, and vacant land & single family to the west.

### Accessibility

The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Accessibility is, therefore, fair by virtue of the site's location relative to existing traffic patterns.

### Visibility

The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site's location relative to existing traffic patterns.

### Crime

Claritas maintains crime rate data at the census tract level throughout the United States. A table showing crime rates for the area is found below:

	Region	Market	Tract
Total Crime	3,077	370	102
Poputalion	236,988	23,388	8,934
Crime Rate	1.3%	1.6%	1.1%

Source: Claritas

According to Claritas, the crime rate in the immediate vicinity of the subject property is 1.1 percent. This is compared with market area and regional crime rates of 1.6 percent and 1.3 percent, respectively. In our opinion, the subject property appears to be located in an area with below-average crime risk.

Please note: The crime statistics presented above include violent and non-violent crime for a wide variety of property types. Further, the statistics make no consideration for the implementation of an affirmative crime prevention program at the subject property.

### Schools

Standards & Poor maintains information on public school districts throughout the United States. The following table provides details for the school district serving the subject property:

	This District	State
How Students Performed on State Reading Tests		
Grade 3 Reading Proficiency (%)	50.9	56.8
Grade 8 Reading Proficiency (%)	27.2	29.7
How Students Performed on State Math Tests		
Grade 3 Math Proficiency (%)	21.9	30.9
Grade 8 Math Proficiency (%)	19.9	23.2

Source: Standards & Poor

Claritas maintains educational attainment data at the census tract level throughout the United States. A table showing educational attainment data for the area is found below:

## Educational Attainment

	Region	Market	Tract
Completed less than 9th grade	10.0%	14.6%	13.6%
Completed grades 9-12, no diploma	18.9%	26.8%	32.0%
Completed high school	18.4%	23.4%	21.6%
Completed some college	23.8%	20.1%	18.2%
Associate's degree	8.4%	5.6%	4.1%
Bachelor's degree	14.8%	6.1%	5.9%
Graduate or professional degree	5.8%	3.4%	4.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Less than high school	28.8%	41.3%	45.7%
High school or more	71.2%	58.7%	54.3%
Bachelor's degree or more	20.6%	9.6%	10.4%

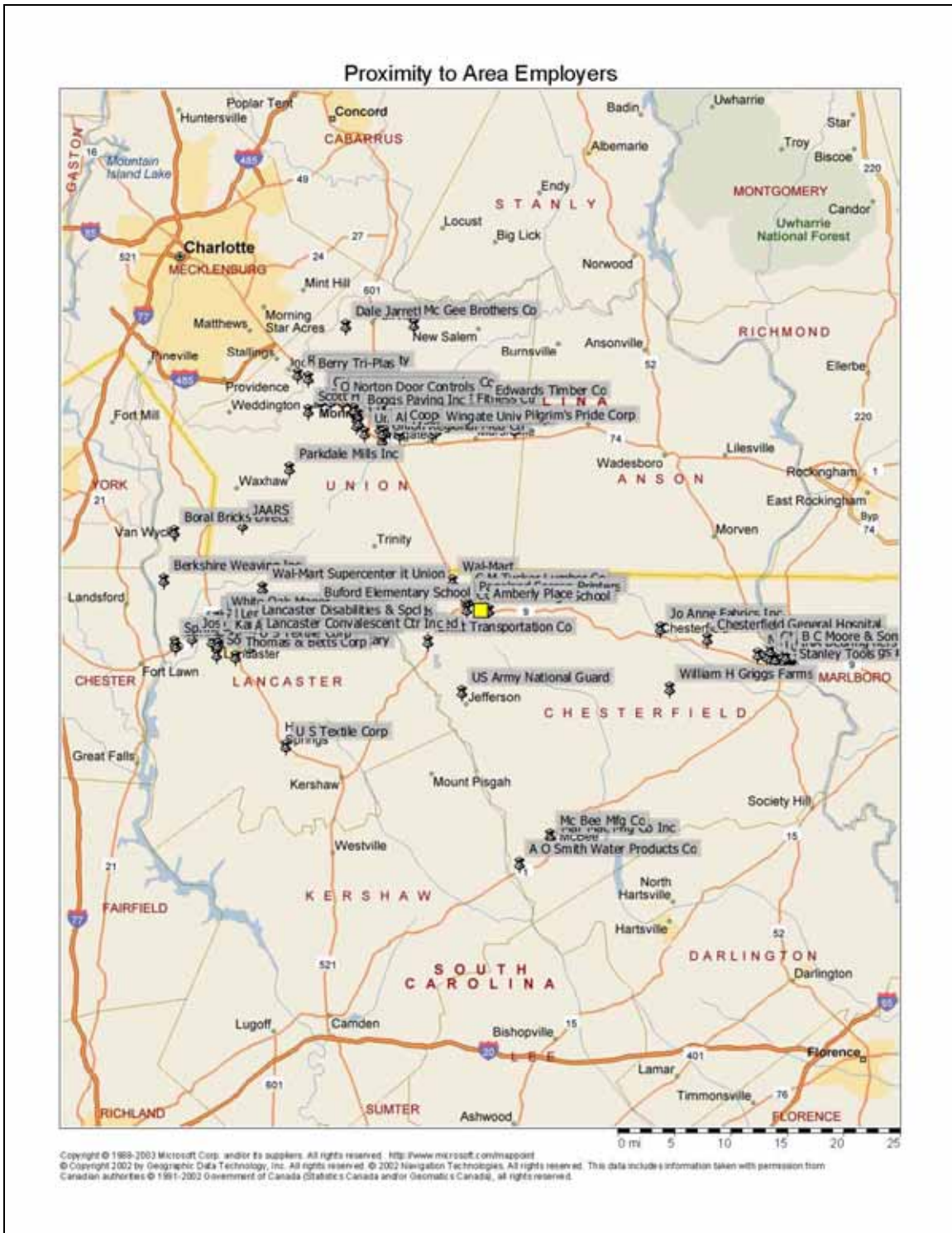
Source: Claritas

According to Standards & Poor the subject property is located in an area with below-average elementary schools and below-average middle schools. According to Claritas, the subject property is located in an area with below-average educational attainment.



### Proximity to Employment

The following map and table give details relating to the proximity of the subject property with respect to employment:



## Commute to Work

	Region	Market	Tract
4 minutes or less	2.6%	3.2%	4.3%
5 to 14 minutes	22.1%	20.0%	30.2%
15 to 29 minutes	32.8%	30.8%	22.0%
30 to 44 minutes	20.6%	21.6%	20.6%
45 minutes or more	19.2%	22.0%	21.9%
Worked at home	2.6%	2.5%	1.0%
Total	100.0%	100.0%	100.0%
Less than 5 minutes	2.6%	3.2%	4.3%
Less than 15 minutes	24.8%	23.1%	34.4%
Less than 30 minutes	57.5%	53.9%	56.5%
Less than 45 minutes	78.2%	75.5%	77.1%
More than 45 minutes	19.2%	22.0%	21.9%
Worked at home	2.6%	2.5%	1.0%
Average Commute Time	26	27	25
Vehicles per household	1.92	1.86	1.67

Source: U.S. Census

The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 25 minutes. This is compared with market area and regional commute times of 27 minutes and 26 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.

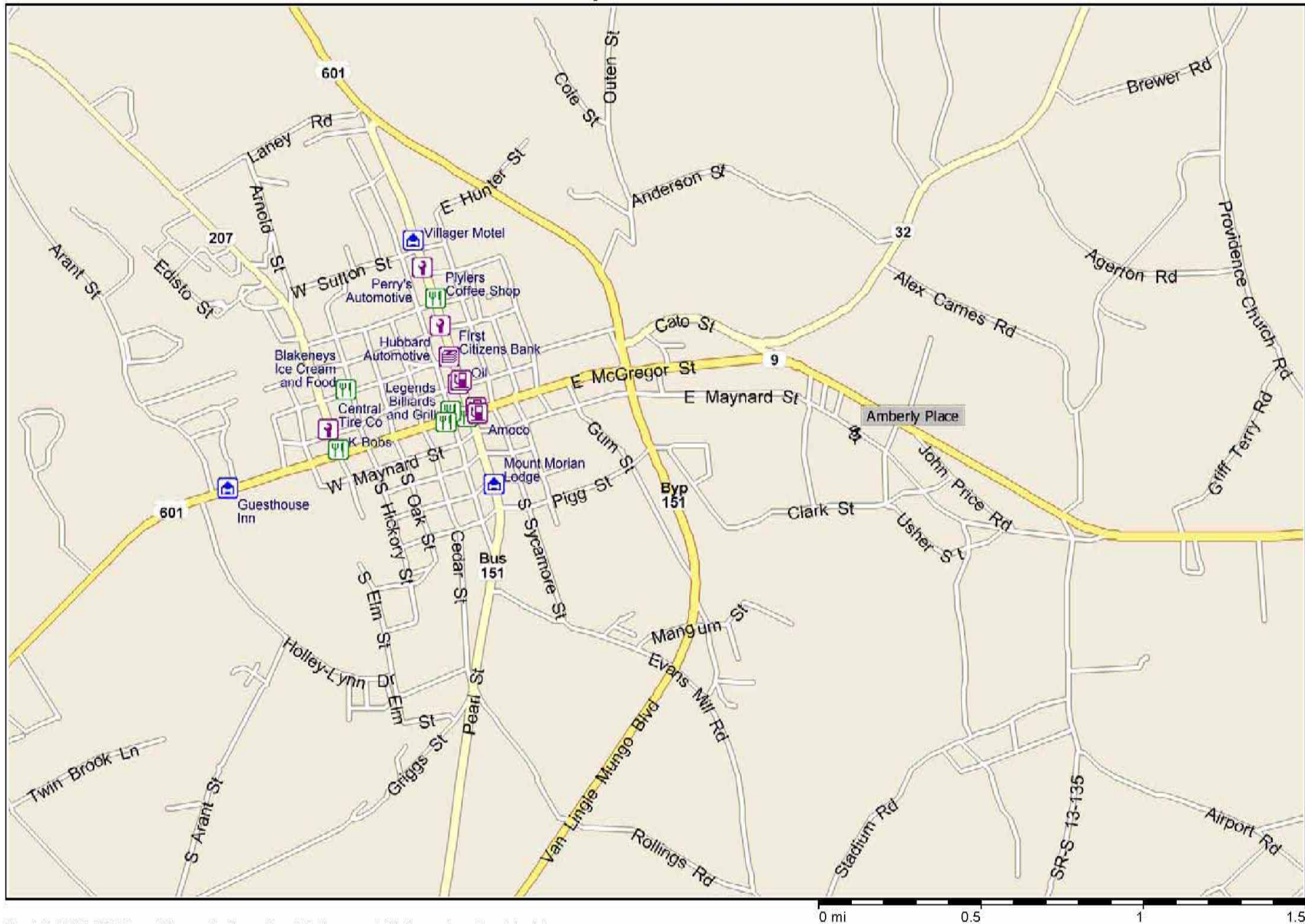
### Proximity to Area Amenities

The map and table found in the following pages gives a summary of the site's location relative to entertainment, health clinics, hospitals, places worship, public services, retail, and schools. The map and table suggest that the subject property is located the following distances from a variety of amenities and services:

- Entertainment: Good. Within 2.0 miles of most establishments.
- Health Clinics: Fair. Within 1.0 miles of nearest establishment.
- Hospitals: Fair. Within 16.0 miles of nearest establishment.
- Places of Worship: Good. Within 1.0 miles of nearest establishment.
- Public Services: Good. Within 2.0 miles of most establishments.
- Retail: Good. Within 1.0 miles of nearest establishment.
- Schools: Good. Within 2.0 miles of nearest establishment.

Our analysis suggests that the subject property has a fair location with respect to local amenities and services.

## Proximity to Area Amenities



Copyright © 1988-2005 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>

© 2004 NAVTEQ. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada. © Copyright 2004 by TeleAtlas North America, Inc. All rights reserved.

Proximity to Area Amenities

Business Type	Business Name Address, City, State (Miles to Subject) Phone Number	Business Type	Business Name Address, City, State (Miles to Subject) Phone Number
	<b>Entertainment</b>		<b>Places of Worship</b>
Recreation Centers	Paradise Game Room 318 W Elizabeth St, Pageland, SC (1.36 miles away) 843-672-9337	Churches	First Freewill Baptist Fellow 211 S Pine St, Pageland, SC (0.88 miles away) 843-672-5857
Theatres	Union Square Cinema Eight 1911 Dickerson Blvd, Monroe, NC (19.44 miles away) 704-283-6123	Mosques	Ahmadiyya Movement Islam 11205 Hambright Rd, Huntersville, NC (49.96 miles away) 704-875-1003
Video Rental	Video Bizarre 102 W Mcgregor St, Pageland, SC (1.05 miles away) 843-672-5010	Temples	Temple-Deliverance Intl 5521 Cannon Dr, Monroe, NC (25.05 miles away) 704-292-7725
<b>Locational Rating</b>	<b>Good</b>	<b>Locational Rating</b>	<b>Good</b>
	<b>Retail</b>		<b>Schools</b>
Banks	First Palmetto Savings Bank 201 N Pearl St, Pageland, SC (1.11 miles away) 843-672-6141	Preschool	Pageland Headstart Ctr 405 S Gum St # A, Pageland, SC (0.60 miles away) 843-672-5360
Department Stores	Dollar General 209 S Van L Mungo Blvd, Pageland, SC (0.53 miles away) 843-672-9246	Elementary School	Pageland Elementary School 715 W Mcgregor St, Pageland, SC (1.60 miles away) 843-672-2400
Grocers	Food Lion 709 E Mcgregor St, Pageland, SC (0.46 miles away) 843-672-7677	Junior High School	PAGELAND INTERMEDIATE SCHOOL 715 MCGREGOR STREET, PAGELAND, SC (1.60 miles away) 843-672-2400
Pharmacies	CVS Pharmacy 205 Van L Mungo Blvd, Pageland, SC (0.52 miles away) 843-672-2420	Senior High School	Central High School 200 Zion Church Rd, Pageland, SC (1.52 miles away) 843-672-6115
Restaurants	Jin Jin 715 E Mcgregor St, Pageland, SC (0.46 miles away) 843-672-3867	Junior Colleges	Lancaster Vocational School 625 Normandy Rd, Lancaster, SC (23.44 miles away) 803-285-7404
<b>Locational Rating</b>	<b>Good</b>	<b>Locational Rating</b>	<b>Good</b>
	<b>Public Services</b>		<b>Public Services</b>
Fire Department	Pageland Fire Dept 111 Poplar, Pageland, SC (0.83 miles away) 843-672-7277	Police	Pageland Police Dept 316 W Mcgregor St, Pageland, SC (1.23 miles away) 843-672-6437
Government	Pageland Clerk's Office 126 N Pearl St, Pageland, SC (1.06 miles away) 843-672-7292	Post Office	US Post Office 207 N Pearl St, Pageland, SC (1.11 miles away) 843-672-7652
Housing Authority	Housing Authority of Cheraw Highway 102, Chesterfield, SC (16.18 miles away) 843-623-6870	Senior Centers	Kershaw Senior Ctr 3855 Fork Hill Rd, Kershaw, SC (18.56 miles away) 803-475-8849
Libraries	Pageland Library 109 W Blakeney St, Pageland, SC (1.10 miles away) 843-672-6930	Social Services	Chesterfield Cnty Social Svc 202 W Main St, Chesterfield, SC (16.41 miles away) 843-623-2147
<b>Locational Rating</b>	<b>Good</b>	<b>Locational Rating</b>	<b>Good</b>
	<b>Health Care</b>		<b>Health Care</b>
Health Clinics	Pageland Family Medicine 301 N Van L Mungo Blvd, Pageland, SC (0.66 miles away) 843-672-6127	Hospitals	Union Regional Med Ctr 600 Hospital Dr, Monroe, NC (16.36 miles away) 704-283-3100
<b>Locational Rating</b>	<b>Fair</b>	<b>Locational Rating</b>	<b>Fair</b>

## Planned Road & Infrastructure Improvements

We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

## Conclusions

The following table gives a summary of our overall site evaluation:

Overall Site Evaluation		
Topography		
Grade	Flat	Good
Drainage	South	
Flood Plain		
Designated Flood Plain	No	Good
Environmental		
Leaking USTs (within 1/2 mile)	0	Good
Spill Sites (within 1/2 mile)	0	
Hazardous Waste (within 1/2 mile)	0	
Surrounding Properties		
Neighboring Property to North	Vacant Land	Good
Neighboring Property to South	Vacant Land	
Neighboring Property to East	Vacant Land	
Neighboring Property to West	Vacant Land / Residential	
Accessibility		
Location	2 Blocks Off Major Thoroughfare	Fair
Visibility		
Location	2 Blocks Off Major Thoroughfare	Fair
Crime		
Crime Rate, Site	1.1%	Fair
Crime Rate, Market	1.6%	
Crime Rate, Regional	1.3%	
Elementary Schools		
Reading Proficiency (Local/State)	50.9%/56.8%	Fair
Math Proficiency (Local/State)	21.9%/30.9%	
Middle Schools		
Reading Proficiency (Local/State)	27.2%/29.7%	Fair
Math Proficiency (Local/State)	19.9%/23.2%	
High Schools		
Reading Proficiency (Local/State)	na/na	na
Math Proficiency (Local/State)	na/na	
Educational Attainment		
H.S. Graduation Rate, Site	54.3%	Fair
H.S. Graduation Rate, Market	58.7%	
H.S. Graduation Rate, Regional	71.2%	
Proximity to Employment		
Commute Time (minutes), Site	25	Good
Commute Time (minutes), Market	27	
Commute Time (minutes), Regional	26	
Proximity to Services		
Distance to Entertainment	2.0 Miles	Good
Distance to Health Clinics	1.0 Miles	Fair
Distance to Hospitals	16.0 Miles	Fair
Distance to Places of Worship	1.0 Miles	Good
Distance to Public Services	2.0 Miles	Good
Distance to Retail	1.0 Miles	Good
Distance to Schools	2.0 Miles	Good
Overall Site Evaluation		Fair

Source: Allen & Associates

---

In our opinion the location of the subject property is fair. Our observations follow:

- Based on our evaluation of the neighborhood, the subject property is located in a small town that appears to be in the stability stage of its life cycle. Modest population and household increases are anticipated for the next several years, along with small increases in the housing stock. Properties in the immediate area appear to be generally 20-60 years old and in fair to good condition.
- Our analysis suggests that the subject is located in an area that is generally characterized by persons with a high school education, consisting primarily of owners with lower incomes. Blue collar, service and farm jobs are typical, with mostly younger ages.
- The topographic map shows that the site is flat and drains to the south. There do not appear to be any topographic issues with respect to the subject property.
- The FEMA map identified the subject property as not being located in the 100-year flood zone.
- Our public records review identified 0 leaking underground storage tank(s), 0 hazardous waste spill site(s), and 0 hazardous waste generator(s) within ½ mile of the subject property. We recommend that the sponsor obtain an environmental assessment prior to this transaction being funded.
- Our review of the site shows that the subject is located in a small town with vacant land to the north, vacant land to the south, vacant land to the east, and vacant land & single family to the west.
- The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Accessibility is, therefore, fair by virtue of the site's location relative to existing traffic patterns.
- The subject property is located 2 blocks off a major road with a fairly high volume of traffic flow. Visibility and exposure are, therefore, fair by virtue of the site's location relative to existing traffic patterns.
- According to Claritas, the crime rate in the immediate vicinity of the subject property is 1.1 percent. This is compared with market area and regional crime rates of 1.6 percent and 1.3 percent, respectively. In our opinion, the subject property appears to be located in an area with below-average crime risk.
- According to Standards & Poor the subject property is located in an area with below-average elementary schools and below-average middle schools. According to Claritas, the subject property is located in an area with below-average educational attainment.
- The majority of the top employers are located within 20 miles of the subject property. Employees in the vicinity of the subject property have an average commute time of 25 minutes. This is compared with market area and regional commute times of 27 minutes and 26 minutes, respectively. We conclude that the subject property has a good location with respect to local employers.
- We are not aware of any planned road or infrastructure improvements in the immediate vicinity of the subject property.

## SUBJECT PROPERTY PHOTOS

Photos of the subject property are found below:

Subject



Subject



Looking East on Kingstree Drive



Looking West on Kingtree Drive



Looking East on Maynard Street



Looking West on Maynard Street





## MARKET AREA

### Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for affordable multifamily properties. A summary of the survey results follows:

Market Area Survey

Family			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants are over 55 years old?	20%	15%	15%

55+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	25%	25%	15%
What % of your tenants come out of single family residences?	40%	20%	30%
What % of your tenants are between 55 & 65 years old?	35%	30%	30%
What % of your tenants are between 65 & 75 years old?	60%	55%	55%
What % of your tenants are over 75 years old?	5%	15%	15%
What % of your tenants are female?	85%	80%	90%

62+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants come out of single family residences?	20%	20%	10%
What % of your tenants are between 62 & 65 years old?	20%	10%	10%
What % of your tenants are between 65 & 75 years old?	70%	75%	75%
What % of your tenants are over 75 years old?	10%	10%	10%
What % of your tenants are female?	80%	95%	95%

Source: Allen & Associates

---

The market area survey was used to develop the primary and secondary market area defined below.

### **Primary Market Area**

We defined the primary market area by generating a drive time zone around the subject property and analyzing median rents and average household income levels in the area. We also considered population densities, existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Based on our evaluation of the local market, we concluded that the primary market area includes the following 2000 Census Tracts:

<b>Census Tract</b>	<b>County</b>	<b>State</b>
209.01	Union	North Carolina
9501	Chesterfield	South Carolina
9502	Chesterfield	South Carolina
9503	Chesterfield	South Carolina
101	Lancaster	South Carolina

The site is located in Chesterfield County Census Tract 9501.

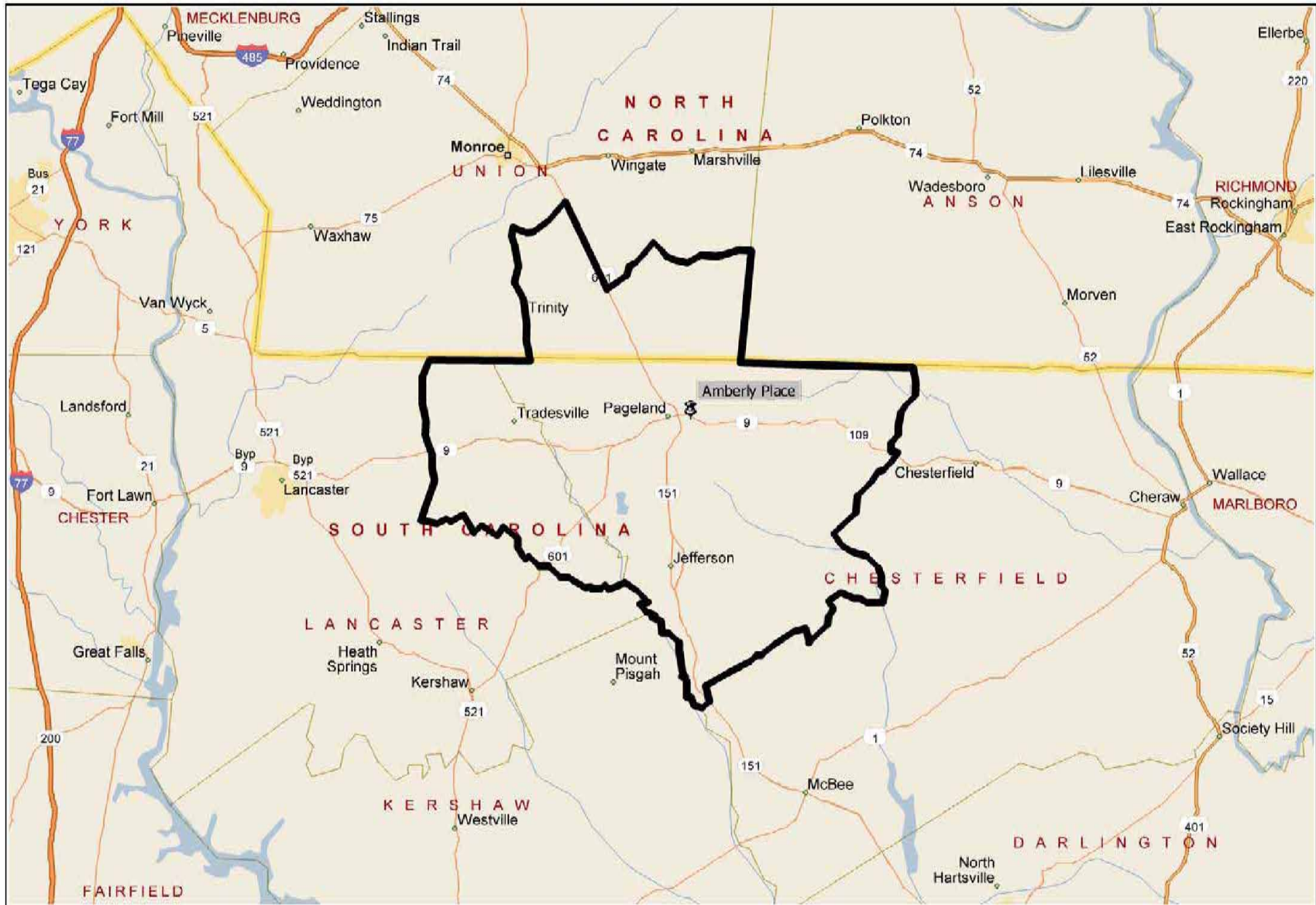
### **Secondary Market Area**

Our research suggests that as much as 20 percent of multifamily demand will come from areas outside of the market area defined above.

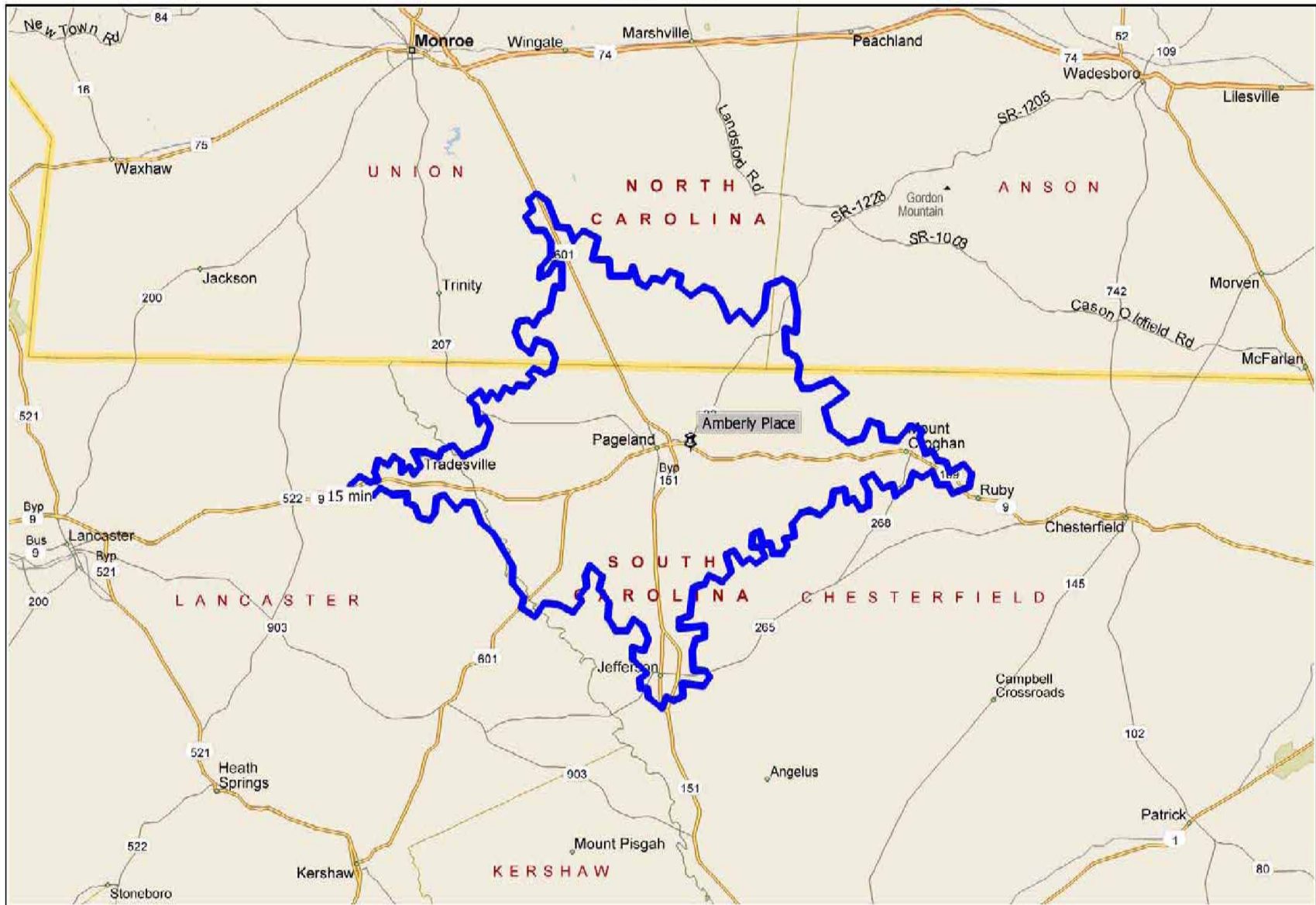
### **Market Area Map**

Market area, drive time and existing multifamily maps depicting the location of the subject property are presented in the following pages:

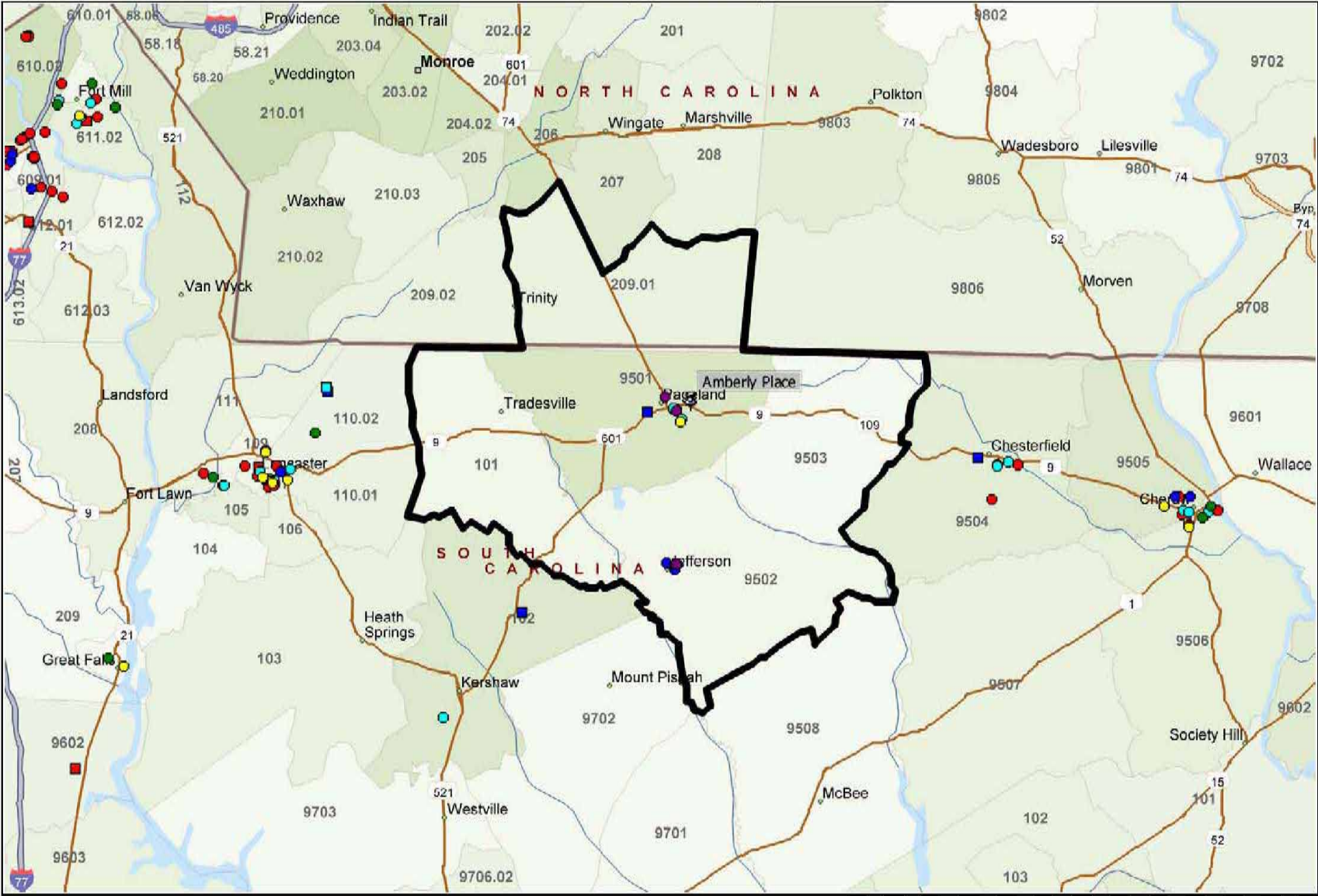
# Market Area



# Drive Time



### Existing Multifamily



0 mi 5 10 15 20 25

Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>  
 © Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.

## REGIONAL ECONOMY

In this section we conduct an analysis of the regional economy. For purposes of this analysis, we define the Region as Chesterfield and Lancaster Counties, South Carolina and Union County, North Carolina.

### Employment, Establishment-Based

The following table gives establishment-based employment data for the nation, state and region since 1990. The data set, which comes from Woods & Poole Economics, includes a forecast through 2010:

Employment, Establishment-Based					
1990-2000 Historic					
Line		US	State	Region	Notes
1	1990 Employment	139,380,891	1,925,779	86,304	Bureau of Labor Statistics
2	2000 Employment	166,758,782	2,291,238	105,561	Bureau of Labor Statistics
3	1990-2000 Change	27,377,891	365,459	19,257	(2) - (1)
4					
5	1990-2000 Annual Change, %	1.8%	1.8%	2.0%	$[(2)/(1)]^{(1/10)-1}$
2000-2005 Historic					
		US	State	Region	
8	2000 Employment	166,758,782	2,291,238	105,561	Bureau of Labor Statistics
9	2005 Employment	174,571,542	2,365,964	110,349	Bureau of Labor Statistics
10	2000-2005 Change	7,812,760	74,726	4,788	(9) - (8)
11					
12	2000-2005 Annual Change, %	0.9%	0.6%	0.9%	$[(9)/(8)]^{(1/5)-1}$
2005-2010 Projected					
		US	State	Region	
15	2005 Employment	174,571,542	2,365,964	110,349	Bureau of Labor Statistics
16	2010 Employment	187,135,175	2,548,209	118,318	Woods & Poole
17	2005-2010 Change	12,563,633	182,245	7,969	(16) - (15)
18					
19	2005-2010 Annual Change, %	1.4%	1.5%	1.4%	$[(16)/(15)]^{(1/5)-1}$

Source: Bureau of Labor Statistics; Woods & Poole Economics

Establishment-based employment for the region increased from 86,304 in 1990 to 110,349 in 2005. Employment is forecasted to increase 1.4 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.

## Employment, by Industry

The following table gives the current distribution and a forecast of establishment-based employment by industry for the nation, state and region:

Employment, by Industry								
United States								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	3,153,000	3,113,000	-0.1%	3,071,143	-0.3%	0.0%	3,064,734	1.8%
Agricultural	1,453,958	2,121,118	3.8%	2,295,176	1.6%	1.8%	2,513,356	1.3%
Mining	1,044,098	784,205	-2.8%	773,133	-0.3%	0.9%	808,485	0.4%
Construction	7,261,784	9,446,293	2.7%	9,871,419	0.9%	1.5%	10,634,270	5.7%
Manufacturing	19,694,193	19,114,818	-0.3%	17,131,709	-2.2%	0.2%	17,335,429	9.8%
Trans, Comm & Public Utilities	6,550,612	8,244,403	2.3%	8,442,010	0.5%	1.4%	9,060,356	4.8%
Wholesale Trade	6,720,494	7,584,128	1.2%	7,681,175	0.3%	1.2%	8,146,127	4.4%
Retail Trade	22,885,508	27,222,299	1.8%	28,044,676	0.6%	1.1%	29,596,745	16.1%
Finance, Insurance & Real Estate	10,714,602	13,193,718	2.1%	15,384,800	3.1%	1.1%	16,276,060	8.8%
Services	38,670,642	52,990,800	3.2%	57,668,413	1.7%	2.1%	64,054,988	33.0%
Federal Civilian Government	3,233,004	2,891,979	-1.1%	2,753,317	-1.0%	0.3%	2,792,255	1.6%
Federal Military Government	2,717,996	2,075,021	-2.7%	1,972,214	-1.0%	0.3%	2,002,656	1.1%
State and Local Government	15,281,000	17,977,000	1.6%	19,482,357	1.6%	1.4%	20,849,714	11.2%
<b>Total</b>	<b>139,380,891</b>	<b>166,758,782</b>	<b>1.8%</b>	<b>174,571,542</b>	<b>0.9%</b>	<b>1.4%</b>	<b>187,135,175</b>	<b>100.0%</b>

State								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	36,846	31,837	-1.5%	32,097	0.2%	-0.5%	31,224	1.4%
Agricultural	15,844	25,596	4.9%	27,161	1.2%	2.0%	30,027	1.1%
Mining	2,640	2,466	-0.7%	2,484	0.1%	0.7%	2,571	0.1%
Construction	133,831	154,539	1.4%	159,393	0.6%	1.5%	172,079	6.7%
Manufacturing	389,540	352,570	-1.0%	311,137	-2.5%	0.2%	313,558	13.2%
Trans, Comm & Public Utilities	73,624	108,493	4.0%	117,473	1.6%	2.3%	131,755	5.0%
Wholesale Trade	66,465	86,829	2.7%	89,413	0.6%	1.2%	94,719	3.8%
Retail Trade	331,726	410,390	2.2%	419,336	0.4%	1.4%	450,318	17.7%
Finance, Insurance & Real Estate	109,161	139,524	2.5%	165,645	3.5%	1.4%	177,524	7.0%
Services	405,137	595,772	3.9%	650,337	1.8%	2.3%	729,352	27.5%
Federal Civilian Government	40,068	30,962	-2.5%	27,813	-2.1%	0.3%	28,238	1.2%
Federal Military Government	84,762	58,597	-3.6%	54,552	-1.4%	0.3%	55,407	2.3%
State and Local Government	236,135	293,663	2.2%	309,123	1.0%	1.4%	331,437	13.1%
<b>Total</b>	<b>1,925,779</b>	<b>2,291,238</b>	<b>1.8%</b>	<b>2,365,964</b>	<b>0.6%</b>	<b>1.5%</b>	<b>2,548,209</b>	<b>100.0%</b>

Region								
Category	1990	2000	1990-2000 Historic	2005	2000-2005 Historic	2005-2010 Projected	2010	Percent of Total
Farm Employment	3,184	3,385	0.6%	3,397	0.1%	-0.5%	3,309	3.1%
Agricultural	981	1,508	4.4%	1,418	-1.2%	3.4%	1,672	1.3%
Mining	329	147	-7.7%	125	-3.2%	0.0%	125	0.1%
Construction	7,620	11,793	4.5%	11,706	-0.1%	2.1%	13,013	10.6%
Manufacturing	30,724	27,135	-1.2%	25,108	-1.5%	0.6%	25,821	22.8%
Trans, Comm & Public Utilities	1,918	2,913	4.3%	3,597	4.3%	1.3%	3,841	3.3%
Wholesale Trade	2,536	3,965	4.6%	4,620	3.1%	2.8%	5,298	4.2%
Retail Trade	13,714	16,622	1.9%	16,618	0.0%	1.0%	17,493	15.1%
Finance, Insurance & Real Estate	3,247	4,683	3.7%	5,850	4.6%	2.0%	6,465	5.3%
Services	12,171	20,314	5.3%	23,756	3.2%	1.8%	25,933	21.5%
Federal Civilian Government	420	611	3.8%	490	-4.3%	2.0%	541	0.4%
Federal Military Government	990	870	-1.3%	660	-5.4%	1.2%	702	0.6%
State and Local Government	8,470	11,615	3.2%	13,004	2.3%	1.6%	14,105	11.8%
<b>Total</b>	<b>86,304</b>	<b>105,561</b>	<b>2.0%</b>	<b>110,349</b>	<b>0.9%</b>	<b>1.4%</b>	<b>118,318</b>	<b>100.0%</b>

Source: Bureau of Labor Statistics; Woods & Poole Economics

### Earnings, by Industry

The following table gives the current distribution of per-capita earnings by industry for the nation, state and region:

Category	US	State	Region
Farm Employment	\$11,787	\$9,219	\$22,894
Agricultural	\$21,151	\$18,712	\$19,907
Mining	\$78,554	\$52,060	\$41,824
Construction	\$39,046	\$31,703	\$34,693
Manufacturing	\$55,963	\$45,632	\$40,124
Trans, Comm & Public Utilities	\$50,928	\$41,186	\$34,184
Wholesale Trade	\$51,217	\$42,477	\$38,975
Retail Trade	\$19,657	\$17,217	\$17,169
Finance, Insurance & Real Estate	\$43,213	\$29,420	\$22,938
Services	\$34,213	\$26,844	\$22,344
Federal Civilian Government	\$72,766	\$65,750	\$55,192
Federal Military Government	\$42,304	\$40,625	\$15,832
State and Local Government	\$39,760	\$35,157	\$32,621

Source: Woods & Poole Economics

### Major Employers

The table on the following page gives a snapshot of the top civilian employers in the region. The data was obtained from InfoUSA:



## Major Employers

Region							
COMPANY NAME	MAILING ADDRESS	CITY	STATE	ZIP CODE	PHONE	EMPLOYEES	PRIMARY SIC DESCRIPTION
Allvac	PO Box 5030	Monroe	NC	28111-5030	(704) 289-4511	1500	Steel Mills
Tyson Foods Inc	PO Box 965	Monroe	NC	28111-0965	(704) 283-7574	1300	Poultry Processing Plants
Union Regional Med Ctr	PO Box 5003	Monroe	NC	28111-5003	(704) 283-3100	1100	Hospitals
Grace Fabrication	294 Grace Ave	Lancaster	SC	29720-4258	(803) 286-2730	1000	Assembly & Fabricating Service
Mc Gee Brothers Co	4608 Carriker Rd	Monroe	NC	28110-7490	(704) 753-4582	1000	Masonry Contractors
Springs Industries Inc	294 Grace Ave	Lancaster	SC	29720-4258	(803) 286-2698	1000	Textile Manufacturers
A O Smith Water Products Co	PO Box 187	Mc Bee	SC	29101-0187	(843) 335-8281	800	Water Heaters-Wholesale
INA Bearing	PO Box 390	Cheraw	SC	29520-0390	(843) 537-9341	800	Ball & Roller Bearing (Manufacturers)
Pilgrim's Pride Corp	PO Box 668	Marshville	NC	28103-0668	(704) 624-2419	800	Poultry-Wholesale
Wal-Mart	160 W Dove Sutton Rd	Pageland	SC	29728-1556	(843) 672-3000	701	Department Stores
Springs Memorial Hospital	800 W Meeting St	Lancaster	SC	29720-2298	(803) 286-1214	700	Hospitals
Conbraco Industries Inc	PO Box 125	Pageland	SC	29728-0125	(843) 672-6161	630	Screw Machine Products (Manufacturers)
Charlotte Pipe & Foundry Co	PO Box 1339	Monroe	NC	28111-1339	(704) 289-2531	600	Pipe-Plastic (Manufacturers)
JAARS	PO Box 248	Waxhaw	NC	28173-0248	(704) 843-6000	600	Religious Organizations
Wal-Mart	2406 W Roosevelt Blvd	Monroe	NC	28110-8430	(704) 289-5478	575	Department Stores
Scott Health & Safety	PO Box 569	Monroe	NC	28111-0569	(704) 291-8300	550	Fire Department Equipment & Supls-Mfrs
Springs Industries Inc	PO Box 111	Lancaster	SC	29721-0111	(803) 286-2000	500	Textile Finishing (Manufacturers)
Union County Court House	500 N Main St	Monroe	NC	28112-4730	(704) 283-3500	500	County Government-Courts
Springs Industries Inc	1116 7th St	Lancaster	SC	29720-0300	(803) 286-2862	475	Textile Manufacturers
Wal-Mart Supercenter	805 Highway 9 Byp W	Lancaster	SC	29720	(803) 286-5445	434	Department Stores
Vanguard Supreme Machine Corp	PO Box 5009	Monroe	NC	28111-5009	(704) 283-8171	400	Textile Machinery & Parts-Manufacturers
Lancaster County Council	101 N Main St	Lancaster	SC	29720-2409	(803) 416-9307	350	Government Offices-County
Mar Mac Mfg Co Inc	PO Box 278	Mc Bee	SC	29101-0278	(843) 335-8211	350	Apparel & Accessories Nec (Mfrs)
Highland Industries Inc	650 Chesterfield Hwy	Cheraw	SC	29520-7033	(843) 537-2121	343	Textile Mills
Boggs Paving Inc	PO Box 1609	Monroe	NC	28111-1609	(704) 289-8482	300	Excavating Contractors
Consolidated Metco Inc	PO Box 907	Monroe	NC	28111-0907	(704) 289-6491	300	Foundries-Steel
Dunn Manufacturing	PO Box 5017	Monroe	NC	28111-5017	(704) 283-2147	300	Textile Converting-Manufacturers
Mc Leod Farms	PO Box 449	Mc Bee	SC	29101-0449	(843) 335-8335	300	Farms
Stanley Tools	100 Stanley Rd	Cheraw	SC	29520-3999	(843) 320-9845	300	Tools-Hand-Manufacturers
U S Textile Corp	PO Box 1179	Lancaster	SC	29721-1179	(803) 283-6800	300	Textile Finishing (Manufacturers)
Wingate University	220 N Camden Rd	Wingate	NC	28174-9644	(704) 233-8111	300	Schools-Universities & Colleges Academic
Cheraw Yarn Mills Inc	PO Box 807	Cheraw	SC	29520-0807	(843) 537-7846	275	Yarn-Spinning Mills
Cooper Hand Tools	PO Box 5027	Monroe	NC	28111-5027	(704) 289-8486	273	Tools-Manufacturers
Chesterfield General Hospital	PO Box 151	Cheraw	SC	29520-0151	(843) 537-7881	250	Hospitals
Dale Jarrett Ford	PO Box 2460	Indian Trail	NC	28079-2460	(704) 283-8521	250	Automobile Dealers-New Cars
Edwards Timber Co	PO Box 219	Marshville	NC	28103-0219	(704) 624-5098	250	Pallets & Skids-Manufacturers
Swift Transportation Co	PO Box 68	Pageland	SC	29728-0068	(843) 672-9069	250	Trucking-Motor Freight
Wingate University	PO Box 159	Wingate	NC	28174-0159	(704) 233-8000	247	Schools-Universities & Colleges Academic

Source: InfoUSA

Many of the top employers in this market area specialize in textile manufacturing and textile-related businesses. This sector has been very soft for the past 15-20 years due to foreign competition. Job losses in this sector have taken place and continued losses should be anticipated for the foreseeable future.

## Employment, Population-Based

The following table gives population-based employment data for region since 1996. Historic data comes from the Bureau of Labor Statistics.

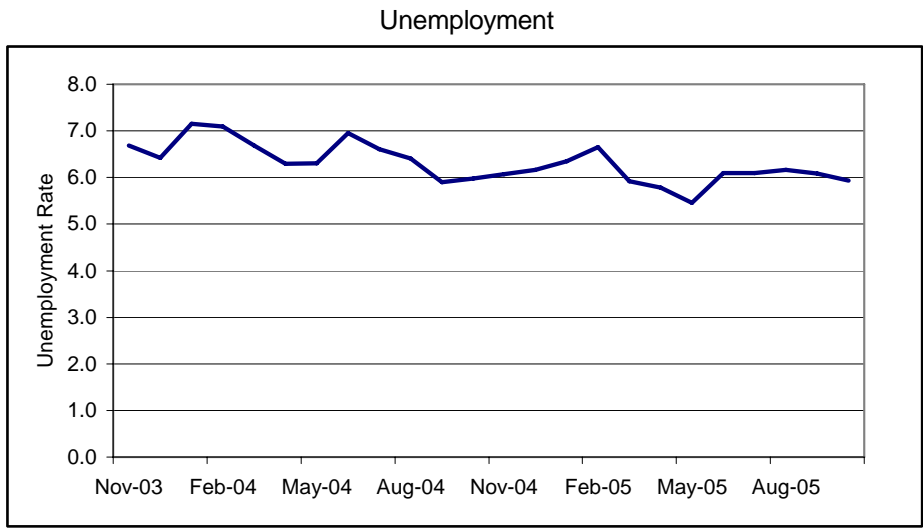
Employment, Population-Based						
Region						
Year	Labor Force	Employment	Job Growth	Growth Rate %	Unemployment	Unempl Rate %
1996	106,288	101,540	2,927	3.0%	4,748	4.5%
1997	107,702	103,293	1,753	1.7%	4,409	4.1%
1998	108,533	104,399	1,106	1.1%	4,134	3.8%
1999	112,906	109,170	4,771	4.6%	3,736	3.3%
2000	116,126	112,338	3,168	2.9%	3,788	3.3%
2001	119,504	113,471	1,133	1.0%	6,033	5.0%
2002	122,245	114,993	1,522	1.3%	7,252	5.9%
2003	124,698	116,324	1,331	1.2%	8,374	6.7%
2004	125,217	117,154	830	0.7%	8,063	6.4%
2005	127,134	119,426	2,272	1.9%	7,709	6.1%

Source: Bureau of Labor Statistics

Population-based employment for the region increased from 101,540 in 1996 to 119,426 in 2005. Job growth and unemployment averaged 1.9 and 6.1 percent, respectively, over the past year. Job growth and unemployment for Chesterfield County averaged -2.6 and 10.1 percent, respectively, last year.

### Unemployment

The following exhibit illustrates the pattern of unemployment for the region over the past 24 months.



Source: Bureau of Labor Statistics

The unemployment rates for the region have generally decreased from about 6.5 percent to approximately 6.0 percent over the past 24 months.

## Consumer Price Index

The following table shows consumer price index data since 1990 and a forecast through 2010:

Consumer Price Index		
US Total		
Year	Consumer Price Index	Annual Change
1990	130.7	5.4%
1991	136.2	4.2%
1992	140.3	3.0%
1993	144.5	3.0%
1994	148.2	2.6%
1995	152.4	2.8%
1996	156.9	3.0%
1997	160.5	2.3%
1998	163.0	1.6%
1999	166.6	2.2%
2000	172.2	3.4%
2001	177.1	2.8%
2002	179.9	1.6%
2003	184.0	2.3%
2004	188.9	2.7%
2005	195.3	3.4%
2006	200.7	2.8%
2007	206.3	2.8%
2008	212.0	2.8%
2009	217.9	2.8%
2010	224.0	2.8%

Source: Bureau of Labor Statistics  
 Historic Data; Allen & Associates  
 Projection Based on 3-Year Rolling  
 Average

## Residential Permits

The following table gives residential permit data for the region since 2000 and a forecast through 2010:

Residential Permits						
Region						
Year	Total	Single Family	Multifamily	Single Family	Multifamily	
2000	3,092	2,895	197	93.6%	6.4%	
2001	2,918	2,868	50	98.3%	1.7%	
2002	3,167	2,962	205	93.5%	6.5%	
2003	3,411	3,273	138	96.0%	4.0%	
2004	3,808	3,780	28	99.3%	0.7%	
2005	3,462	3,338	124	96.4%	3.6%	
2006	3,462	3,338	124	96.4%	3.6%	
2007	3,462	3,338	124	96.4%	3.6%	
2008	3,462	3,338	124	96.4%	3.6%	
2009	3,462	3,338	124	96.4%	3.6%	
2010	3,462	3,338	124	96.4%	3.6%	

Source: U.S. Census Bureau Historic Data; Allen & Associates  
Projection Based on 3-Year Rolling Average

An estimated 3,462 residential permits are anticipated for the region in 2005. Multifamily is anticipated to account for 3.6 percent of this total through 2010.

## Conclusions

In our opinion, the economic outlook for the region is fair. Our observations are summarized below:

- Establishment-based employment for the region increased from 86,304 in 1990 to 110,349 in 2005. Employment is forecasted to increase 1.4 percent annually through 2010. This is compared with projected growth of 1.5 and 1.4 percent for the state and nation, respectively.
- Many of the top employers in this market area specialize in textile manufacturing and textile-related businesses. This sector has been very soft for the past 15-20 years due to foreign competition. Job losses in this sector have taken place and continued losses should be anticipated for the foreseeable future.
- Population-based employment for the region increased from 101,540 in 1996 to 119,426 in 2005. Job growth and unemployment averaged 1.9 and 6.1 percent, respectively, over the past year. Job growth and unemployment for Chesterfield County averaged -2.6 and 10.1 percent, respectively, last year.
- The unemployment rates for the region have generally decreased from about 6.5 percent to approximately 6.0 percent over the past 24 months.
- An estimated 3,462 residential permits are anticipated for the region in 2005. Multifamily is anticipated to account for 3.6 percent of this total through 2010.

## MARKET AREA DEMOGRAPHIC CHARACTERISTICS

In this section we conduct an analysis of regional and market area demographics. Our analysis uses the regional and market area definitions presented previously in this report.

### Population

The following table gives population data for the nation, state, region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Population						
1990-2000 Historic						
Line		US	State	Region	Market	Notes
1	1990 Population	249,622,814	3,501,155	177,302	19,306	US Census Bureau
2	2000 Population	282,177,838	4,023,129	227,796	22,789	US Census Bureau
3	1990-2000 Change	32,555,024	521,974	50,494	3,483	(2) - (1)
4						
5	1990-2000 Annual Change, %	1.2%	1.4%	2.5%	1.7%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic						
Line		US	State	Region	Market	Notes
8	2000 Population	282,177,838	4,023,129	227,796	22,789	US Census Bureau
9	2005 Population	296,468,313	4,241,118	262,398	24,228	W&P; Claritas
10	2000-2005 Change	14,290,475	217,989	34,602	1,439	(9) - (8)
11						
12	2000-2005 Annual Change, %	1.0%	1.1%	2.9%	1.2%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected						
Line		US	State	Region	Market	Notes
15	2005 Population	296,468,313	4,241,118	262,398	24,228	W&P; Claritas
16	2010 Population	311,034,645	4,482,262	298,771	25,779	W&P; Claritas
17	2005-2010 Change	14,566,332	241,144	36,373	1,551	(16) - (15)
18						
19	2005-2010 Annual Change, %	1.0%	1.1%	2.6%	1.2%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Woods & Poole; Claritas

Population for the market area increased from 19,306 in 1990 to 24,228 in 2005. Population is forecasted to increase 1.2 percent annually through 2010. This is compared with projected growth of 2.6, 1.1 and 1.0 percent for the region, state and nation, respectively.

### Population, by Age, Sex and Race

The following tables give population data by age, sex and race for the region and market area in 2000:

Population, by Age

Population	2000			
	Region	Market	Region	Market
Under 5 years	16,934	1,721	7.4%	7.6%
5 to 9 years	17,948	1,803	7.9%	7.9%
10 to 14 years	17,391	1,877	7.6%	8.2%
15 to 19 years	15,276	1,519	6.7%	6.7%
20 to 24 years	13,242	1,465	5.8%	6.4%
25 to 29 years	15,789	1,553	6.9%	6.8%
30 to 34 years	18,149	1,768	8.0%	7.8%
35 to 39 years	19,772	1,838	8.7%	8.1%
40 to 44 years	18,305	1,688	8.0%	7.4%
45 to 49 years	16,098	1,547	7.1%	6.8%
50 to 54 years	14,742	1,477	6.5%	6.5%
55 to 59 years	11,531	1,113	5.1%	4.9%
60 to 64 years	8,938	964	3.9%	4.2%
65 to 69 years	7,526	807	3.3%	3.5%
70 to 74 years	6,037	612	2.7%	2.7%
75 to 79 years	4,733	499	2.1%	2.2%
80 to 84 years	3,002	315	1.3%	1.4%
85 years and over	2,383	223	1.0%	1.0%
<b>Total</b>	<b>227,796</b>	<b>22,789</b>	<b>100.0%</b>	<b>100.0%</b>

Population, by Sex

Population	2000			
	Region	Market	Region	Market
Male	112,780	11,313	49.5%	49.6%
Female	115,016	11,476	50.5%	50.4%
<b>Total</b>	<b>227,796</b>	<b>22,789</b>	<b>100.0%</b>	<b>100.0%</b>

Population, by Race

Population	2000			
	Region	Market	Region	Market
White alone	173,533	16,857	76.2%	74.0%
Black or African American alone	46,165	5,190	20.3%	22.8%
American Indian or Alaska Native alone	753	84	0.3%	0.4%
Asian alone	1,012	54	0.4%	0.2%
Native Hawaiian/Pacific Islander alone	51	3	0.0%	0.0%
Some other race alone	4,255	403	1.9%	1.8%
Population of two or more races	2,027	198	0.9%	0.9%
<b>Total</b>	<b>227,796</b>	<b>22,789</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau

## Households

The following table gives household data for the nation, state, region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Total Households						
1990-2000 Historic						
Line		US	State	Region	Market	Notes
1	1990 Total Households	92,315,441	1,267,097	63,132	6,845	US Census Bureau
2	2000 Total Households	105,838,068	1,540,617	83,125	8,474	US Census Bureau
3	1990-2000 Change	13,522,627	273,520	19,993	1,629	(2) - (1)
4						
5	1990-2000 Annual Change, %	1.4%	2.0%	2.8%	2.2%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic						
7		US	State	Region	Market	
8	2000 Total Households	105,838,068	1,540,617	83,125	8,474	US Census Bureau
9	2005 Total Households	112,896,794	1,654,612	96,372	9,173	W&P; Claritas
10	2000-2005 Change	7,058,726	113,995	13,247	699	(9) - (8)
11						
12	2000-2005 Annual Change, %	1.3%	1.4%	3.0%	1.6%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected						
14		US	State	Region	Market	
15	2005 Total Households	112,896,794	1,654,612	96,372	9,173	W&P; Claritas
16	2010 Total Households	120,065,782	1,781,088	109,998	9,878	W&P; Claritas
17	2005-2010 Change	7,168,988	126,476	13,626	705	(16) - (15)
18						
19	2005-2010 Annual Change, %	1.2%	1.5%	2.7%	1.5%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Woods & Poole; Claritas

The total number of households for the market area increased from 6,845 in 1990 to 9,173 in 2005. The total number of households is forecasted to increase 1.5 percent annually through 2010. This is compared with projected growth of 2.7, 1.5 and 1.2 percent for the region, state and nation, respectively.



## Tenure

The following table gives household tenure data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Owner Tenure				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Owner Tenure	75.43%	78.22%	US Census Bureau
2	2000 Owner Tenure	78.14%	77.72%	US Census Bureau
3	1990-2000 Change, %	2.71%	-0.50%	(2) - (1)
4				
5	1990-2000 Annual Change, %	0.27%	-0.05%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Owner Tenure	78.14%	77.72%	US Census Bureau
9	2005 Owner Tenure	79.16%	77.95%	Claritas
10	2000-2005 Change, %	1.03%	0.23%	(9) - (8)
11				
12	2000-2005 Annual Change, %	0.21%	0.05%	(10) / 5
2005-2010 Projected				
14		Region	Market	
15	2005 Owner Tenure	79.16%	77.95%	Claritas
16	2010 Owner Tenure	79.89%	78.22%	Claritas
17	2005-2010 Change, %	0.73%	0.28%	(16) - (15)
18				
19	2005-2010 Annual Change, %	0.15%	0.06%	(17) / 5

Renter Tenure				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Renter Tenure	24.57%	21.78%	US Census Bureau
2	2000 Renter Tenure	21.86%	22.28%	US Census Bureau
3	1990-2000 Change, %	-2.71%	0.50%	(2) - (1)
4				
5	1990-2000 Annual Change, %	-0.27%	0.05%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Renter Tenure	21.86%	22.28%	US Census Bureau
9	2005 Renter Tenure	20.84%	22.05%	Claritas
10	2000-2005 Change, %	-1.03%	-0.23%	(9) - (8)
11				
12	2000-2005 Annual Change, %	-0.21%	-0.05%	(10) / 5
2005-2010 Projected				
14		Region	Market	
15	2005 Renter Tenure	20.84%	22.05%	Claritas
16	2010 Renter Tenure	20.11%	21.78%	Claritas
17	2005-2010 Change, %	-0.73%	-0.28%	(16) - (15)
18				
19	2005-2010 Annual Change, %	-0.15%	-0.06%	(17) / 5

Source: U.S. Census Bureau; Claritas

### Households, by Tenure

The following table gives household tenure data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Owner Households				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Owner Households	47,622	5,354	US Census Bureau
2	2000 Owner Households	64,952	6,586	US Census Bureau
3	1990-2000 Change	17,330	1,232	(2) - (1)
4				
5	1990-2000 Annual Change, %	3.2%	2.1%	$[(2)/(1)]^{(1/10)-1}$
2000-2005 Historic				
7		Region	Market	
8	2000 Owner Households	64,952	6,586	US Census Bureau
9	2005 Owner Households	76,292	7,150	Claritas
10	2000-2005 Change	11,340	564	(9) - (8)
11				
12	2000-2005 Annual Change, %	3.3%	1.7%	$[(9)/(8)]^{(1/5)-1}$
2005-2010 Projected				
14		Region	Market	
15	2005 Owner Households	76,292	7,150	Claritas
16	2010 Owner Households	87,879	7,727	Claritas
17	2005-2010 Change	11,587	577	(16) - (15)
18				
19	2005-2010 Annual Change, %	2.9%	1.6%	$[(16)/(15)]^{(1/5)-1}$

Renter Households				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Renter Households	15,510	1,491	US Census Bureau
2	2000 Renter Households	18,173	1,888	US Census Bureau
3	1990-2000 Change	2,663	397	(2) - (1)
4				
5	1990-2000 Annual Change, %	1.6%	2.4%	$[(2)/(1)]^{(1/10)-1}$
2000-2005 Historic				
7		Region	Market	
8	2000 Renter Households	18,173	1,888	US Census Bureau
9	2005 Renter Households	20,080	2,023	Claritas
10	2000-2005 Change	1,907	135	(9) - (8)
11				
12	2000-2005 Annual Change, %	2.0%	1.4%	$[(9)/(8)]^{(1/5)-1}$
2005-2010 Projected				
14		Region	Market	
15	2005 Renter Households	20,080	2,023	Claritas
16	2010 Renter Households	22,119	2,151	Claritas
17	2005-2010 Change	2,039	128	(16) - (15)
18				
19	2005-2010 Annual Change, %	2.0%	1.2%	$[(16)/(15)]^{(1/5)-1}$

Source: U.S. Census Bureau; Claritas

The total number of owner households for the market area currently stand at 7,150 and are anticipated to increase 1.6 percent annually through 2010. The total number of renter households for the market area currently stand at 2,023 and are anticipated to increase 1.2 percent annually through 2010.

### Households, by Tenure, Size

The following table gives household size data by tenure for the region and market area in 2000. The data set comes from the U.S. Census Bureau:

#### Households, Owner, by Size

Households	2000			
	Region	Market	Region	Market
1 person	11,786	1,272	18.1%	19.3%
2 person	23,039	2,266	35.5%	34.4%
3 person	12,740	1,261	19.6%	19.1%
4 person	11,206	1,105	17.3%	16.8%
5 person	4,234	452	6.5%	6.9%
6 person	1,278	139	2.0%	2.1%
7+ person	669	91	1.0%	1.4%
<b>Total</b>	<b>64,952</b>	<b>6,586</b>	<b>100.0%</b>	<b>100.0%</b>

#### Households, Renter, by Size

Households	2000			
	Region	Market	Region	Market
1 person	5,337	591	29.4%	31.3%
2 person	4,581	479	25.2%	25.4%
3 person	3,384	326	18.6%	17.3%
4 person	2,592	265	14.3%	14.0%
5 person	1,286	131	7.1%	6.9%
6 person	515	58	2.8%	3.1%
7+ person	478	38	2.6%	2.0%
<b>Total</b>	<b>18,173</b>	<b>1,888</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau

### Households, by Tenure, Movership

The following table gives household movership data by tenure for the region and market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

#### Movership, Owner

Households	1990			
	Region	Market	Region	Market
1 year or less	2,690	248	5.6%	4.6%
1 year to 5 years	11,665	1,033	24.5%	19.3%
6 years to 10 years	6,847	775	14.4%	14.5%
11 years to 20 years	12,007	1,362	25.2%	25.4%
21 years to 30 years	7,044	956	14.8%	17.9%
30 years or more	7,369	981	15.5%	18.3%
<b>Total</b>	<b>47,622</b>	<b>5,354</b>	<b>100.0%</b>	<b>100.0%</b>

Households	2000			
	Region	Market	Region	Market
1 year or less	5,682	438	8.7%	6.6%
1 year to 5 years	18,477	1,707	28.4%	25.9%
6 years to 10 years	10,684	998	16.4%	15.2%
11 years to 20 years	12,126	1,278	18.7%	19.4%
21 years to 30 years	8,853	1,023	13.6%	15.5%
30 years or more	9,129	1,142	14.1%	17.3%
<b>Total</b>	<b>64,952</b>	<b>6,586</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau

#### Movership, Renter

Households	1990			
	Region	Market	Region	Market
1 year or less	4,813	416	31.0%	27.9%
1 year to 5 years	6,845	648	44.1%	43.5%
6 years to 10 years	1,860	200	12.0%	13.4%
11 years to 20 years	1,046	126	6.7%	8.5%
21 years to 30 years	505	48	3.3%	3.2%
30 years or more	441	53	2.8%	3.6%
<b>Total</b>	<b>15,510</b>	<b>1,491</b>	<b>100.0%</b>	<b>100.0%</b>

Households	2000			
	Region	Market	Region	Market
1 year or less	5,215	573	28.7%	30.3%
1 year to 5 years	7,855	805	43.2%	42.6%
6 years to 10 years	2,203	218	12.1%	11.6%
11 years to 20 years	1,745	169	9.6%	8.9%
21 years to 30 years	507	52	2.8%	2.8%
30 years or more	649	71	3.6%	3.8%
<b>Total</b>	<b>18,173</b>	<b>1,888</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau

## Household Income

The following table gives average household income data for the region and market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Average Household Income				
1990-2000 Historic				
Line		Region	Market	Notes
1	1990 Average Household Income	\$32,513	\$26,853	US Census Bureau
2	2000 Average Household Income	\$51,412	\$40,547	US Census Bureau
3	1990-2000 Change	\$18,899	\$13,693	(2) - (1)
4				
5	1990-2000 Annual Change, %	4.7%	4.2%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic				
7		Region	Market	
8	2000 Average Household Income	\$51,412	\$40,547	US Census Bureau
9	2005 Average Household Income	\$60,140	\$46,356	Claritas
10	2000-2005 Change	\$8,727	\$5,809	(9) - (8)
11				
12	2000-2004 Annual Change, %	3.2%	2.7%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected				
14		Region	Market	
15	2005 Average Household Income	\$60,140	\$46,356	Claritas
16	2010 Average Household Income	\$69,564	\$52,970	Claritas
17	2005-2010 Change	\$9,425	\$6,614	(16) - (15)
18				
19	2005-2010 Annual Change, %	3.0%	2.7%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau; Claritas

Average household income for the market area increased from \$26,853 in 1990 to \$46,356 in 2005. Average household income is forecasted to increase 2.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.

### Owner Household Income, 2000

The following table gives owner household income data for the market area from the 2000 Census. The data, which was originally tabulated in 1999 dollars, is initially converted to percentages and then trended forward to 2005 dollars by inflating the income brackets using average household income growth rates for the market area. The resulting constant 2005 dollar estimates are then restated in cumulative \$10,000 increments for ease of reference and comparison.

Owner Household Income, by Percent of Income Spent on Housing, 2000 Census

1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	28	38	70	85	307	529
\$10,000	to	\$19,999	333	145	45	38	277	838
\$20,000	to	\$34,999	904	105	154	87	262	1,512
\$35,000	to	\$49,999	885	139	164	70	75	1,333
\$50,000	to	\$74,999	1,222	260	113	21	0	1,617
\$75,000	to	\$99,999	435	4	0	0	0	439
\$100,000	or	more	301	17	0	0	0	318
Total Households			4,108	708	546	303	921	6,586

1999 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$9,999	0.4%	0.6%	1.1%	1.3%	4.7%	8.0%
\$10,000	to	\$19,999	5.1%	2.2%	0.7%	0.6%	4.2%	12.7%
\$20,000	to	\$34,999	13.7%	1.6%	2.3%	1.3%	4.0%	23.0%
\$35,000	to	\$49,999	13.4%	2.1%	2.5%	1.1%	1.1%	20.2%
\$50,000	to	\$74,999	18.6%	4.0%	1.7%	0.3%	0.0%	24.5%
\$75,000	to	\$99,999	6.6%	0.1%	0.0%	0.0%	0.0%	6.7%
\$100,000	or	more	4.6%	0.3%	0.0%	0.0%	0.0%	4.8%
Percent of Total			62.4%	10.8%	8.3%	4.6%	14.0%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$12,235	0.4%	0.6%	1.1%	1.3%	4.7%	8.0%
\$12,236	to	\$24,470	5.1%	2.2%	0.7%	0.6%	4.2%	12.7%
\$24,472	to	\$42,824	13.7%	1.6%	2.3%	1.3%	4.0%	23.0%
\$42,825	to	\$61,178	13.4%	2.1%	2.5%	1.1%	1.1%	20.2%
\$61,179	to	\$91,767	18.6%	4.0%	1.7%	0.3%	0.0%	24.5%
\$91,768	to	\$122,357	6.6%	0.1%	0.0%	0.0%	0.0%	6.7%
\$122,358	or	more	4.6%	0.3%	0.0%	0.0%	0.0%	4.8%
Percent of Total			62.4%	10.8%	8.3%	4.6%	14.0%	100.0%

2006 \$			Percent of Income Spent on Housing					
Income Range			<20%	20-24%	25-29%	30-34%	35%+	Total
\$0	to	\$10,000	0.3%	0.5%	0.9%	1.0%	3.8%	6.5%
\$0	to	\$20,000	3.6%	2.0%	1.5%	1.7%	7.3%	16.0%
\$0	to	\$30,000	9.6%	3.3%	2.4%	2.3%	10.1%	27.6%
\$0	to	\$40,000	17.0%	4.1%	3.7%	3.0%	12.2%	40.0%
\$0	to	\$50,000	24.4%	5.2%	5.1%	3.6%	13.3%	51.6%
\$0	to	\$60,000	31.7%	6.3%	6.4%	4.2%	13.9%	62.5%
\$0	to	\$70,000	37.8%	7.6%	7.1%	4.4%	14.0%	70.8%
\$0	to	\$80,000	44.0%	8.9%	7.6%	4.5%	14.0%	78.9%
\$0	to	\$90,000	50.1%	10.2%	8.2%	4.6%	14.0%	87.0%
\$0	to	\$100,000	52.9%	10.4%	8.3%	4.6%	14.0%	90.2%
\$0	or	more	62.4%	10.8%	8.3%	4.6%	14.0%	100.0%

Source: U.S. Census Bureau; Allen & Associates

### Renter Household Income, 2000

The following table gives renter household income data for the market area from the 2000 Census. The data, which was originally tabulated in 1999 dollars, is initially converted to percentages and then trended forward to 2005 dollars by inflating the income brackets using average household income growth rates for the market area. The resulting constant 2005 dollar estimates are then restated in cumulative \$10,000 increments for ease of reference and comparison.

1999 \$		Percent of Income Spent on Housing					Total
Income Range		<20%	20-24%	25-29%	30-34%	35%+	
\$0	to \$9,999	4	27	26	10	363	430
\$10,000	to \$19,999	68	73	55	42	235	473
\$20,000	to \$34,999	313	78	92	30	0	513
\$35,000	to \$49,999	190	19	0	0	0	209
\$50,000	to \$74,999	190	0	0	0	0	190
\$75,000	to \$99,999	36	0	0	0	0	36
\$100,000	or more	37	0	0	0	0	37
Total Households		839	197	172	82	598	1,888

1999 \$		Percent of Income Spent on Housing					Total
Income Range		<20%	20-24%	25-29%	30-34%	35%+	
\$0	to \$9,999	0.2%	1.4%	1.4%	0.5%	19.2%	22.8%
\$10,000	to \$19,999	3.6%	3.8%	2.9%	2.2%	12.5%	25.1%
\$20,000	to \$34,999	16.6%	4.1%	4.9%	1.6%	0.0%	27.2%
\$35,000	to \$49,999	10.1%	1.0%	0.0%	0.0%	0.0%	11.1%
\$50,000	to \$74,999	10.1%	0.0%	0.0%	0.0%	0.0%	10.1%
\$75,000	to \$99,999	1.9%	0.0%	0.0%	0.0%	0.0%	1.9%
\$100,000	or more	2.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Percent of Total		44.4%	10.4%	9.1%	4.3%	31.7%	100.0%

2006 \$		Percent of Income Spent on Housing					Total
Income Range		<20%	20-24%	25-29%	30-34%	35%+	
\$0	to \$12,235	0.2%	1.4%	1.4%	0.5%	19.2%	22.8%
\$12,236	to \$24,470	3.6%	3.8%	2.9%	2.2%	12.5%	25.1%
\$24,472	to \$42,824	16.6%	4.1%	4.9%	1.6%	0.0%	27.2%
\$42,825	to \$61,178	10.1%	1.0%	0.0%	0.0%	0.0%	11.1%
\$61,179	to \$91,767	10.1%	0.0%	0.0%	0.0%	0.0%	10.1%
\$91,768	to \$122,357	1.9%	0.0%	0.0%	0.0%	0.0%	1.9%
\$122,358	or more	2.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Percent of Total		44.4%	10.4%	9.1%	4.3%	31.7%	100.0%

2006 \$		Percent of Income Spent on Housing					Total
Income Range		<20%	20-24%	25-29%	30-34%	35%+	
\$0	to \$10,000	0.2%	1.2%	1.1%	0.4%	15.6%	18.4%
\$0	to \$20,000	2.5%	3.9%	3.2%	1.9%	27.1%	38.5%
\$0	to \$30,000	8.8%	6.5%	5.7%	3.2%	31.7%	56.0%
\$0	to \$40,000	17.8%	8.8%	8.4%	4.1%	31.7%	70.7%
\$0	to \$50,000	24.4%	9.8%	9.1%	4.3%	31.7%	79.3%
\$0	to \$60,000	29.8%	10.4%	9.1%	4.3%	31.7%	85.3%
\$0	to \$70,000	33.3%	10.4%	9.1%	4.3%	31.7%	88.9%
\$0	to \$80,000	36.7%	10.4%	9.1%	4.3%	31.7%	92.2%
\$0	to \$90,000	40.0%	10.4%	9.1%	4.3%	31.7%	95.6%
\$0	to \$100,000	41.1%	10.4%	9.1%	4.3%	31.7%	96.6%
\$0	or more	44.4%	10.4%	9.1%	4.3%	31.7%	100.0%

Source: U.S. Census Bureau; Allen & Associates

## Conclusions

In our opinion, the demographic outlook for the market area is fair. Our observations are summarized below:

- Population for the market area increased from 19,306 in 1990 to 24,228 in 2005. Population is forecasted to increase 1.2 percent annually through 2010. This is compared with projected growth of 2.6, 1.1 and 1.0 percent for the region, state and nation, respectively.
- The total number of households for the market area increased from 6,845 in 1990 to 9,173 in 2005. The total number of households is forecasted to increase 1.5 percent annually through 2010. This is compared with projected growth of 2.7, 1.5 and 1.2 percent for the region, state and nation, respectively.
- The total number of owner households for the market area currently stand at 7,150 and are anticipated to increase 1.6 percent annually through 2010. The total number of renter households for the market area currently stand at 2,023 and are anticipated to increase 1.2 percent annually through 2010.
- Average household income for the market area increased from \$26,853 in 1990 to \$46,356 in 2005. Average household income is forecasted to increase 2.7 percent annually through 2010. This is compared with a projected consumer price index growth of 2.8 percent, suggesting erosion in real disposable income over the next several years.



## SUPPLY ANALYSIS

### Overview

In this section we conduct an analysis of market area housing supply. Our analysis uses the market area definition presented previously in this report.

### Total Housing Units

The following table gives total housing unit data for the market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Total Housing Units			
1990-2000 Historic			
Line		Market	Notes
1	1990 Total Housing Units	7,286	US Census Bureau
2	2000 Total Housing Units	9,559	US Census Bureau
3	1990-2000 Change	2,272	(2) - (1)
4			
5	1990-2000 Annual Change, %	2.8%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic			
6			
7		Market	
8	2000 Total Housing Units	9,559	US Census Bureau
9	2005 Total Housing Units	10,295	Claritas
10	2000-2005 Change	736	(9) - (8)
11			
12	2000-2005 Annual Change, %	1.5%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected			
13			
14		Market	
15	2005 Total Housing Units	10,295	Claritas
16	2010 Total Housing Units	11,060	Claritas
17	2005-2010 Change	765	(16) - (15)
18			
19	2005-2010 Annual Change, %	1.4%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau; Claritas

The total number of housing units for the market area increased from 7,286 in 1990 to 10,295 in 2005. The total number of housing units is forecasted to increase 1.4 percent annually through 2010.

### Total Housing Units, by Tenure, Age of Structure

The following table gives total housing units by tenure and age or structure for the market area in 2000. The data set comes from the U.S. Census Bureau:

Housing Units							
2000							
Year Built	Owner	Renter	Occupied	Vacant	Percent	Total	Percent
1990 to 2000	1,964	315	2,281	280	10.9%	2,560	26.8%
1980 to 1989	1,184	394	1,577	185	10.5%	1,762	18.4%
1970 to 1979	1,370	444	1,814	226	11.1%	2,040	21.3%
1960 to 1969	841	213	1,054	133	11.2%	1,187	12.4%
1950 to 1959	545	199	744	93	11.1%	837	8.8%
1940 to 1949	265	123	388	57	12.8%	445	4.7%
1939 or earlier	417	200	616	112	15.4%	728	7.6%
<b>Total</b>	<b>6,586</b>	<b>1,888</b>	<b>8,474</b>	<b>1,085</b>	<b>11.3%</b>	<b>9,559</b>	<b>100.0%</b>

Source: U.S. Census Bureau

Median Age		
2006		
	Built	Age
Owner	1979	27
Renter	1974	32
<b>Total</b>	<b>1978</b>	<b>28</b>

Source: U.S. Census Bureau

Our analysis suggests median ages of 27 and 32 years, respectively, for the owner and renter housing units in the market area.

### Renter Housing Units

The following table gives renter housing unit data for the market area since 1990. The data set, which comes from the U.S. Census Bureau and Claritas, includes a forecast through 2010:

Renter Housing Units			
1990-2000 Historic			
Line		Market	Notes
1	1990 Renter Housing Units	1,556	US Census Bureau
2	2000 Renter Housing Units	2,198	US Census Bureau
3	1990-2000 Change	642	(2) - (1)
4			
5	1990-2000 Annual Change, %	3.5%	$[(2)/(1)]^{(1/10)}-1$
2000-2005 Historic			
7		Market	
8	2000 Renter Housing Units	2,198	US Census Bureau
9	2005 Renter Housing Units	2,367	Claritas
10	2000-2005 Change	169	(9) - (8)
11			
12	2000-2005 Annual Change, %	1.5%	$[(9)/(8)]^{(1/5)}-1$
2005-2010 Projected			
14		Market	
15	2005 Renter Housing Units	2,367	Claritas
16	2010 Renter Housing Units	2,543	Claritas
17	2005-2010 Change	176	(16) - (15)
18			
19	2005-2010 Annual Change, %	1.4%	$[(16)/(15)]^{(1/5)}-1$

Source: U.S. Census Bureau, Claritas; Allen & Associates

The total number of renter housing units for the market area increased from 1,556 in 1990 to 2,367 in 2005. The total number of housing units is forecasted to increase 1.4 percent annually through 2010.

### Renter Housing Units, by Bedroom Count

The following table gives renter housing units by bedroom count for the market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

Renter Housing Units					
1990					
Unit Type	Occupied	Vacant	Percent	Total	Percent
0 Bedroom	10	1	9.4%	11	0.7%
1 Bedroom	250	3	1.3%	253	16.3%
2 Bedroom	677	31	4.4%	708	45.5%
3 Bedroom	497	26	5.0%	524	33.7%
4 Bedroom	55	3	4.8%	58	3.7%
5 Bedroom	2	0	0.0%	2	0.1%
<b>Total</b>	<b>1,491</b>	<b>65</b>	<b>4.2%</b>	<b>1,556</b>	<b>100.0%</b>

2000					
Unit Type	Occupied	Vacant	Percent	Total	Percent
0 Bedroom	18	16	47.3%	34	1.6%
1 Bedroom	256	28	9.9%	285	12.9%
2 Bedroom	940	158	14.4%	1,098	50.0%
3 Bedroom	611	90	12.8%	701	31.9%
4 Bedroom	62	16	20.1%	78	3.5%
5 Bedroom	0	1	100.0%	1	0.1%
<b>Total</b>	<b>1,888</b>	<b>310</b>	<b>14.1%</b>	<b>2,198</b>	<b>100.0%</b>

Source: U.S. Census Bureau; Allen & Associates

### Renter Housing Units, by Unit Size

The following table gives renter housing units by unit size for the market area in 1990 and 2000. The data set comes from the U.S. Census Bureau:

Renter Housing Units		
1990		
Unit Type	Occupied	Size
0 Bedroom	10	500
1 Bedroom	250	700
2 Bedroom	677	1,000
3 Bedroom	497	1,250
4 Bedroom	55	1,400
5 Bedroom	2	1,550
Total/Average	1,491	1,045

2000		
Unit Type	Occupied	Size
0 Bedroom	18	500
1 Bedroom	256	700
2 Bedroom	940	1,000
3 Bedroom	611	1,250
4 Bedroom	62	1,400
5 Bedroom	0	1,550
Total/Average	1,888	1,049

Source: U.S. Census Bureau; Allen & Associates

### Median Rent

The following tables give the 1990 and 2000 median rent data for the market area. This data comes from the US Census Bureau:

Median Rent		
1990		
Rent Range		Market
\$0	to \$249	510
\$250	to \$499	694
\$500	to \$749	27
\$750	to \$999	0
\$1,000	to more	0
No Cash Rent		260
Total Households		1,491

Median Rent		
2000		
Rent Range		Market
\$0	to \$249	207
\$250	to \$499	943
\$500	to \$749	341
\$750	to \$999	43
\$1,000	to more	17
No Cash Rent		336
Total Households		1,888

1990 - 2000 Change	
Description	Market
Median Rent, 1990	\$285
Median Rent, 2000	\$426
Average Square Feet, 1990	1,045
Average Square Feet, 2000	1,049
Rent per Square Foot, 1990	\$0.272
Rent per Square Foot, 2000	\$0.406
1990-2000 Change	\$0.134
1990-2000 Annual Change, %	4.1%

Source: U.S. Census Bureau; Allen & Associates

The renter housing unit data suggests a 4.1 percent annual increase in median rent for the market area between 1990 and 2000.

### Substandard Housing Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room. The following tables give the 1990 and 2000 breakdown of substandard housing units by tenure:

Substandard Housing Units

1990			
Households	Total	Owner	Renter
1.00 persons per room or less	6,324	5,076	1,248
1.01 to 1.50 persons per room	251	149	103
1.51 persons per room or more	69	28	41
Complete Plumbing	6,645	5,252	1,392
1.00 persons per room or less	172	80	92
1.01 to 1.50 persons per room	27	22	5
1.51 persons per room or more	2	0	2
Lacking Complete Plumbing	201	102	99
Standard	6,324	5,076	1,248
Substandard	521	279	243
Total	6,845	5,354	1,491
Standard	92.4%	94.8%	83.7%
Substandard	7.6%	5.2%	16.3%
Total	100.0%	100.0%	100.0%

2000			
Households	Total	Owner	Renter
1.00 persons per room or less	8,113	6,359	1,754
1.01 to 1.50 persons per room	214	151	63
1.51 persons per room or more	83	36	47
Complete Plumbing	8,410	6,545	1,865
1.00 persons per room or less	64	41	23
1.01 to 1.50 persons per room	0	0	0
1.51 persons per room or more	0	0	0
Lacking Complete Plumbing	64	41	23
Standard	8,113	6,359	1,754
Substandard	361	227	134
Total	8,474	6,586	1,888
Standard	95.7%	96.5%	92.9%
Substandard	4.3%	3.5%	7.1%
Total	100.0%	100.0%	100.0%

Source: U.S. Census Bureau

## Rental Property Inventory

In conducting our analysis, we attempted to obtain information on every multifamily property with 20 or more units in the primary market area. We compiled a list of all properties financed by the state housing finance authority and all properties subsidized by USDA and/or HUD. Finally, we conducted a search for conventional multifamily communities.

We began our analysis with an inventory of 10 properties in the market area. This total included 6 stabilized properties consisting of 205 units. The composition of these properties breaks down by project status as follows:

	Elderly	Family	Special Needs	Total
Stabilized	0	205	0	205
Lease Up	0	0	0	0
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Proposed	0	0	0	0
Unstabilized	0	0	0	0
Unconfirmed	0	0	0	0
Other	0	0	12	12
<b>Total</b>	<b>0</b>	<b>205</b>	<b>12</b>	<b>217</b>

	Elderly	Family	Special Needs	Total
Stabilized	0	6	0	6
Lease Up	0	0	0	0
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Proposed	0	0	0	0
Unstabilized	0	0	0	0
Unconfirmed	0	2	0	2
Other	0	0	2	2
<b>Total</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>10</b>

	Elderly	Family	Special Needs	Total
Market Rate	0	4	0	4
Restricted	0	2	0	2
Subsidized	0	2	2	4
<b>Total</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>10</b>

The following is our inventory of properties in the expanded market area:



Competing Rental Properties

Overview							
Key	Project Name	Rents	Type	Status	Total	Vacant	Occupancy
Sub	Amberly Place	50% of AMI	Family	Stabilized	16	16	0%
Sub	Amberly Place	60% of AMI	Family	Stabilized	24	24	0%
001	Atkinson Apartments	Market Rate	Family	Unconfirmed	-	-	-
002	Dream Builders 2	Subsidized	Special Needs	Other	4	-	100%
003	Eddie Rivers' Properties	Market Rate	Family	Unconfirmed	-	-	-
004	HOPE Housing	Subsidized	Special Needs	Other	8	-	100%
005	Oak Terrace Apartments	Restricted	Family	Stabilized	24	-	100%
006	Page Square Apartments	Restricted	Family	Stabilized	40	-	100%
007	Pageland Place	Subsidized	Family	Stabilized	50	1	98%
008	Price Rental Properties	Market Rate	Family	Stabilized	45	2	96%
009	Sullivan Rental Property	Market Rate	Family	Stabilized	6	-	100%
010	Water Oak Apartments	Subsidized	Family	Stabilized	40	-	100%

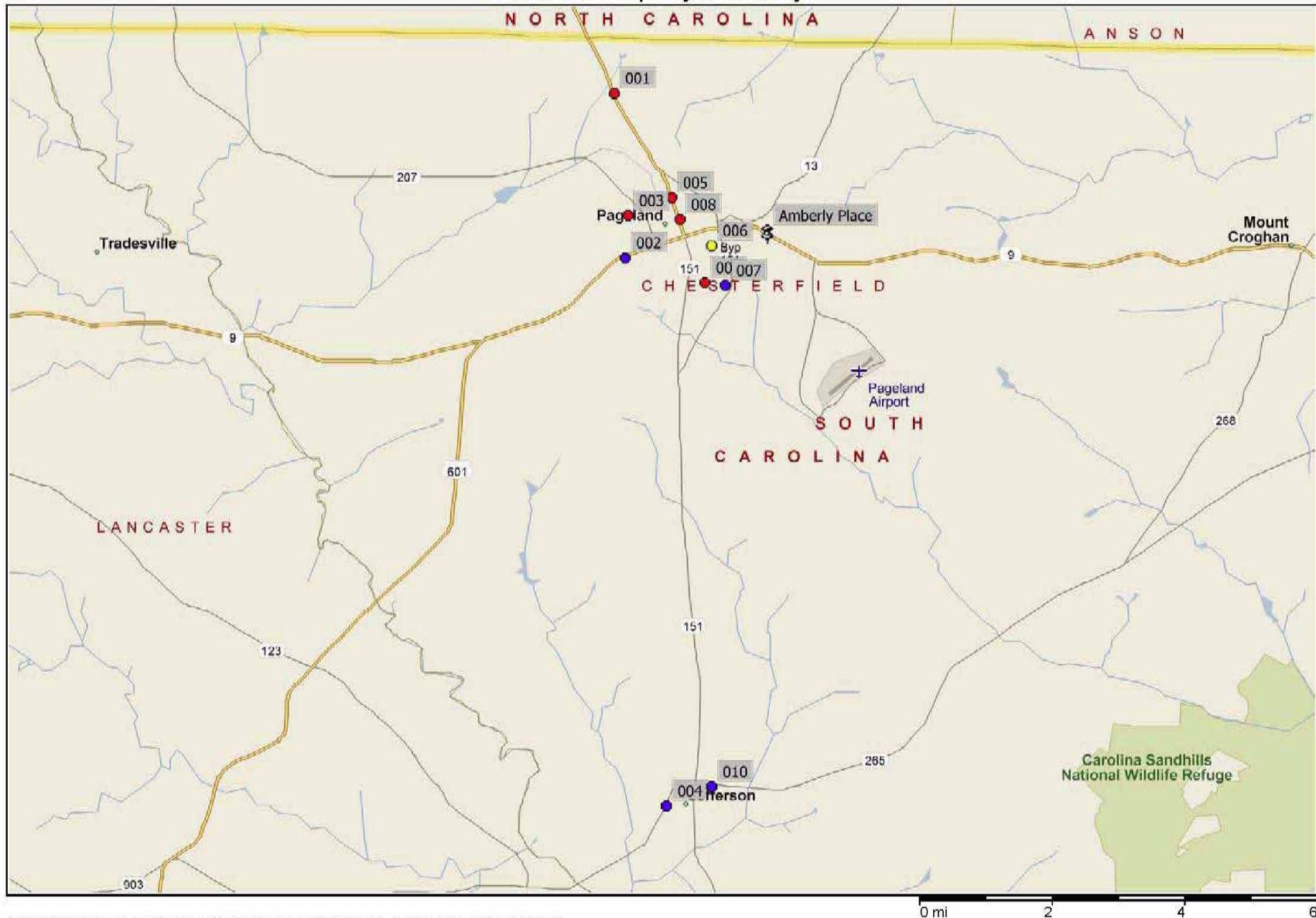
Other properties exist in the market area that were not included in this study. In our opinion, however, the properties included in this study give an accurate picture of market conditions as of the effective date of this report.

Please note: The occupancy rates presented in the table above are current as of the effective date of this report. Historic 2005 occupancy data is found in the Appendix of this report under the heading SCSHFDA Forms.

### **Rental Property Inventory Map**

A map showing the location of properties included in this report relative to the subject property is found on the next page. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for all properties are found in the Appendix of this report.

# Rental Property Inventory



Copyright © 1998-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>  
© Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.

## Competing Rental Property Analysis

The next step in our analysis is to identify directly competing properties and to compare various characteristics of the subject property to that of the competing properties. Competing properties are those properties targeting the same demographic group (family versus elderly) with the same types of units in the market area. Tables comparing the subject property to the most competitive properties follow:

### Rents

The following table compares the subject property rents with those of the most competitive properties in the market area:

Key	Project Name	Rents					
		Rents	0-Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Sub	Amberly Place	50% of AMI	-	-	\$450	\$480	-
Sub	Amberly Place	60% of AMI	-	-	\$475	\$520	-
005	Oak Terrace Apartments	Restricted	-	\$369	\$402	-	-
006	Page Square Apartments	Restricted	-	\$376	\$401	-	-

The proposed rents for the subject property appear to be higher than that found at the competing properties. A detailed analysis establishing market rents for the subject property is found later in the report.

### Unit Sizes

The following table compares the subject property unit sizes with those of the most competitive properties in the market area:

Key	Project Name	Rents	Estimated Unit Size				
			0-Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Sub	Amberly Place	50% of AMI	-	-	974	1,193	-
Sub	Amberly Place	60% of AMI	-	-	974	1,193	-
005	Oak Terrace Apartments	Restricted	-	650	1,000	-	-
006	Page Square Apartments	Restricted	-	600	875	-	-

The unit sizes for the subject property appear to be in line with that offered by the competitive properties in the market area.

### Project Amenities

The following table compares the subject property project amenities with those of the most competitive properties in the market area:

		Competing Rental Properties						
		Project Amenities						
Key	Project Name	Rents	Comm Center	Pool	Sports Court	Playground	Fitness Ctr	Business Ctr
Sub	Amberly Place	50% of AMI	yes	no	no	yes	yes	yes
Sub	Amberly Place	60% of AMI	yes	no	no	yes	yes	yes
005	Oak Terrace Apartments	Restricted	no	no	no	yes	no	no
006	Page Square Apartments	Restricted	no	no	no	yes	no	no

The project amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property includes a community center, fitness center and business center while the competing properties do not.

### Unit Amenities

The following table compares the subject property unit amenities with those of the most competitive properties in the market area:

		Competing Rental Properties							
		Unit Amenities							
Key	Project Name	Rents	Blinds	Ceiling Fans	Carpeting	Fireplace	Patio/Balcony	Storage	
Sub	Amberly Place	50% of AMI	yes	yes	yes	no	yes	yes	
Sub	Amberly Place	60% of AMI	yes	yes	yes	no	yes	yes	
005	Oak Terrace Apartments	Restricted	yes	no	yes	no	yes	yes	
006	Page Square Apartments	Restricted	yes	no	yes	no	no	no	

The unit amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers ceiling fans while the competing properties do not.

### Kitchen Amenities

The following table compares the subject property kitchen amenities with those of the most competitive properties in the market area:

		Competing Rental Properties					
		Kitchen Amenities					
Key	Project Name	Rents	Stove	Refrigerator	Disposal	Dishwasher	Microwave
Sub	Amberly Place	50% of AMI	yes	yes	yes	yes	yes
Sub	Amberly Place	60% of AMI	yes	yes	yes	yes	yes
005	Oak Terrace Apartments	Restricted	yes	yes	no	no	no
006	Page Square Apartments	Restricted	yes	yes	no	no	no

The kitchen amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers disposals, dishwashers and microwaves while the competing properties do not.



### Laundry Amenities

The following table compares the subject property laundry amenities with those of the most competitive properties in the market area:

Competing Rental Properties		Laundry Amenities			
Key	Project Name	Rents	Central	W/D Units	W/D Hookups
Sub	Amberly Place	50% of AMI	yes	no	yes
Sub	Amberly Place	60% of AMI	yes	no	yes
005	Oak Terrace Apartments	Restricted	yes	no	yes
006	Page Square Apartments	Restricted	no	no	yes

The laundry amenities for the subject property appear to be in line with that found at the competing properties in the market area.

### Utilities in Rent

The following table compares the subject property utility configuration with those of the most competitive properties in the market area:

Key	Project Name	Rents	Utilities in Rent						
			Heat	A/C	Hot Water	Electricity	Cold Water	Sewer	Trash
Sub	Amberly Place	50% of AMI	no	no	no	no	no	no	yes
Sub	Amberly Place	60% of AMI	no	no	no	no	no	no	yes
005	Oak Terrace Apartments	Restricted	no	no	no	no	no	no	yes
006	Page Square Apartments	Restricted	no	no	no	no	yes	yes	yes

The subject property includes trash paid by the owner. This is consistent with that found at most of the competing properties in the market area.

### Air Conditioning System

The following table compares the subject property air conditioning system configuration with those of the most competitive properties in the market area:

		Competing Rental Properties					
		Air Conditioning Systems					
Key	Project Name	Rents	Central Air	Window Units	Wall Units	Other	None
Sub	Amberly Place	50% of AMI	yes	no	no	no	no
Sub	Amberly Place	60% of AMI	yes	no	no	no	no
005	Oak Terrace Apartments	Restricted	yes	no	no	no	no
006	Page Square Apartments	Restricted	yes	no	no	no	no

The air conditioning systems for the subject property are equivalent to those found at most of the competitive properties in the market area.

Heating System

The following table compares the subject property heating system configuration with those of the most competitive properties in the market area:

Competing Rental Properties		Heating Systems				
Key	Project Name	Rents	Central Heat	Baseboards	Radiators	Other
Sub	Amberly Place	50% of AMI	yes	no	no	no
Sub	Amberly Place	60% of AMI	yes	no	no	no
005	Oak Terrace Apartments	Restricted	yes	no	no	no
006	Page Square Apartments	Restricted	yes	no	no	no

The heating systems for the subject property are equivalent to those found at most of the competitive properties in the market area.

### Parking Amenities

The following table compares the subject property parking amenities with those of the most competitive properties in the market area:

Competing Rental Properties						
Key	Project Name	Rents	Parking Amenities			
			Open	Assigned	Covered	Garage
Sub	Amberly Place	50% of AMI	yes	no	no	no
Sub	Amberly Place	60% of AMI	yes	no	no	no
005	Oak Terrace Apartments	Restricted	yes	no	no	no
006	Page Square Apartments	Restricted	yes	no	no	no

The parking arrangement for the subject property is in line with that of the competitive properties in the market area.

### Security Amenities

The following table compares the subject property security amenities with those of the most competitive properties in the market area:

		Competing Rental Properties					
		Security Amenities					
Key	Project Name	Rents	Controlled Access	Security Alarms	Monitoring	Security Patrols	Security Officer
Sub	Amberly Place	50% of AMI	no	no	no	no	no
Sub	Amberly Place	60% of AMI	no	no	no	no	no
005	Oak Terrace Apartments	Restricted	no	no	no	no	no
006	Page Square Apartments	Restricted	no	no	no	no	no

The security amenities for the subject property are in line with that found at most of the competing properties in the market area.

### Miscellaneous

The following table compares other aspects of the subject property with those of the most competitive properties in the market area:

Competing Rental Properties											
Miscellaneous											
Key	Project Name	Rents	Year Built	Year Renovated	Heating Fuel	Minimum Lease	Security Deposit/Fees	Incentives	Waiting List	Estimated Turnover	Distance to Subject
Sub	Amberly Place	50% of AMI	2006	na	electric	12	1 month	na	na	20-40%	0.00
Sub	Amberly Place	60% of AMI	2006	na	electric	12	1 month	na	na	20-40%	0.00
005	Oak Terrace Apartments	Restricted	1987	na	electric	12	1 month	no	yes	20-40%	1.00
006	Page Square Apartments	Restricted	1980	na	electric	12	\$200	no	yes	20-40%	0.85

Our research indicates that incentives are not being offered at the competing properties in the market area. Our market rent conclusion accounts for any concessions offered by the selected rent comparables.

### Summary

The subject property appears to be well-suited to the marketplace. The following is a summary of our comparison of the subject property to the competing rental properties in the expanded market area:

- The proposed rents for the subject property appear to be higher than that found at the competing properties. A detailed analysis establishing market rents for the subject property is found later in the report.
- The unit sizes for the subject property appear to be in line with that offered by the competitive properties in the market area.
- The project amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property includes a community center, fitness center and business center while the competing properties do not.
- The unit amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers ceiling fans while the competing properties do not.
- The kitchen amenities for the subject property appear to be superior to that found at the competing properties in the market area. The subject property offers disposals, dishwashers and microwaves while the competing properties do not.
- The laundry amenities for the subject property appear to be in line with that found at the competing properties in the market area.
- The subject property includes trash paid by the owner. This is consistent with that found at most of the competing properties in the market area.

- The air conditioning systems for the subject property are equivalent to those found at most of the competitive properties in the market area.
- The heating systems for the subject property are equivalent to those found at most of the competitive properties in the market area.
- The parking arrangement for the subject property is in line with that of the competitive properties in the market area.
- The security amenities for the subject property are in line with that found at most of the competing properties in the market area.
- Our research indicates that incentives are not being offered at the competing properties in the market area. Our market rent conclusion accounts for any concessions offered by the selected rent comparables.



## Occupancy Summary

Our occupancy summary for the expanded market area follows:

Occupancy Summary, Unit Type

Total						
	0-BR	1-BR	2-BR	3-BR	4-BR	Total
Total Units	0	59	98	48	0	205
Total Vacant	0	1	2	0	0	3
Total Occupancy	-	98.3%	98.0%	100.0%	-	98.5%

Elderly						
	0-BR	1-BR	2-BR	3-BR	4-BR	Total
Total Units	0	0	0	0	0	0
Total Vacant	0	0	0	0	0	0
Total Occupancy	-	-	-	-	-	-

Family						
	0-BR	1-BR	2-BR	3-BR	4-BR	Total
Total Units	0	59	98	48	0	205
Total Vacant	0	1	2	0	0	3
Total Occupancy	-	98.3%	98.0%	100.0%	-	98.5%

Special Needs						
	0-BR	1-BR	2-BR	3-BR	4-BR	Total
Total Units	0	0	0	0	0	0
Total Vacant	0	0	0	0	0	0
Total Occupancy	-	-	-	-	-	-

Source: Allen & Associates

Occupancy Summary, Property Type

	Elderly	Family	Special Needs	Total
Market Rate	0	51	0	51
Restricted	0	64	0	64
Subsidized	0	90	0	90
Total Units	0	205	0	205
Market Rate	0	2	0	2
Restricted	0	0	0	0
Subsidized	0	1	0	1
Total Vacant	0	3	0	3
Market Rate	0.0%	96.1%	0.0%	96.1%
Restricted	0.0%	100.0%	0.0%	100.0%
Subsidized	0.0%	98.9%	0.0%	98.9%
Total Occupancy	0.0%	98.5%	0.0%	98.5%

Source: Allen & Associates

Occupancies by property type for stabilized elderly properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).

Occupancies by property type for stabilized family properties follow: Market rate, 96.1% (51 units in sample); restricted rents, 100.0% (64 units in sample); and subsidized rents, 98.9% (90 units in sample).

Occupancies by property type for stabilized special needs properties follow: Market rate, not applicable (0 units in sample); restricted rents, not applicable (0 units in sample); and subsidized rents, not applicable (0 units in sample).

Overall market occupancies for stabilized properties currently stand at 98.5% (205 units in sample).

### Stabilized Occupancy Rates

The following table uses the proposed unit mix and prevailing occupancy rates to estimate the stabilized occupancy rate for the subject property:

Stabilized Occupancy								
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	12	16	28	0	28
3-Bedroom	0	0	0	4	8	12	0	12
4-Bedroom	0	0	0	0	0	0	0	0
Subject Units	0	0	0	16	24	40	0	40
0-Bedroom	0%	0%	0%	0%	0%	0%	0%	0%
1-Bedroom	0%	0%	0%	0%	0%	0%	0%	0%
2-Bedroom	0%	0%	0%	97%	97%	97%	0%	97%
3-Bedroom	0%	0%	0%	97%	97%	97%	0%	97%
4-Bedroom	0%	0%	0%	0%	0%	0%	0%	0%
Stabilized Occupancy	0%	0%	0%	97%	97%	97%	0%	97%

Source: Allen & Associates

Based on the prevailing occupancy rates for market rate, restricted and subsidized properties, and considering the unit mix for the subject property, we anticipate a stabilized occupancy rate of approximately 97 percent.

## RENT COMPARABILITY ANALYSIS

In this section we evaluate the proposed rents for the subject property given the pricing for similar properties in the marketplace. In our analysis, we first compare the subject property to similar restricted rent properties in order to arrive at an achievable rent conclusion for the restricted rent units at the subject property. Our next step is to compare the subject property to similar market rate properties in order to arrive at a market rent conclusion for the subject property units, assuming that the subject property was completely unrestricted. Because the actual rents achieved for market rate units at restricted-rent properties often fall short of the rents at unrestricted properties, we utilize the restricted rent and market rent conclusions derived above to arrive at an achievable rent conclusion for any market rate units at the subject property. Finally, we compare our restricted and unrestricted achievable rent conclusions with the sponsor's proposed rents to assess whether the subject property is priced appropriately.

### **Analysis of Restricted Rent Comparables**

In this section we select comparable rentals and use them to develop estimates of achievable rents for the restricted rent units at the subject property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Comparables with market rate rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

### Comparable Rental Property Map

A map showing the location of the properties selected as comparables in this analysis is found on the next page. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the comparables are found in the Appendix of this report.

### Rent Comparability Grids

Our analysis utilized rent comparability grids and resulted in an achievable rent estimate for each of the subject's unit types. The rent comparability grids for the subject property are found after the map of the rent comparables found below:



Key	Sub	005		005		006		006		008		009		
Project Overview	Property Name	Amberly Place	Oak Terrace Apartments		Oak Terrace Apartments		Page Square Apartments		Page Square Apartments		Price Rental Properties		Sullivan Rental Property	
	Address	Kingstree Drive	400 East Maynard		400 East Maynard		310 South Gum Street		310 South Gum Street		Multiple Scattered Sites		110 Evans Mill Road	
	City	Pageland	Pageland		Pageland		Pageland		Pageland		Pageland		Pageland	
	State	South Carolina	South Carolina		South Carolina		South Carolina		South Carolina		South Carolina		South Carolina	
	Zip	29728	29728		29728		29728		29728		29728		29728	
	Effective Date	03/20/06	03/20/06		03/20/06		03/20/06		03/20/06		03/20/06		03/20/06	
	Rents	50% of AMI	Restricted		Restricted		Restricted		Restricted		Market Rate		Market Rate	
	Type	Family	Family		Family		Family		Family		Family		Family	
	Status	Stabilized	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		Stabilized	
	Year Built	2006	1987		1987		1980		1980		1986		1994	
	Year Renovated	na	na		na		na		na		na		na	
	Occupancy		100%		100%		100%		100%		88%		100%	
	Minimum SF		650		1,000		600		875		1,000		800	
	Maximum SF		650		1,000		600		875		1,000		800	
	Typical SF		650		1,000		600		875		1,000		800	
	Minimum Rent		\$369		\$402		\$376		\$401		\$350		\$425	
	Maximum Rent		\$369		\$402		\$376		\$401		\$400		\$425	
Typical Rent		\$369		\$402		\$376		\$401		\$375		\$425		
		Data	Data	Adj	Data	Adj	Data	Adj	Data	Adj	Data	Adj	Data	Adj
Utilities in Rent	Heat	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	A/C	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Hot Water	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Electricity	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Cold Water	no	no	\$0	no	\$0	yes	-\$10	yes	-\$10	no	\$0	no	\$0
	Sewer	no	no	\$0	no	\$0	yes	-\$10	yes	-\$10	no	\$0	no	\$0
	Trash	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$10	no	\$10
Adjusted Rent		\$369		\$402		\$356		\$381		\$385		\$435		
Location and Condition	Location	2.00	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20
	Condition	5.00	1.50	\$18	1.50	\$18	4.50	\$3	4.50	\$3	3.00	\$10	2.50	\$13
	Effective Age	0	19	\$35	19	\$35	26	\$48	26	\$48	20	\$37	12	\$22
Adjusted Rent		\$402		\$435		\$387		\$412		\$412		\$450		
Beds, Baths and Square Feet	Bedrooms	2	1	\$50	2	\$0	1	\$50	2	\$0	2	\$0	2	\$0
	Bathrooms	2.0	1.0	\$25	1.5	\$13	1.0	\$25	1.0	\$25	1.0	\$25	1.0	\$25
	Average SF	974	650	\$16	1,000	-\$1	600	\$19	875	\$5	1,000	-\$1	800	\$9
Adjusted Rent		\$493		\$446		\$480		\$442		\$436		\$483		
Project Amenities	Comm Center	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Pool	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sports Court	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Playground	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$10	no	\$10
	Fitness Ctr	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Business Ctr	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Adjusted Rent		\$523		\$476		\$510		\$472		\$476		\$523		
Unit Amenities	Blinds	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Ceiling Fans	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	yes	\$0
	Carpeting	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Fireplace	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Patio/Balcony	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	yes	\$0
	Storage	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	yes	\$0
Adjusted Rent		\$533		\$486		\$540		\$502		\$506		\$523		
Kitchen Amenities	Stove	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Refrigerator	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Disposal	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Dishwasher	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Microwave	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Adjusted Rent		\$563		\$516		\$570		\$532		\$536		\$553		
Laundry Amenities	Central	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	no	\$10
	W/D Units	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	W/D Hookups	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$10	yes	\$0
Adjusted Rent		\$563		\$516		\$580		\$542		\$556		\$563		
Air Conditioning System	Central Air	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$30	yes	\$0
	Window Units	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$10	no	\$0
	Wall Units	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Other	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$563		\$516		\$580		\$542		\$576		\$563		
Heating System	Central Heat	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$30	yes	\$0
	Baseboards	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$20	no	\$0
	Radiators	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Other	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$563		\$516		\$580		\$542		\$586		\$563		
Parking Amenities	Open	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Assigned	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Covered	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Garage	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$563		\$516		\$580		\$542		\$586		\$563		
Security Amenities	Cont Access	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Alarms	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Monitoring	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Patrols	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Officer	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent	\$560	\$563		\$516		\$580		\$542		\$586		\$563		

Key	Sub	005		005		006		006		008		009		
Project Overview	Property Name	Amberly Place	Oak Terrace Apartments		Oak Terrace Apartments		Page Square Apartments		Page Square Apartments		Price Rental Properties		Sullivan Rental Property	
	Address	Kingstree Drive	400 East Maynard		400 East Maynard		310 South Gum Street		310 South Gum Street		Multiple Scattered Sites		110 Evans Mill Road	
	City	Pageland	Pageland		Pageland		Pageland		Pageland		Pageland		Pageland	
	State	South Carolina	South Carolina		South Carolina		South Carolina		South Carolina		South Carolina		South Carolina	
	Zip	29728	29728		29728		29728		29728		29728		29728	
	Effective Date	03/20/06	03/20/06		03/20/06		03/20/06		03/20/06		03/20/06		03/20/06	
	Rents	50% of AMI	Restricted		Restricted		Restricted		Restricted		Market Rate		Market Rate	
	Type	Family	Family		Family		Family		Family		Family		Family	
	Status	Stabilized	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		Stabilized	
	Year Built	2006	1987		1987		1980		1980		1986		1994	
	Year Renovated	na	na		na		na		na		na		na	
	Occupancy		100%		100%		100%		100%		100%		100%	
	Minimum SF		650		1,000		600		875		1,250		800	
	Maximum SF		650		1,000		600		875		1,250		800	
	Typical SF		650		1,000		600		875		1,250		800	
	Minimum Rent		\$369		\$402		\$376		\$401		\$400		\$425	
	Maximum Rent		\$369		\$402		\$376		\$401		\$400		\$425	
Typical Rent		\$369		\$402		\$376		\$401		\$400		\$425		
		Data	Data	Adj	Data	Adj	Data	Adj	Data	Adj	Data	Adj	Data	Adj
Utilities in Rent	Heat	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	A/C	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Hot Water	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Electricity	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Cold Water	no	no	\$0	no	\$0	yes	-\$13	yes	-\$13	no	\$0	no	\$0
	Sewer	no	no	\$0	no	\$0	yes	-\$13	yes	-\$13	no	\$0	no	\$0
	Trash	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$13	no	\$13
Adjusted Rent		\$369		\$402		\$350		\$375		\$413		\$438		
Location and Condition	Location	2.00	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20	3.00	-\$20
	Condition	5.00	1.50	\$18	1.50	\$18	4.50	\$3	4.50	\$3	3.00	\$10	2.50	\$13
	Effective Age	0	19	\$35	19	\$35	26	\$48	26	\$48	20	\$37	12	\$22
Adjusted Rent		\$402		\$435		\$381		\$406		\$440		\$453		
Beds, Baths and Square Feet	Bedrooms	3	1	\$100	2	\$50	1	\$100	2	\$50	3	\$0	2	\$50
	Bathrooms	2.0	1.0	\$25	1.5	\$13	1.0	\$25	1.0	\$25	1.0	\$25	1.0	\$25
	Average SF	1,193	650	\$27	1,000	\$10	600	\$30	875	\$16	1,250	-\$3	800	\$20
Adjusted Rent		\$554		\$507		\$535		\$497		\$462		\$547		
Project Amenities	Comm Center	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Pool	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sports Court	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Playground	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$10	no	\$10
	Fitness Ctr	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Business Ctr	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Adjusted Rent		\$584		\$537		\$565		\$527		\$502		\$587		
Unit Amenities	Blinds	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Ceiling Fans	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	yes	\$0
	Carpeting	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Fireplace	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Patio/Balcony	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	yes	\$0
	Storage	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	yes	\$0
Adjusted Rent		\$594		\$547		\$595		\$557		\$532		\$587		
Kitchen Amenities	Stove	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Refrigerator	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Disposal	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Dishwasher	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
	Microwave	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Adjusted Rent		\$624		\$577		\$625		\$587		\$562		\$617		
Laundry Amenities	Central	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10	no	\$10
	W/D Units	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	W/D Hookups	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$10	yes	\$0
Adjusted Rent		\$624		\$577		\$635		\$597		\$582		\$627		
Air Conditioning System	Central Air	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$30	yes	\$0
	Window Units	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$10	no	\$0
	Wall Units	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Other	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$624		\$577		\$635		\$597		\$602		\$627		
Heating System	Central Heat	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$30	yes	\$0
	Baseboards	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$20	no	\$0
	Radiators	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Other	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$624		\$577		\$635		\$597		\$612		\$627		
Parking Amenities	Open	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
	Assigned	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Covered	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Garage	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Adjusted Rent		\$624		\$577		\$635		\$597		\$612		\$627		
Security Amenities	Cont Access	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Alarms	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Monitoring	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Patrols	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
	Sec Officer	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent	\$610	\$624		\$577		\$635		\$597		\$612		\$627		

The following table sets forth the rent adjustments used in our analysis:

Rent Adjustments								
		Survey			Unit Type		Notes	
		Min	to	Max	per	2BR/974sf		3BR/1193sf
Utilities in Rent	Heat		varies		month	\$35.00	\$44.00	Allen & Associates
	A/C		varies		month	\$25.00	\$31.00	Allen & Associates
	Hot Water		varies		month	\$20.00	\$25.00	Allen & Associates
	Electricity		varies		month	\$25.00	\$31.00	Allen & Associates
	Cold Water		varies		month	\$10.00	\$13.00	Allen & Associates
	Sewer		varies		month	\$10.00	\$13.00	Allen & Associates
	Trash		varies		month	\$10.00	\$13.00	Allen & Associates
Location and Condition	Location		varies		level	\$20.00	\$20.00	Statistical Extraction
	Condition		varies		level	\$5.00	\$5.00	Statistical Extraction
	Effective Age	\$0.00	to	\$2.00	years	\$1.85	\$1.85	Statistical Extraction
Beds, Baths and Square Feet	Bedrooms	\$0.00	to	\$100.00	each	\$50.00	\$50.00	Survey Average
	Bathrooms	\$0.00	to	\$100.00	each	\$25.00	\$25.00	Survey Average
	Average SF	\$0.00	to	\$1.00	sf	\$0.05	\$0.05	Statistical Extraction
Project Amenities	Comm Center	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Pool	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sports Court	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Playground	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Fitness Ctr	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Business Ctr	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Unit Amenities	Blinds	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Ceiling Fans	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Carpeting	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Fireplace	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Patio/Balcony	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Storage	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Kitchen Amenities	Stove	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Refrigerator	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Disposal	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Dishwasher	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Microwave	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Laundry Amenities	Central	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	W/D Units	\$0.00	to	\$50.00	each	\$25.00	\$25.00	Survey Average
	W/D Hookups	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Air Conditioning System	Central Air	\$0.00	to	\$60.00	each	\$30.00	\$30.00	Survey Average
	Window Units	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Wall Units	\$0.00	to	\$40.00	each	\$20.00	\$20.00	Survey Average
	Other	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Heating System	Central Heat	\$0.00	to	\$60.00	each	\$30.00	\$30.00	Allen & Associates
	Baseboards	\$0.00	to	\$40.00	each	\$20.00	\$20.00	Allen & Associates
	Radiators	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Allen & Associates
	Other	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Allen & Associates
Parking Amenities	Open	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Assigned	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Covered	\$0.00	to	\$50.00	each	\$25.00	\$25.00	Survey Average
	Garage	\$0.00	to	\$100.00	each	\$50.00	\$50.00	Survey Average
Security Amenities	Cont Access	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Alarms	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Monitoring	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Patrols	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Officer	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average

Source: Allen & Associates



Based on our evaluation of the rents for competing restricted-rent properties, and considering the location, quality and amenities of the subject property, we conclude the following achievable rents for restricted units at the subject property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

### **Analysis of Market Rate Comparables**

In this section we select comparable rentals and use them to develop estimates of market rents for the subject property units, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

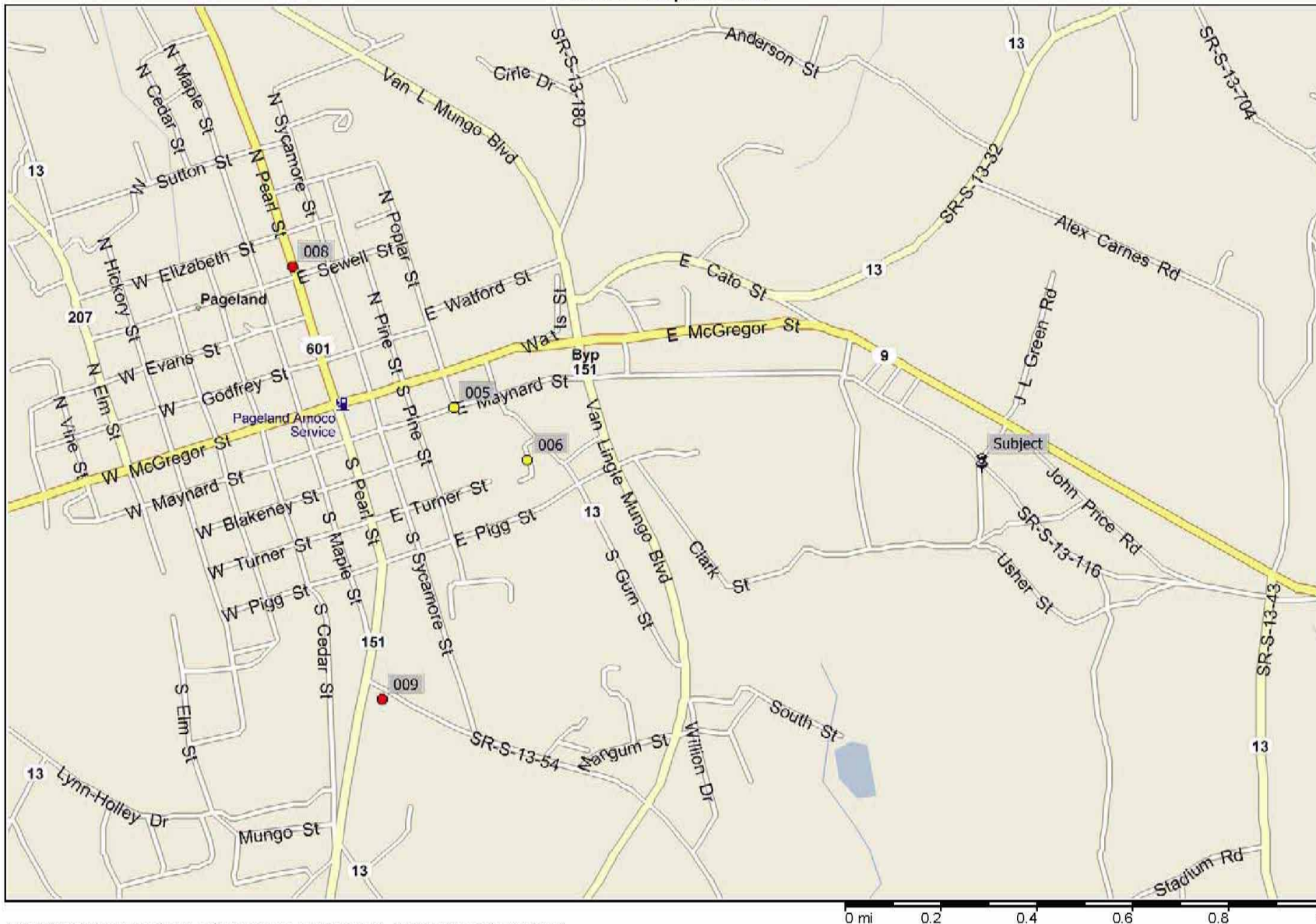
#### Comparable Rental Property Map

A map showing the location of the properties selected as comparables in this analysis is found on the next page. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the comparables are found in the Appendix of this report.

#### Rent Comparability Grids

Our analysis utilized rent comparability grids and resulted in a market rent estimate for each of the subject's unit types. The rent comparability grids for the subject property are found after the map of the rent comparables found below:

# Rent Comparables



Key	Sub	005	005	006	006	008	009	
Project Overview	Property Name	Amberly Place	Oak Terrace Apartments	Oak Terrace Apartments	Page Square Apartments	Page Square Apartments	Price Rental Properties	Sullivan Rental Property
	Address	Kingstree Drive	400 East Maynard	400 East Maynard	310 South Gum Street	310 South Gum Street	Multiple Scattered Sites	110 Evans Mill Road
	City	Pageland	Pageland	Pageland	Pageland	Pageland	Pageland	Pageland
	State	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina
	Zip	29728	29728	29728	29728	29728	29728	29728
	Effective Date	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06
	Rents	50% of AMI	Restricted	Restricted	Restricted	Restricted	Market Rate	Market Rate
	Type	Family	Family	Family	Family	Family	Family	Family
	Status	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
	Year Built	2006	1987	1987	1980	1980	1986	1994
	Year Renovated	na	na	na	na	na	na	na
	Occupancy		100%	100%	100%	100%	88%	100%
	Minimum SF		650	1,000	600	875	1,000	800
	Maximum SF		650	1,000	600	875	1,000	800
	Typical SF		650	1,000	600	875	1,000	800
	Minimum Rent		\$369	\$402	\$376	\$401	\$350	\$425
	Maximum Rent		\$369	\$402	\$376	\$401	\$400	\$425
Typical Rent		\$369	\$402	\$376	\$401	\$375	\$425	
		Data	Data Adj	Data Adj	Data Adj	Data Adj	Data Adj	
Utilities in Rent	Heat	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	A/C	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Hot Water	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Electricity	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Cold Water	no	no \$0	no \$0	yes -\$10	yes -\$10	no \$0	
	Sewer	no	no \$0	no \$0	yes -\$10	yes -\$10	no \$0	
	Trash	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$10	
Adjusted Rent		\$369	\$402	\$356	\$381	\$385	\$435	
Location and Condition	Location	2.00	3.00 -\$20	3.00 -\$20	3.00 -\$20	3.00 -\$20	3.00 -\$20	
	Condition	5.00	1.50 \$18	1.50 \$18	4.50 \$3	4.50 \$3	3.00 \$10	
	Effective Age	0	19 \$35	19 \$35	26 \$48	26 \$48	20 \$37	
Adjusted Rent		\$402	\$435	\$387	\$412	\$412	\$450	
Beds, Baths and Square Feet	Bedrooms	2	1 \$50	2 \$0	1 \$50	2 \$0	2 \$0	
	Bathrooms	2.0	1.0 \$25	1.5 \$13	1.0 \$25	1.0 \$25	1.0 \$25	
	Average SF	974	650 \$16	1,000 -\$1	600 \$19	875 \$5	1,000 -\$1	
Adjusted Rent		\$493	\$446	\$480	\$442	\$436	\$483	
Project Amenities	Comm Center	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Pool	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sports Court	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Playground	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$10	
	Fitness Ctr	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Business Ctr	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
Adjusted Rent		\$523	\$476	\$510	\$472	\$476	\$523	
Unit Amenities	Blinds	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Ceiling Fans	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Carpeting	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Fireplace	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Patio/Balcony	yes	yes \$0	yes \$0	no \$10	no \$10	no \$10	
	Storage	yes	yes \$0	yes \$0	no \$10	no \$10	no \$10	
Adjusted Rent		\$533	\$486	\$540	\$502	\$506	\$523	
Kitchen Amenities	Stove	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Refrigerator	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Disposal	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Dishwasher	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Microwave	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
Adjusted Rent		\$563	\$516	\$570	\$532	\$536	\$553	
Laundry Amenities	Central	yes	yes \$0	yes \$0	no \$10	no \$10	no \$10	
	W/D Units	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	W/D Hookups	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Adjusted Rent		\$563	\$516	\$580	\$542	\$556	\$563	
Air Conditioning System	Central Air	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$30	
	Window Units	no	no \$0	no \$0	no \$0	no \$0	yes -\$10	
	Wall Units	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Other	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$563	\$516	\$580	\$542	\$576	\$563	
Heating System	Central Heat	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$30	
	Baseboards	no	no \$0	no \$0	no \$0	no \$0	yes -\$20	
	Radiators	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Other	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$563	\$516	\$580	\$542	\$586	\$563	
Parking Amenities	Open	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Assigned	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Covered	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Garage	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$563	\$516	\$580	\$542	\$586	\$563	
Security Amenities	Cont Access	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Alarms	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Monitoring	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Patrols	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Officer	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Indicated Rent	\$560	\$563	\$516	\$580	\$542	\$586	\$563	

Key	Sub	005	005	006	006	008	009	
Project Overview	Property Name	Amberly Place	Oak Terrace Apartments	Oak Terrace Apartments	Page Square Apartments	Page Square Apartments	Price Rental Properties	Sullivan Rental Property
	Address	Kingstree Drive	400 East Maynard	400 East Maynard	310 South Gum Street	310 South Gum Street	Multiple Scattered Sites	110 Evans Mill Road
	City	Pageland	Pageland	Pageland	Pageland	Pageland	Pageland	Pageland
	State	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina	South Carolina
	Zip	29728	29728	29728	29728	29728	29728	29728
	Effective Date	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06	03/20/06
	Rents	50% of AMI	Restricted	Restricted	Restricted	Restricted	Market Rate	Market Rate
	Type	Family	Family	Family	Family	Family	Family	Family
	Status	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
	Year Built	2006	1987	1987	1980	1980	1986	1994
	Year Renovated	na	na	na	na	na	na	na
	Occupancy		100%	100%	100%	100%	100%	100%
	Minimum SF		650	1,000	600	875	1,250	800
	Maximum SF		650	1,000	600	875	1,250	800
	Typical SF		650	1,000	600	875	1,250	800
	Minimum Rent		\$369	\$402	\$376	\$401	\$400	\$425
Maximum Rent		\$369	\$402	\$376	\$401	\$400	\$425	
Typical Rent		\$369	\$402	\$376	\$401	\$400	\$425	
		Data	Data Adj	Data Adj	Data Adj	Data Adj	Data Adj	
Utilities in Rent	Heat	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	A/C	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Hot Water	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Electricity	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Cold Water	no	no \$0	no \$0	yes -\$13	yes -\$13	no \$0	
	Sewer	no	no \$0	no \$0	yes -\$13	yes -\$13	no \$0	
	Trash	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$13	
Adjusted Rent		\$369	\$402	\$350	\$375	\$413	\$438	
Location and Condition	Location	2.00	3.00 -\$20	3.00 -\$20	3.00 -\$20	3.00 -\$20	3.00 -\$20	
	Condition	5.00	1.50 \$18	1.50 \$18	4.50 \$3	4.50 \$3	3.00 \$10	
	Effective Age	0	19 \$35	19 \$35	26 \$48	26 \$48	20 \$37	
Adjusted Rent		\$402	\$435	\$381	\$406	\$440	\$453	
Beds, Baths and Square Feet	Bedrooms	3	1 \$100	2 \$50	1 \$100	2 \$50	3 \$0	
	Bathrooms	2.0	1.0 \$25	1.5 \$13	1.0 \$25	1.0 \$25	1.0 \$25	
	Average SF	1,193	650 \$27	1,000 \$10	600 \$30	875 \$16	1,250 -\$3	
Adjusted Rent		\$554	\$507	\$535	\$497	\$462	\$547	
Project Amenities	Comm Center	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Pool	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sports Court	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Playground	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$10	
	Fitness Ctr	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Business Ctr	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
Adjusted Rent		\$584	\$537	\$565	\$527	\$502	\$587	
Unit Amenities	Blinds	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Ceiling Fans	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Carpeting	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Fireplace	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Patio/Balcony	yes	yes \$0	yes \$0	no \$10	no \$10	yes \$0	
	Storage	yes	yes \$0	yes \$0	no \$10	no \$10	no \$10	
Adjusted Rent		\$594	\$547	\$595	\$557	\$532	\$587	
Kitchen Amenities	Stove	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Refrigerator	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Disposal	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Dishwasher	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
	Microwave	yes	no \$10	no \$10	no \$10	no \$10	no \$10	
Adjusted Rent		\$624	\$577	\$625	\$587	\$562	\$617	
Laundry Amenities	Central	yes	yes \$0	yes \$0	no \$10	no \$10	no \$10	
	W/D Units	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	W/D Hookups	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$10	
Adjusted Rent		\$624	\$577	\$635	\$597	\$582	\$627	
Air Conditioning System	Central Air	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$30	
	Window Units	no	no \$0	no \$0	no \$0	no \$0	yes -\$10	
	Wall Units	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Other	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$624	\$577	\$635	\$597	\$602	\$627	
Heating System	Central Heat	yes	yes \$0	yes \$0	yes \$0	yes \$0	no \$30	
	Baseboards	no	no \$0	no \$0	no \$0	no \$0	yes -\$20	
	Radiators	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Other	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$624	\$577	\$635	\$597	\$612	\$627	
Parking Amenities	Open	yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
	Assigned	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Covered	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Garage	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Adjusted Rent		\$624	\$577	\$635	\$597	\$612	\$627	
Security Amenities	Cont Access	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Alarms	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Monitoring	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Patrols	no	no \$0	no \$0	no \$0	no \$0	no \$0	
	Sec Officer	no	no \$0	no \$0	no \$0	no \$0	no \$0	
Indicated Rent	\$610	\$624	\$577	\$635	\$597	\$612	\$627	

The following table sets forth the rent adjustments used in our analysis:

Rent Adjustments								
		Survey			Unit Type		Notes	
		Min	to	Max	per	2BR/974sf		3BR/1193sf
Utilities in Rent	Heat		varies		month	\$35.00	\$44.00	Allen & Associates
	A/C		varies		month	\$25.00	\$31.00	Allen & Associates
	Hot Water		varies		month	\$20.00	\$25.00	Allen & Associates
	Electricity		varies		month	\$25.00	\$31.00	Allen & Associates
	Cold Water		varies		month	\$10.00	\$13.00	Allen & Associates
	Sewer		varies		month	\$10.00	\$13.00	Allen & Associates
	Trash		varies		month	\$10.00	\$13.00	Allen & Associates
Location and Condition	Location		varies		level	\$20.00	\$20.00	Statistical Extraction
	Condition		varies		level	\$5.00	\$5.00	Statistical Extraction
	Effective Age	\$0.00	to	\$2.00	years	\$1.85	\$1.85	Statistical Extraction
Beds, Baths and Square Feet	Bedrooms	\$0.00	to	\$100.00	each	\$50.00	\$50.00	Survey Average
	Bathrooms	\$0.00	to	\$100.00	each	\$25.00	\$25.00	Survey Average
	Average SF	\$0.00	to	\$1.00	sf	\$0.05	\$0.05	Statistical Extraction
Project Amenities	Comm Center	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Pool	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sports Court	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Playground	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Fitness Ctr	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Business Ctr	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average	
Unit Amenities	Blinds	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Ceiling Fans	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Carpeting	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Fireplace	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Patio/Balcony Storage	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Kitchen Amenities	Stove	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Refrigerator	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Disposal	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Dishwasher	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Microwave	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Laundry Amenities	Central	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	W/D Units	\$0.00	to	\$50.00	each	\$25.00	\$25.00	Survey Average
	W/D Hookups	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Air Conditioning System	Central Air	\$0.00	to	\$60.00	each	\$30.00	\$30.00	Survey Average
	Window Units	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Wall Units	\$0.00	to	\$40.00	each	\$20.00	\$20.00	Survey Average
	Other	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
Heating System	Central Heat	\$0.00	to	\$60.00	each	\$30.00	\$30.00	Allen & Associates
	Baseboards	\$0.00	to	\$40.00	each	\$20.00	\$20.00	Allen & Associates
	Radiators	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Allen & Associates
	Other	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Allen & Associates
Parking Amenities	Open	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Assigned	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Covered	\$0.00	to	\$50.00	each	\$25.00	\$25.00	Survey Average
	Garage	\$0.00	to	\$100.00	each	\$50.00	\$50.00	Survey Average
Security Amenities	Cont Access	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Alarms	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Monitoring	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Patrols	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average
	Sec Officer	\$0.00	to	\$20.00	each	\$10.00	\$10.00	Survey Average

Source: Allen & Associates

Based on our evaluation of the rents for competing market rate properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

The actual rents achieved for market rate units at restricted-rent properties often fall short of the rents at unrestricted properties. Based on the analysis set forth above, we conclude the following achievable rents for the market rate units at the subject property:

- \$560 (\$0.57/sf) for the 2BR 974sf units
- \$610 (\$0.51/sf) for the 3BR 1193sf units

### **Projected Rent Growth**

In this section we analyze the historic and projected supply/demand relationship for the market area, utilizing the household and housing stock data found previously in this report. The housing stock projection is used to give us an indication of the overall health of the rental housing market.

Our analysis begins with an estimate of the number of competing multifamily renter units and the number of occupied competing renter multifamily units in the market area. These figures, which come from data found in the supply analysis section of this report, are trended forward to 2010 using the renter household and renter housing unit growth rates presented previously.

The next step in our analysis is to estimate the optimal number of competing renter multifamily units by grossing up the estimated number of occupied competing renter multifamily units by an assumed optimal vacancy rate. For purposes of this analysis, we have elected to use a 5 percent optimal vacancy rate target. This rate is commonly used by lenders, syndicators and housing finance agencies when underwriting proposed multifamily developments.

Finally, we compare the optimal number of competing renter multifamily units to the estimated number of units to determine whether the market is overbuilt or underbuilt. Based on our evaluation of overbuilt/underbuilt status, we estimate likely rent increases using consumer price index, average household income growth, and historic rent growth data.

Our housing stock projection and supply/demand analysis is found on the following page.

Our analysis suggests that the market area is currently underbuilt by approximately 3.5 percent. While the number of renter households is anticipated to increase over the next five years, the number of renter housing units is anticipated to increase at a faster pace, resulting in a market that is 2.5 percent underbuilt in 5 years.

Based the forecasted relationship between supply and demand for this marketplace, we anticipate 0.4 percent real and 3.2 percent nominal rent growth annually for the foreseeable future.





## Maximum Rents

In this section, we compare the proposed rents to program and market rents to determine whether the proposed rents are appropriate for the subject property. The following table summarizes our findings:

Unit Type	Square Feet	Rent Type	Proposed Rent (A)	Program Rent (B)	Ratio (A/B)	Achievable Rent (C)	Ratio (A/C)	Maximum Min(B,C)
2-Bedroom	974	50% of AMI	\$450	\$410	110%	\$560	80%	\$410
2-Bedroom	974	60% of AMI	\$475	\$515	92%	\$560	85%	\$515
3-Bedroom	1,193	50% of AMI	\$480	\$455	105%	\$610	79%	\$455
3-Bedroom	1,193	60% of AMI	\$520	\$576	90%	\$610	85%	\$576

Source: Allen & Associates

The maximum rent levels represent the absolute highest rent permissible for the area, considering achievable rental rates and maximum allowable rent limits. Maximum rents for the subject property follow:

- \$410 for 2BR units at 50% of AMI
- \$515 for 2BR units at 60% of AMI
- \$455 for 3BR units at 50% of AMI
- \$576 for 3BR units at 60% of AMI

Our analysis suggests that all units – with the exception of the 50% of AMI units - appear to be priced at or below allowable tax credit rent limits (proposed rents range from 90% to 110% of program rents). In addition, all units appear to be priced below achievable rents (proposed rents range from 79% to 85% of achievable rents). In our opinion, the sponsor should consider a price change for this project.

Please note: Great care should be taken in pricing restricted units. In the event that program rental rates exceed market rental rates, these units would, in fact, be nothing more than *de facto* market rate units. Since these units could only be marketed to a limited population of income-restricted households, they would, in fact, be more risky than market rate units.

## Feasibility Rent Estimate

Feasibility rent is defined as the minimum rent level at which market-rate development of conventional multifamily housing is economically viable. In areas where market rents fall below feasibility rents, development is not feasible without incentives such as tax credits, grants and/or below-market financing. The calculation of feasibility rent utilizes current construction cost data from the Marshall Valuation Service Cost Estimating Guide. Our analysis follows:

Feasibility Rents

Line	Item	2BR	3BR	Source
1	Unit Mix	28	12	Developer/Manager/Owner
2				
3	Net Rentable Area, SF	974	1,193	Developer/Manager/Owner
4	Factor	1.25	1.25	Allen & Associates
5	Gross Floor Area, SF	1,218	1,491	(3) * (4)
6				
7	Base Cost, Gross Floor Area	\$52.62	\$52.62	MVS Section 12
8	Gross Floor Area, SF	1,218	1,491	(3) * (4)
9	Subtotal, Gross Floor Area	\$64,065	\$78,470	(7) * (8)
10				
11	Base Cost, Site Improvements	\$1,000	\$1,000	Allen & Associates
12	Parking Spaces, EA	2.10	2.10	Allen & Associates
13	Subtotal, Site Improvements	\$2,100	\$2,100	(11) * (12)
14				
15	Base Cost, Appliance Package	\$1,270	\$1,270	MVS Section 12
16	Appliance Packages, EA	1.00	1.00	Allen & Associates
17	Subtotal, Appliance Packages	\$1,270	\$1,270	(15) * (16)
18				
19	Replacement Cost, Unadjusted	\$67,435	\$81,840	(9) + (13) + (17)
20	Current Cost Multiplier	1.140	1.140	MVS Section 99
21	Local Multiplier	0.890	0.890	MVS Section 99
22	Replacement Cost, Adjusted	\$68,419	\$83,034	(19) * (20) * (21)
23	Development Fee	\$6,842	\$8,303	10% of (22)
24	Soft Costs	\$1,710	\$2,076	2.5% of (22)
25	Subtotal	\$76,972	\$93,414	(22) + (23) + (24)
26	Land Value	\$4,000	\$4,000	Allen & Associates
27	Total Development Cost	\$80,972	\$97,414	(25) + (26)
28				
29	Total Development Cost	\$80,972	\$97,414	(25) + (26)
30	Capitalization Rate	7.50%	7.50%	Allen & Associates
31	Net Operating Income	\$6,073	\$7,306	(29) * (30)
32	Total Operating Expenses	\$3,500	\$3,500	Allen & Associates
33	Effective Gross Income	\$9,573	\$10,806	(31) + (32)
34	Vacancy & Collection Loss	\$504	\$569	5% of (33)
35	Potential Gross Income	\$10,077	\$11,375	(33) + (34)
36				
37	Potential Gross Income	\$10,077	\$11,375	(33) + (34)
38	Months	12	12	Months / Year
39	Feasibility Rent, Monthly	\$840	\$948	(37) / (38)
40				
41	Feasibility Rent, Monthly	\$840	\$948	(37) / (38)
42	Net Rentable Area, SF	974	1,193	Developer/Manager/Owner
43	Feasibility Rent, Monthly / SF	\$0.86	\$0.79	(41) / (42)
44				
45	Feasibility Rent, Monthly	\$872		sumproduct[(1),(41)]/sum(1)
46	Net Rentable Area, SF	1,040		sumproduct[(1),(42)]/sum(1)
47	Feasibility Rent, Monthly / SF	\$0.84		(45) / (46)

Our analysis suggests market rents of \$560 and \$610, respectively, for the 2- and 3-bedroom units at the subject property. Our analysis also suggests feasibility rents of \$840 and \$948, respectively, for the 2- and 3-bedroom units. Because of the disparity between market and feasibility rents, we conclude that competing market rate units are not financially feasible in the immediate area and development of such units is not likely under current economic conditions.

### **Utilization of Resources**

In this section we compare feasibility, market, program and proposed rents to evaluate how the tax credit and/or below market debt financing is utilized by the proposed development. The best way to illustrate the way this works is to consider two hypothetical projects:

Assume that a hypothetical project has feasibility rents of \$1000, market rents of \$1000, program rents of \$900 and proposed rents of \$800. In this case 100 percent of the tax credit and/or below-market debt financing would go towards project affordability, with 50 percent of the resources going towards program-mandated affordability levels ( $\$1000 - \$900 = \$100$  versus a \$200 total rent reduction) and 50 percent of the resources going towards sponsor-volunteered affordability levels ( $\$900 - \$800 = \$100$  versus a \$200 total rent reduction). This project would be feasible with conventional financing and market rents; however, the favorable financing would allow the sponsor to price the project more affordably than other market rate properties in the area.

Now assume that a second hypothetical project has feasibility rents of \$1000, market rents of \$800, program rents of \$800 and proposed rents of \$800. In this case 0 percent of the tax credit and/or below-market debt financing would go towards project affordability. Instead, 100 percent of the resources would be used simply to overcome market forces to deliver safe and decent housing (the \$200 spread between feasibility and market rents). Indeed, the project would be a *de facto* market rate development that otherwise would not be feasible without the favorable financing.

In practice most projects contain a mixture of the elements set forth above. The following table sets forth our analysis for the subject property:

## Utilization of Resources

Detail						
Unit Type	Rent Type	Units	Feasibility	Achievable	Program	Proposed
2-Bedroom	50% of AMI	12	\$840	\$560	\$410	\$450
2-Bedroom	60% of AMI	16	\$840	\$560	\$515	\$475
3-Bedroom	50% of AMI	4	\$948	\$610	\$455	\$480
3-Bedroom	60% of AMI	8	\$948	\$610	\$576	\$520
Subtotal						
Unit Type	Rent Type	Units	Feasibility	Achievable	Program	Proposed
2-Bedroom	Subtotal	28	\$840	\$560	\$470	\$464
3-Bedroom	Subtotal	12	\$948	\$610	\$536	\$507
Grand Total						
Unit Type	Rent Type	Units	Feasibility	Achievable	Program	Proposed
Grand	Total	40	\$872	\$575	\$490	\$477

## Conclusion

Item	Rent	Reduction \$	Reduction %	Resources used to:
Feasibility	\$872	-	-	-
Achievable	\$575	\$297	75%	Overcome Market Forces to Deliver Safe & Decent Housing
Program	\$490	\$85	22%	Achieve Program-Mandated Affordability Levels
Proposed	\$477	\$13	3%	Achieve Sponsor-Volunteered Affordability Levels
Total		\$395	100%	

Source: Allen &amp; Associates

Based on the relationship between feasibility rents, achievable rents, program rents and proposed rents, we conclude that 25 percent of the financial benefits associated with this transaction are being used to make this project affordable. The remaining 75 percent of the resources are being used to overcome market forces in order to deliver safe & decent housing. This transaction would otherwise not be feasible without the use of these additional resources.

Specifically, our analysis suggests that the subject property has weighted average feasibility rents of \$872, weighted average achievable rents of \$575, weighted average program rents of \$490 and weighted average proposed rents of \$477. Consequently, 75 percent of the tax credit and/or below-market debt financing are proposed to be used to overcome market forces to deliver safe & decent housing ( $\$872 - \$575 = \$297$  versus a \$395 total rent reduction); 22 percent of the resources are proposed to be used to achieve program-mandated affordability levels ( $\$575 - \$490 = \$85$  versus a \$395 total rent reduction); and 3 percent of the resources are proposed to be used to achieve sponsor-volunteered affordability levels ( $\$490 - \$477 = \$13$  versus a \$395 total rent reduction).

## DEMAND ANALYSIS

### Demand Assumptions

In this report we provide four measures of market depth: (1) Penetration rate - the ratio of the number of subject property units to the number of income-qualified households in the market area; (2) Saturation rate - the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area; (3) Capture rate - the ratio of the number of subject property units to the number of income qualified overburdened and substandard households – net of new supply - in the market area; and (4) Absorption period – the estimated number of months to fill the subject property units.

Penetration and saturation rates were computed using a methodology promoted by the National Council of Affordable Housing Market Analysts. Capture rates were developed using state housing finance agency guidelines. Absorption periods were estimated using a methodology developed by the Appraisal Institute.

The following table sets forth the various components of demand for each of these measures or market depth:

Demand Assumptions		
Penetration & Saturation Rate Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	April 8, 2006	
Income Qualified Households	No	Yes
Income Qualified Overburdened Households	No	No
Income Qualified Substandard Households	No	No
Income Qualified Household Movership	No	No
Income Qualified Household Growth	No	No
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	0	
Secondary Market	20%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na
Maximum Ratio of Income Qualified Households to Total Households	na	na
Capture Rate Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	April 8, 2006	
Income Qualified Households	No	No
Income Qualified Overburdened Households	No	Yes
Income Qualified Substandard Households	No	Yes
Income Qualified Household Movership	No	No
Income Qualified Household Growth	No	Yes
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	2	
Secondary Market	20%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na
Maximum Ratio of Income Qualified Households to Total Households	na	na
Absorption Period Estimate		
	Owner	Renter
Demographic Data	Family	
Effective Date	April 8, 2008	
Income Qualified Households	No	No
Income Qualified Overburdened Households	No	No
Income Qualified Substandard Households	No	No
Income Qualified Household Movership	No	Yes
Income Qualified Household Growth	No	Yes
Income Qualification Ratio	35%	
Household Growth Projection Period, Years	1	
Secondary Market	20%	
Maximum Ratio of Income Qualified Households to Total Income Qualified Households	na	na
Maximum Ratio of Income Qualified Households to Total Households	na	na

Source: Allen & Associates

In order to accurately evaluate the depth of a market it is necessary to segment demand by unit type and household size as set forth below:

Demand Assumptions, Segmentation by Unit Type

Item	Family				
	0BR	1BR	2BR	3BR	4BR
American Housing Survey	2.1%	26.9%	43.6%	22.2%	5.3%
Competing Property Survey	0.0%	28.8%	47.8%	23.4%	0.0%
Management Company Survey	0.0%	20.0%	40.0%	40.0%	0.0%
	55+ Elderly				
	0BR	1BR	2BR	3BR	4BR
Competing Property Survey	0.0%	0.0%	0.0%	0.0%	0.0%
Management Company Survey	0.0%	25.0%	75.0%	0.0%	0.0%
	62+ Elderly				
	0BR	1BR	2BR	3BR	4BR
Competing Property Survey	0.0%	0.0%	0.0%	0.0%	0.0%
Management Company Survey	0.0%	80.0%	20.0%	0.0%	0.0%
	Conclusion				
	0BR	1BR	2BR	3BR	4BR
Unit Mix	0.0%	27.5%	47.5%	25.0%	0.0%

Source: American Housing Survey; Allen & Associates

Demand Assumptions, Segmentation by Household Size

	Family	
	Minimum	Maximum
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	1	3
3-Bedroom	2	5
4-Bedroom	3	6
	55+ Elderly	
	Minimum	Maximum
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	1	2
	62+ Elderly	
	Minimum	Maximum
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	1	2
	Conclusion	
	Minimum	Maximum
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	1	3
3-Bedroom	2	5
4-Bedroom	3	6

Source: Allen & Associates

In our analysis we utilized maximum rents to determine the minimum income necessary to qualify for units at the subject property. This is because the proposed rents exceeded the achievable and/or program rents. For family properties, it is assumed that residents will pay no more than 35 percent of their income on housing-related expenses (rent plus utilities). For elderly properties, the amount is 40 percent. Our estimates are set forth below:

Minimum Qualified Income					
Subsidized					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom					
3 bedroom					
4 bedroom					
30% of AMI					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom					
3 bedroom					
4 bedroom					
40% of AMI					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom					
3 bedroom					
4 bedroom					
50% of AMI					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom	\$410	\$114	\$524	35%	\$17,966
3 bedroom	\$455	\$151	\$606	35%	\$20,777
4 bedroom					
60% of AMI					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom	\$515	\$114	\$629	35%	\$21,566
3 bedroom	\$576	\$151	\$727	35%	\$24,926
4 bedroom					
Market Rate					
	Maximum Rent	Utility Allowance	Proposed Housing Cost	Qualifying Income %	Minimum Income
0 bedroom					
1 bedroom					
2 bedroom					
3 bedroom					
4 bedroom					

Source: Allen & Associates



In our analysis we established the maximum allowable incomes for units at the subject property. Our analysis utilized current HUD income limits for the market area for various household sizes. The maximum income for market rate units is assumed to be 100% of AMI. A table depicting maximum allowable incomes for the market area is set forth below:

	Subsidized	30%	40%	50%	60%	100%
1 person	\$16,300	\$9,800	\$13,050	\$16,300	\$19,550	\$32,600
2 person	\$18,650	\$11,200	\$14,900	\$18,650	\$22,400	\$37,300
3 person	\$20,950	\$12,550	\$16,750	\$20,950	\$25,150	\$41,900
4 person	\$23,300	\$14,000	\$18,650	\$23,300	\$27,950	\$46,600
5 person	\$25,150	\$15,100	\$20,100	\$25,150	\$30,200	\$50,300
6 person	\$27,050	\$16,250	\$21,650	\$27,050	\$32,450	\$54,100
7 person	\$28,900	\$17,350	\$23,100	\$28,900	\$34,700	\$57,800
8 person	\$30,750	\$18,450	\$24,600	\$30,750	\$36,900	\$61,500

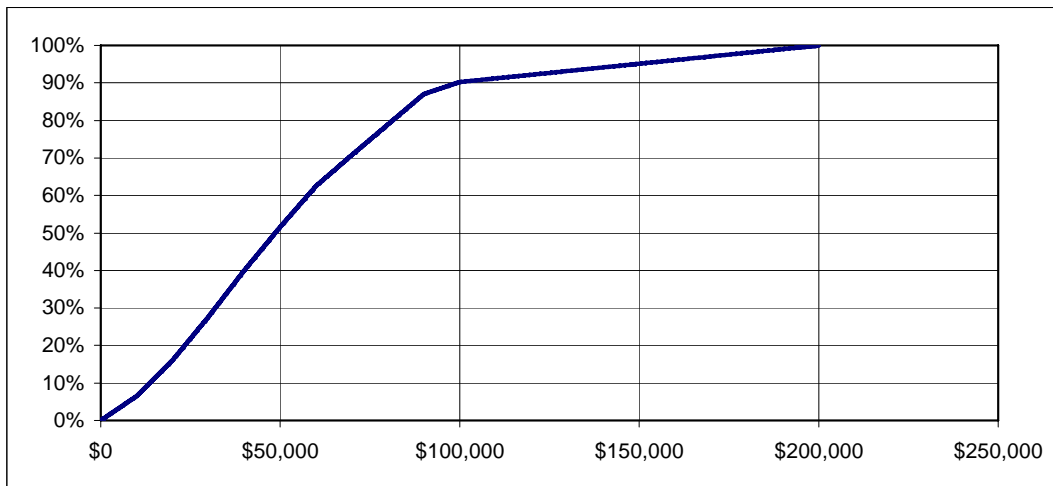
Source: State Housing Finance Agency; HUD

Finally, our analysis utilizes a distribution of households by percent of income spent on housing-related expenses for the market area as of the effective date of the report. Our analysis utilizes the distribution found below, which was originally developed in the demographic overview section of this report:

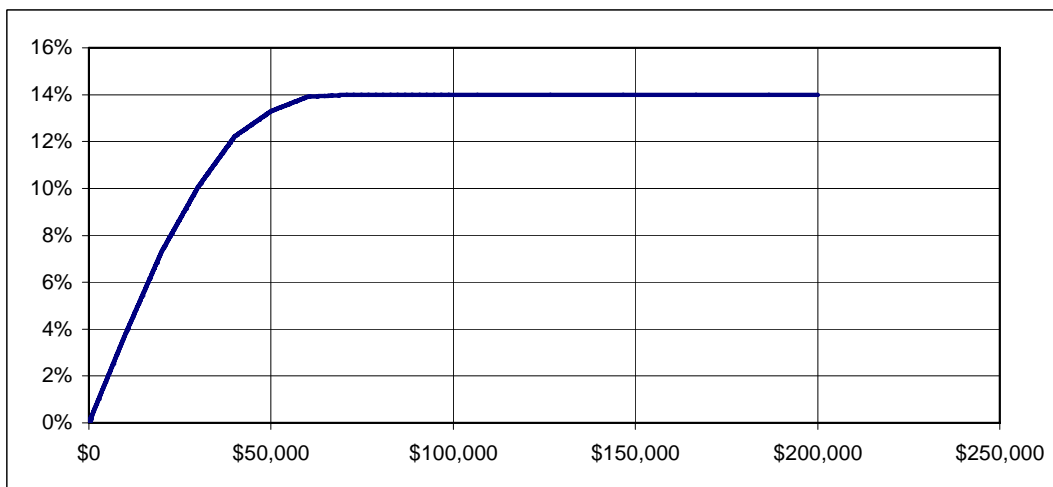
Owner Household Income, by Percent of Income Spent on Housing, 2000 Census

2006 \$ Income Range			Percent of Income Spent on Housing					Total
			<20%	20-24%	25-29%	30-34%	35%+	
\$0	to	\$10,000	0.3%	0.5%	0.9%	1.0%	3.8%	6.5%
\$0	to	\$20,000	3.6%	2.0%	1.5%	1.7%	7.3%	16.0%
\$0	to	\$30,000	9.6%	3.3%	2.4%	2.3%	10.1%	27.6%
\$0	to	\$40,000	17.0%	4.1%	3.7%	3.0%	12.2%	40.0%
\$0	to	\$50,000	24.4%	5.2%	5.1%	3.6%	13.3%	51.6%
\$0	to	\$60,000	31.7%	6.3%	6.4%	4.2%	13.9%	62.5%
\$0	to	\$70,000	37.8%	7.6%	7.1%	4.4%	14.0%	70.8%
\$0	to	\$80,000	44.0%	8.9%	7.6%	4.5%	14.0%	78.9%
\$0	to	\$90,000	50.1%	10.2%	8.2%	4.6%	14.0%	87.0%
\$0	to	\$100,000	52.9%	10.4%	8.3%	4.6%	14.0%	90.2%
\$0	or	more	62.4%	10.8%	8.3%	4.6%	14.0%	100.0%

Owner Household Income Distribution, Total



Owner Household Income Distribution, Overburdened

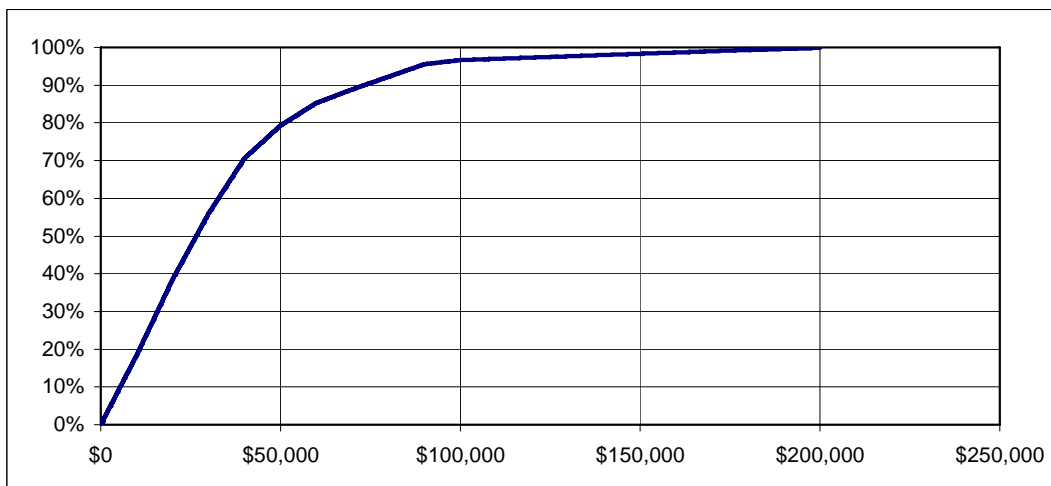


Source: U.S. Census; Allen & Associates

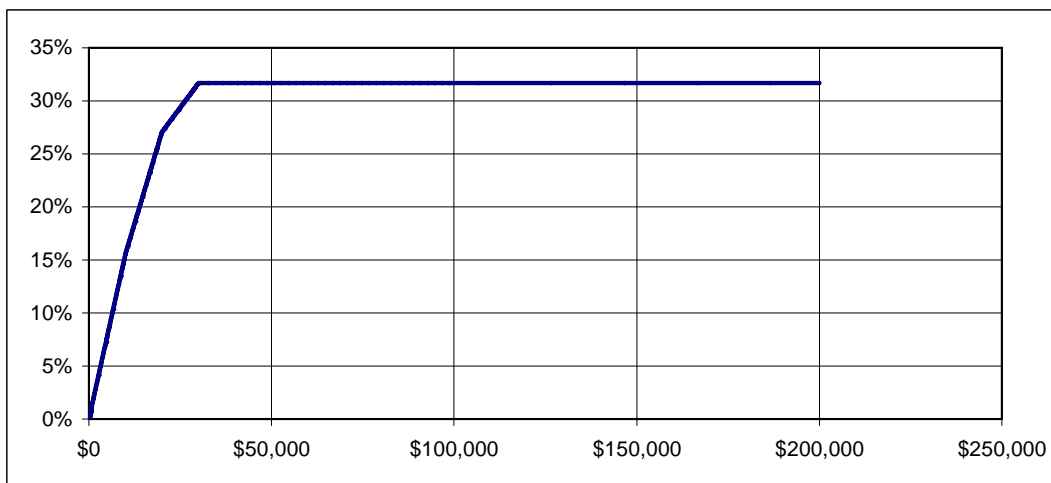
Renter Household Income, by Percent of Income Spent on Housing, 2000 Census

2006 \$ Income Range			Percent of Income Spent on Housing					Total
			<20%	20-24%	25-29%	30-34%	35%+	
\$0	to	\$10,000	0.2%	1.2%	1.1%	0.4%	15.6%	18.4%
\$0	to	\$20,000	2.5%	3.9%	3.2%	1.9%	27.1%	38.5%
\$0	to	\$30,000	8.8%	6.5%	5.7%	3.2%	31.7%	56.0%
\$0	to	\$40,000	17.8%	8.8%	8.4%	4.1%	31.7%	70.7%
\$0	to	\$50,000	24.4%	9.8%	9.1%	4.3%	31.7%	79.3%
\$0	to	\$60,000	29.8%	10.4%	9.1%	4.3%	31.7%	85.3%
\$0	to	\$70,000	33.3%	10.4%	9.1%	4.3%	31.7%	88.9%
\$0	to	\$80,000	36.7%	10.4%	9.1%	4.3%	31.7%	92.2%
\$0	to	\$90,000	40.0%	10.4%	9.1%	4.3%	31.7%	95.6%
\$0	to	\$100,000	41.1%	10.4%	9.1%	4.3%	31.7%	96.6%
\$0	or	more	44.4%	10.4%	9.1%	4.3%	31.7%	100.0%

Renter Household Income Distribution, Total



Renter Household Income Distribution, Overburdened



Source: U.S. Census; Allen &amp; Associates

## Penetration Rate Estimate

Penetration rate is defined as the ratio of the number of subject property units to the number of income-qualified households in the market area.

Our estimate of penetration rates begins with an estimate the number of qualified households for each unit type using the income levels and household size characteristics set forth above. For developments with multiple overlapping income limits we established income floors/ceilings to eliminate any overlap and distribute demand evenly across income levels. This eliminates double-counting and results in a more accurate demand estimate for subject property units. For elderly properties, owner demand is limited to a percentage of total demand supported by our market research.

Our estimate of the number of qualified households by unit type is found below:

Qualified Households, 2-Bedroom						
General Assumptions						
Effective Date	April 8, 2006					
Household Size	1 minimum		3 maximum			
Raw Data						
Population	24,538					
Population per Household	2.63					
Households	9,314					
Renter Tenure	21.99%					
Renter Households	2,049					
Households, 2-BR, %	47.5%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Upper Income Limit	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Lower Income Limit	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	40.2%	47.5%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	34.4%	41.3%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,049	2,049	0
Households, 2-BR, %	0.0%	0.0%	0.0%	47.5%	47.5%	0.0%
Renter Households, 2-BR	0	0	0	973	973	0
Qualified, %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households, 2-BR, Qualified	0	0	0	56	61	0
Qualified Households, Renter, Primary Market Area	0	0	0	56	61	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Qualified Households, Renter, Total	0	0	0	70	76	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	0	0	70	76	0

Source: U.S. Census Bureau, Claritas; Allen & Associates

Qualified Households, 3-Bedroom						
General Assumptions						
Effective Date	April 8, 2006					
Household Size	2 minimum		5 maximum			
Raw Data						
Population	24,538					
Population per Household	2.63					
Households	9,314					
Renter Tenure	21.99%					
Renter Households	2,049					
Households, 3-BR, %	25.0%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$25,150	\$30,200	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Upper Income Limit	\$0	\$0	\$0	\$24,926	\$30,200	\$0
Lower Income Limit	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	47.1%	56.3%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	39.9%	47.1%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,049	2,049	0
Households, 3-BR, %	0.0%	0.0%	0.0%	25.0%	25.0%	0.0%
Renter Households, 3-BR	0	0	0	512	512	0
Qualified, %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households, 3-BR, Qualified	0	0	0	37	47	0
Qualified Households, Renter, Primary Market Area	0	0	0	37	47	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Qualified Households, Renter, Total	0	0	0	46	59	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	0	0	46	59	0

Source: U.S. Census Bureau, Claritas; Allen &amp; Associates

The following table utilizes the qualified household estimates from above to compute the penetration rate by income level and by unit type for the subject property:

Penetration Rate Estimate								
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	70	76	146	0	146
3-Bedroom	0	0	0	46	59	105	0	105
4-Bedroom	0	0	0	0	0	0	0	0
Qualified Households	0	0	0	116	135	251	0	251
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	12	16	28	0	28
3-Bedroom	0	0	0	4	8	12	0	12
4-Bedroom	0	0	0	0	0	0	0	0
Subject Units	0	0	0	16	24	40	0	40
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	17.1%	21.0%	19.2%	0.0%	19.2%
3-Bedroom	0.0%	0.0%	0.0%	8.6%	13.7%	11.4%	0.0%	11.4%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penetration Rate	0.0%	0.0%	0.0%	13.7%	17.8%	15.9%	0.0%	15.9%

Source: Allen & Associates

### Qualified Households

We estimate project-specific qualified households for 251 units. The estimate breaks down as follows:

- 70 units for 2BR units at 50% of AMI
- 76 units for 2BR units at 60% of AMI
- 46 units for 3BR units at 50% of AMI
- 59 units for 3BR units at 60% of AMI

### Penetration Rate Estimate

We estimate a penetration rate of 15.9% for the subject property. The overall rate breaks down as follows:

- 17.1% for 2BR units at 50% of AMI
- 21.0% for 2BR units at 60% of AMI
- 8.6% for 3BR units at 50% of AMI
- 13.7% for 3BR units at 60% of AMI

In general, the lower the penetration rates the better. Underwriters often utilize penetration rate limits of 10 to 25 percent, depending on the specific project. In our opinion, the estimated penetration rates indicate an appropriate number and mix of units for the subject property.

### Saturation Rate Estimate

Saturation rate is defined as the ratio of the number of subject property units plus the number of competing units to the number of income qualified households in the market area.

Our estimate of the number of qualified households is found in the previous section. In this section we estimate the number of competing units as of the effective date of this report. Of particular importance are proposed and existing developments with subsidized or restricted rents targeting the same income levels as the subject property. Other than those identified below, we are not aware of any competing properties in the market area:

Competing Supply							
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate	
Page Square							
0-Bedroom	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0
2-Bedroom	0	0	0	12	12	0	0
3-Bedroom	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0
Oak Terrace							
0-Bedroom	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0
2-Bedroom	0	0	0	9	9	0	0
3-Bedroom	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0

Grand Total							
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate	
0-Bedroom	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0
2-Bedroom	0	0	0	20	22	0	0
3-Bedroom	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0
Grand Total	0	0	0	20	22	0	0

Source: Allen & Associates

The following table utilizes the qualified household estimates and the competing supply unit distribution presented above to compute saturation rates by income level and by unit type for the subject property:

Saturation Rate Estimate								
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	70	76	146	0	146
3-Bedroom	0	0	0	46	59	105	0	105
4-Bedroom	0	0	0	0	0	0	0	0
Qualified Households	0	0	0	116	135	251	0	251
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	12	16	28	0	28
3-Bedroom	0	0	0	4	8	12	0	12
4-Bedroom	0	0	0	0	0	0	0	0
Subject Units	0	0	0	16	24	40	0	40
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	20	22	42	0	42
3-Bedroom	0	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0	0
Competing Units	0	0	0	20	22	42	0	42
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	32	38	70	0	70
3-Bedroom	0	0	0	4	8	12	0	12
4-Bedroom	0	0	0	0	0	0	0	0
Total Units	0	0	0	36	46	82	0	82
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	45.9%	49.8%	47.9%	0.0%	47.9%
3-Bedroom	0.0%	0.0%	0.0%	8.6%	13.7%	11.4%	0.0%	11.4%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Saturation Rate	0.0%	0.0%	0.0%	31.0%	34.1%	32.7%	0.0%	32.7%

Source: Allen & Associates

### Saturation Rate Estimate

We estimate a saturation rate of 32.7% for the subject property. The overall rate breaks down as follows:

- 45.9% for 2BR units at 50% of AMI
- 49.8% for 2BR units at 60% of AMI
- 8.6% for 3BR units at 50% of AMI
- 13.7% for 3BR units at 60% of AMI

In general, the lower the saturation rates the better. Saturation rates less than 100% suggest that sufficient numbers of income-qualified households exist to fill subject property units. Underwriters often utilize saturation rate limits of 25 to 50 percent, depending on the specific project. In our opinion, the estimated saturation rates indicate an appropriate number and mix of units for the subject property.



**Capture Rate Estimate**

For purposes of this report, capture rate is defined as the ratio of the number of subject property units to the number of income-qualified overburdened and substandard households – net of new supply - in the market area.

Our estimate of capture rate utilizes the assumptions and income data set forth in the previous section. The income limits are used to determine the number of qualified households for the proposed development. New and pipeline units (including vacant units from unstabilized properties) are then tabulated and subtracted from this figure to arrive at the net qualified household estimate for the subject property. This figure is then divided into the total number of proposed units to arrive at the capture rate for the subject property.

For purposes of the capture rate computation, qualified households consist of the following: (1) Income-qualified overburdened households (households paying 35 percent or more of their income towards housing-related expenses), (2) Income-qualified substandard units (overcrowded units or units lacking plumbing), and (3) Income-qualified growth as set forth in the demand assumptions presented earlier.

For developments with multiple overlapping income limits we established income floors/ceilings to eliminate any overlap and distribute demand evenly across income levels. This eliminates double-counting and results in a more accurate demand estimate for subject property units. For elderly properties, owner demand is limited to a percentage of total demand supported by our market research.

Our estimate of the number of qualified households by unit type is found below:

Qualified Households, 2-Bedroom						
General Assumptions						
Effective Date	April 8, 2006					
Household Size	1 minimum		3 maximum			
Raw Data						
Population	24,538					
Population per Household	2.63					
Households	9,314					
Renter Tenure	21.99%					
Renter Households	2,049					
Households, 2-BR, %	47.5%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Upper Income Limit	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Lower Income Limit	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	40.2%	47.5%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	34.4%	41.3%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Qualified, Renter, Overburdened, Upper Income Limit, %	0.0%	0.0%	0.0%	27.5%	29.4%	0.0%
Qualified, Renter, Overburdened, Lower Income Limit, %	0.0%	0.0%	0.0%	24.7%	27.8%	0.0%
Qualified, Renter, Overburdened, %	0.0%	0.0%	0.0%	2.8%	1.7%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,049	2,049	0
Households, 2-BR, %	0.0%	0.0%	0.0%	47.5%	47.5%	0.0%
Renter Households, 2-BR	0	0	0	973	973	0
Qualified, Overburdened, %	0.0%	0.0%	0.0%	2.8%	1.7%	0.0%
Renter Households, 2-BR, Qualified, Overburdened	0	0	0	27	16	0
Renter Households, 2-BR	0	0	0	973	973	0
Qualified, %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households, 2-BR, Qualified	0	0	0	56	61	0
Renter Households, 2-BR, Qualified, Substandard, %	0.0%	0.0%	0.0%	7.1%	7.1%	0.0%
Renter Households, 2-BR, Qualified, Substandard	0	0	0	4	4	0
Renter Households, 2-BR	0	0	0	973	973	0
Qualified, %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households, 2-BR, Qualified	0	0	0	56	61	0
Renter Households, 2-BR, Qualified, Growth, %	0.0%	0.0%	0.0%	1.2%	1.2%	0.0%
Renter Households, 2-BR, Qualified, Growth	0	0	0	1	1	0
Projection Period, Years	0	0	0	2	2	0
Renter Households, 2-BR, Qualified, Growth, Projected	0	0	0	1	2	0
Qualified Households, Renter, Primary Market Area	0	0	0	32	22	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Qualified Households, Renter, Total	0	0	0	41	27	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	0	0	41	27	0

Source: U.S. Census Bureau, Claritas; Allen &amp; Associates

Qualified Households, 3-Bedroom						
General Assumptions						
Effective Date	April 8, 2006					
Household Size	2 minimum		5 maximum			
Raw Data						
Population	24,538					
Population per Household	2.63					
Households	9,314					
Renter Tenure	21.99%					
Renter Households	2,049					
Households, 3-BR, %	25.0%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$25,150	\$30,200	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Upper Income Limit	\$0	\$0	\$0	\$24,926	\$30,200	\$0
Lower Income Limit	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	47.1%	56.3%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	39.9%	47.1%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Qualified, Renter, Overburdened, Upper Income Limit, %	0.0%	0.0%	0.0%	29.3%	31.7%	0.0%
Qualified, Renter, Overburdened, Lower Income Limit, %	0.0%	0.0%	0.0%	27.4%	29.3%	0.0%
Qualified, Renter, Overburdened, %	0.0%	0.0%	0.0%	1.9%	2.3%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,049	2,049	0
Households, 3-BR, %	0.0%	0.0%	0.0%	25.0%	25.0%	0.0%
Renter Households, 3-BR	0	0	0	512	512	0
Qualified, Overburdened, %	0.0%	0.0%	0.0%	1.9%	2.3%	0.0%
Renter Households, 3-BR, Qualified, Overburdened	0	0	0	10	12	0
Renter Households, 3-BR	0	0	0	512	512	0
Qualified, %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households, 3-BR, Qualified	0	0	0	37	47	0
Renter Households, 3-BR, Qualified, Substandard, %	0.0%	0.0%	0.0%	7.1%	7.1%	0.0%
Renter Households, 3-BR, Qualified, Substandard	0	0	0	3	3	0
Renter Households, 3-BR	0	0	0	512	512	0
Qualified, %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households, 3-BR, Qualified	0	0	0	37	47	0
Renter Households, 3-BR, Qualified, Growth, %	0.0%	0.0%	0.0%	1.2%	1.2%	0.0%
Renter Households, 3-BR, Qualified, Growth	0	0	0	0	1	0
Projection Period, Years	0	0	0	2	2	0
Renter Households, 3-BR, Qualified, Growth, Projected	0	0	0	1	1	0
Qualified Households, Renter, Primary Market Area	0	0	0	13	16	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Qualified Households, Renter, Total	0	0	0	17	21	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Qualified Households	0	0	0	17	21	0

Source: U.S. Census Bureau, Claritas; Allen &amp; Associates

The next step in our analysis is to account for new supply in order to compute the number of qualified households – net of new and pipeline units (including vacant units from unstabilized properties) - for the subject property. Of particular importance are new and proposed subsidized and restricted developments targeting the same income levels as the subject property. Other than those identified below, we are not aware of any directly competing new or proposed subsidized, restricted or market rate developments in the market area.

The table below sets forth our analysis of new supply in the market area as of the effective date of this report:

New Supply							
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate	
Competing Property							
0-Bedroom	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0
2-Bedroom	0	0	0	0	0	0	0
3-Bedroom	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0

Grand Total							
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate	
0-Bedroom	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0
2-Bedroom	0	0	0	0	0	0	0
3-Bedroom	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0
Grand Total	0	0	0	0	0	0	0

Source: Allen & Associates

The following table utilizes the qualified household estimate and the new supply unit distribution presented above to compute the capture rates by income level and by unit type for the subject property:

Capture Rate Estimate								
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Restricted	Market Rate	Total
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	41	27	68	0	68
3-Bedroom	0	0	0	17	21	37	0	37
4-Bedroom	0	0	0	0	0	0	0	0
Qualified Households	0	0	0	57	48	105	0	105
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	0	0	0	0	0
3-Bedroom	0	0	0	0	0	0	0	0
4-Bedroom	0	0	0	0	0	0	0	0
New Supply	0	0	0	0	0	0	0	0
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	41	27	68	0	68
3-Bedroom	0	0	0	17	21	37	0	37
4-Bedroom	0	0	0	0	0	0	0	0
Qualified Households, Net	0	0	0	57	48	105	0	105
0-Bedroom	0	0	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0	0	0
2-Bedroom	0	0	0	12	16	28	0	28
3-Bedroom	0	0	0	4	8	12	0	12
4-Bedroom	0	0	0	0	0	0	0	0
Subject Units	0	0	0	16	24	40	0	40
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	29.6%	58.4%	41.2%	0.0%	41.2%
3-Bedroom	0.0%	0.0%	0.0%	24.0%	38.9%	32.2%	0.0%	32.2%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capture Rate	0.0%	0.0%	0.0%	28.0%	50.0%	38.0%	0.0%	38.0%

Source: Allen & Associates

### Qualified Households, Net

We estimate net project-specific qualified households for 105 units. The estimate breaks down as follows:

- 41 units for 2BR units at 50% of AMI
- 27 units for 2BR units at 60% of AMI
- 17 units for 3BR units at 50% of AMI
- 21 units for 3BR units at 60% of AMI

### Capture Rate Estimate

We estimate a capture rate of 38.0% for the subject property. The overall rate breaks down as follows:

- 29.6% for 2BR units at 50% of AMI
- 58.4% for 2BR units at 60% of AMI
- 24.0% for 3BR units at 50% of AMI
- 38.9% for 3BR units at 60% of AMI

In general, the lower the capture rates the better. Capture rates less than 100% suggest that sufficient numbers of income-qualified overburdened and substandard households exist to fill subject property units. Underwriters often utilize capture rate limits of 25 to 50 percent, depending on the specific project. Capture rates in excess of 100% suggest that the property will need to attract income-qualified households that are not currently overburdened or substandard from competing projects in order to fill. Negative capture rates suggest that the need for affordable housing has been addressed by new and proposed construction. In our opinion, the estimated capture rates indicate that too many 2-bedroom units at 60% of AMI may be proposed for the subject property.

## Absorption Period Estimate

The absorption period is defined as the estimated number of months to fill the subject property units.

Our absorption period estimate involves a four-step process. First, we estimate annual growth and movership by income level and unit type for the market area for the effective date of the report using the rent and income limits set previously. Second, we estimate the fair share, or the proportion of growth and movership that we would expect the subject property to capture. Third, we multiply the fair share by annual growth and movership and divide by 12 to estimate the amount of monthly income-qualified growth and movership that would likely lease at the subject property. Finally, we utilize the absorption rates by income and unit type to construct a lease up schedule for the subject property. Our analysis utilizes the assumptions and income data set forth in the previous section.

The following table sets forth our estimates of annual growth and movership by income level and unit type for the subject property:

Growth & Movership, 2-Bedroom						
General Assumptions						
Effective Date	April 8, 2008					
Household Size	1 minimum		3 maximum			
Raw Data						
Population	25,159					
Population per Household	2.62					
Households	9,596					
Renter Tenure	21.88%					
Renter Households	2,100					
Households, 2-BR, %	47.5%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Upper Income Limit	\$0	\$0	\$0	\$20,950	\$25,150	\$0
Lower Income Limit	\$0	\$0	\$0	\$17,966	\$21,566	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	40.2%	47.5%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	34.4%	41.3%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,100	2,100	0
Households, 2-BR, %	0.0%	0.0%	0.0%	47.5%	47.5%	0.0%
Renter Households, 2-BR	0	0	0	997	997	0
Qualified, %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households, 2-BR, Qualified	0	0	0	57	62	0
Renter Households, 2-BR, Qualified, Growth, %	0.0%	0.0%	0.0%	1.2%	1.2%	0.0%
Renter Households, 2-BR, Qualified, Growth	0	0	0	1	1	0
Projection Period, Years	0	0	0	1	1	0
Renter Households, 2-BR, Qualified, Growth, Projected	0	0	0	1	1	0
Renter Households, 2-BR	0	0	0	997	997	0
Qualified, %	0.0%	0.0%	0.0%	5.8%	6.3%	0.0%
Renter Households, 2-BR, Qualified	0	0	0	57	62	0
Renter Households, 2-BR, Qualified, Movership, %	0.0%	0.0%	0.0%	30.3%	30.3%	0.0%
Renter Households, 2-BR, Qualified, Movership	0	0	0	17	19	0
Growth & Movership, Renter, Primary Market Area	0	0	0	18	20	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Growth & Movership, Renter, Total	0	0	0	23	25	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Growth & Movership	0	0	0	23	25	0

Source: U.S. Census Bureau, Claritas; Allen & Associates

Growth & Movership, 3-Bedroom						
General Assumptions						
Effective Date	April 8, 2008					
Household Size	2 minimum		5 maximum			
Raw Data						
Population	25,159					
Population per Household	2.62					
Households	9,596					
Renter Tenure	21.88%					
Renter Households	2,100					
Households, 3-BR, %	25.0%					
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Maximum Allowable Income	\$0	\$0	\$0	\$25,150	\$30,200	\$0
Minimum Qualifying Income	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Upper Income Limit	\$0	\$0	\$0	\$24,926	\$30,200	\$0
Lower Income Limit	\$0	\$0	\$0	\$20,777	\$24,926	\$0
Qualified, Renter, Upper Income Limit, %	0.0%	0.0%	0.0%	47.1%	56.3%	0.0%
Qualified, Renter, Lower Income Limit, %	0.0%	0.0%	0.0%	39.9%	47.1%	0.0%
Qualified, Renter %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Renter Households	0	0	0	2,100	2,100	0
Households, 3-BR, %	0.0%	0.0%	0.0%	25.0%	25.0%	0.0%
Renter Households, 3-BR	0	0	0	525	525	0
Qualified, %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households, 3-BR, Qualified	0	0	0	38	48	0
Renter Households, 3-BR, Qualified, Growth, %	0.0%	0.0%	0.0%	1.2%	1.2%	0.0%
Renter Households, 3-BR, Qualified, Growth	0	0	0	0	1	0
Projection Period, Years	0	0	0	1	1	0
Renter Households, 3-BR, Qualified, Growth, Projected	0	0	0	0	1	0
Renter Households, 3-BR	0	0	0	525	525	0
Qualified, %	0.0%	0.0%	0.0%	7.2%	9.1%	0.0%
Renter Households, 3-BR, Qualified	0	0	0	38	48	0
Renter Households, 3-BR, Qualified, Movership, %	0.0%	0.0%	0.0%	30.3%	30.3%	0.0%
Renter Households, 3-BR, Qualified, Movership	0	0	0	12	15	0
Growth & Movership, Renter, Primary Market Area	0	0	0	12	15	0
Secondary Market, %	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%
Growth & Movership, Renter, Total	0	0	0	15	19	0
Total Households						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Growth & Movership	0	0	0	15	19	0

Source: U.S. Census Bureau, Claritas; Allen &amp; Associates



The next step in our analysis is to estimate the proportion of growth and movership the development should be able to attract in order to drive our lease-up projection. This amount, known as the fair share, is an integral component in our absorption period analysis.

The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal Institute) provide a good overview of this technique and its application to a variety of property types. These textbooks are used in the *Highest & Best Use and Market Analysis* course offered by the Appraisal Institute.

The following formula can be used to estimate the fair share for a specific project:

$$\text{Fair Share} = 1/(1+N)$$

N represents the number of properties directly competitive with the subject property for each unit type and each income level. Our analysis assumes that the estimated fair share will never exceed 50 percent.

Based on the rental property inventory and the competing property data presented previously in this report, we conclude the following fair share estimates for units at the subject property:

Fair Share Estimate

	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%
3-Bedroom	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Allen & Associates

The next step in our analysis is to compute the absorption rate for the subject property. The absorption rate estimate tells us the rate at which subject property units are likely to lease. The following table gives the absorption rate, by unit type, for the subject property:

Absorption Rate Estimate						
Growth & Movership, Annual						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0
2-Bedroom	0	0	0	23	25	0
3-Bedroom	0	0	0	15	19	0
4-Bedroom	0	0	0	0	0	0
Growth & Movership, Monthly						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0	0.0	0.0	0.0	0.0	0.0
1-Bedroom	0.0	0.0	0.0	0.0	0.0	0.0
2-Bedroom	0.0	0.0	0.0	1.9	2.1	0.0
3-Bedroom	0.0	0.0	0.0	1.2	1.6	0.0
4-Bedroom	0.0	0.0	0.0	0.0	0.0	0.0
Fair Share						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%
3-Bedroom	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Absorption Rate, Monthly						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00
1-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00
2-Bedroom	0.00	0.00	0.00	0.94	1.03	0.00
3-Bedroom	0.00	0.00	0.00	0.62	0.79	0.00
4-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00

Source: Allen & Associates

The final step is to compute the absorption period for the subject property. The absorption period estimate tells us how long it will take for the subject property units to lease. The following table gives the absorption period, by unit type, for the subject property:

Absorption Period Estimate						
Subject Units						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0
2-Bedroom	0	0	0	12	16	0
3-Bedroom	0	0	0	4	8	0
4-Bedroom	0	0	0	0	0	0
Stabilized Occupancy						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-Bedroom	0.0%	0.0%	0.0%	97.0%	97.0%	0.0%
3-Bedroom	0.0%	0.0%	0.0%	97.0%	97.0%	0.0%
4-Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Absorption Rate, Monthly						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00
1-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00
2-Bedroom	0.00	0.00	0.00	0.94	1.03	0.00
3-Bedroom	0.00	0.00	0.00	0.62	0.79	0.00
4-Bedroom	0.00	0.00	0.00	0.00	0.00	0.00
Absorption Period, Months						
	Subsidized	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
0-Bedroom	0	0	0	0	0	0
1-Bedroom	0	0	0	0	0	0
2-Bedroom	0	0	0	12	15	0
3-Bedroom	0	0	0	6	10	0
4-Bedroom	0	0	0	0	0	0
Absorption Period = 15 months			Average Rate = 2.59 units/month			

Source: Allen & Associates

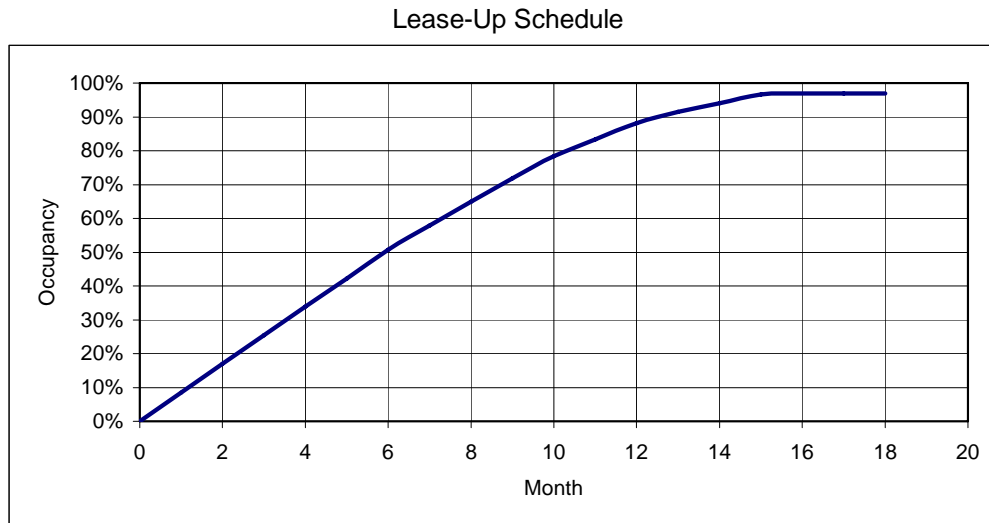
We estimate a 15-month absorption period and an average absorption rate of 2.59 units per month to stabilization for the subject property. The absorption period breaks down by unit type and income level as follows:

- 12 month(s) for 2BR units at 50% of AMI
- 15 month(s) for 2BR units at 60% of AMI
- 6 month(s) for 3BR units at 50% of AMI
- 10 month(s) for 3BR units at 60% of AMI

In general, the lower the absorption period the better. Underwriters often utilize absorption period limits of 12 to 24 months, depending on the specific project. In our opinion, the estimated absorption periods indicate an appropriate number and mix of units for the subject property.

Please note: This analysis does not account for pent-up demand, pre-leasing efforts, relocation program efforts for existing properties, or rents subsidies. In reality, 3 months of pre-leasing could theoretically shave 3 months off the absorption period. Alternatively, a 50% resident retention rate could cut the capture rate and absorption period in half for an existing property. Finally, any rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods for subsidized units significantly.

The following table utilizes the absorption estimates from above to derive a lease-up schedule to stabilized occupancy for the subject property:



Source: Allen & Associates

## RECOMMENDATIONS

We recommend a unit mix change for this project in order to achieve penetration rates below 25 percent, capture rates below 50 percent and an absorption period below 18 months. In theory, the sponsor could actually increase the number of units from 40 to 49 units at this location. In order to maximize the unit count at this property the developer will need to deliver the following unit mix and pricing:

- 17 two-bedroom units at 50% of AMI priced at \$410
- 14 two-bedroom units at 60% of AMI priced at \$515
- 8 three-bedroom units at 50% of AMI priced at \$455
- 10 three-bedroom units at 60% of AMI priced at \$576

The recommended unit configuration results in the following marketability measures for the subject property:

- Penetration Rate: 19.5% (versus 15.9% with the proposed configuration)
- Saturation Rate: 36.2% (versus 32.7% with the proposed configuration)
- Capture Rate: 46.6% (versus 38.0% with the proposed configuration)
- Absorption Period: 17 months (versus 15 months with the proposed configuration)

Of particular importance is the reduction of the capture rate for the 2-bedroom units at 60% of AMI from 58.4 percent to 51.1 percent. This is accomplished through a unit count reduction from 16 to 14 units.

In our opinion, the proposed development is feasible assuming these changes are made. Further, in our opinion, the proposed development will not adversely affect other properties in the market area using the modified unit configuration.

Further details are found on the following page.

### Proposed Configuration

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
2-BR	50% of AMI	12	70	17.1%	20	45.9%	41		41	29.6%	0.94	12 mos	\$560	\$410	\$450
2-BR	60% of AMI	16	76	21.0%	22	49.8%	27		27	58.4%	1.03	15 mos	\$560	\$515	\$475
3-BR	50% of AMI	4	46	8.6%		8.6%	17		17	24.0%	0.62	6 mos	\$610	\$455	\$480
3-BR	60% of AMI	8	59	13.7%		13.7%	21		21	38.9%	0.79	10 mos	\$610	\$576	\$520
Average/Total		40	251	15.9%	42	32.7%	105		105	38.0%	2.59	15 mos	Stabilized Occupancy		97%

### Recommended Configuration

Subject Property Units			Penetration and Saturation Rate Estimate				Capture Rate Estimate				Absorption Analysis		Rent Analysis		
Unit Type	Rent Type	Units Proposed	Gross Qualified	Penetration Rate	Competing Supply	Saturation Rate	Gross Qualified	New Supply	Net Qualified	Capture Rate	Absorption Rate	Absorption Period	Achievable Rent	Program Rent	Proposed Rent
2-BR	50% of AMI	17	70	24.3%	20	53.0%	41		41	41.9%	0.94	17 mos	\$560	\$410	\$410
2-BR	60% of AMI	14	76	18.4%	22	47.1%	27		27	51.1%	1.03	13 mos	\$560	\$515	\$515
3-BR	50% of AMI	8	46	17.3%		17.3%	17		17	48.0%	0.62	12 mos	\$610	\$455	\$455
3-BR	60% of AMI	10	59	17.1%		17.1%	21		21	48.6%	0.79	12 mos	\$610	\$576	\$576
Average/Total		49	251	19.5%	42	36.2%	105		105	46.6%	2.80	17 mos	Stabilized Occupancy		97%

**APPENDIX**

## **Data Sources**

### Project Description

Subject Property Developer/Manager/Owner  
Microsoft MapPoint  
State Housing Finance Agency  
U.S. Department of Housing & Urban Development

### Site Evaluation

Prizm Demographics  
Microsoft TerraServer  
Transamerica Flood Insurance  
FirstSearch Environmental  
Microsoft MapPoint  
Claritas  
InfoUSA  
U.S. Census

### Regional Economy

Bureau of Labor Statistics  
Woods & Poole Economics  
InfoUSA  
Claritas  
U.S. Census Bureau

### Market Area Demographic Characteristics

#### Elderly Demographic Characteristics

U.S. Census Bureau  
Claritas

### Supply Analysis

U.S. Census Bureau  
Claritas  
InfoUSA  
State Housing Finance Agency  
U.S. Department of Housing & Urban Development  
USDA Rural Development  
Microsoft MapPoint  
Competing Property Developer/Manager/Owner

### Market Rent Estimate

Microsoft MapPoint  
Claritas  
Bureau of Labor Statistics  
U.S. Census Bureau  
Marshall Valuation Service



Market Rent Estimate (Continued)  
State Housing Finance Agency  
U.S. Department of Housing & Urban Development

Qualified Households & Penetration Rates  
Demand & Capture Rates  
Absorption Period & Fill Rates  
Competing Property Developer/Manager/Owner  
American Housing Survey  
State Housing Finance Agency  
U.S. Department of Housing & Urban Development  
U.S. Census Bureau  
Claritas

## Qualifications

Allen & Associates is a real estate valuation and advisory firm specializing in affordable income-producing housing. Allen & Associates provides market studies, demand analyses, supply analyses, rent comparability studies, appraisals, land appraisals, environmental assessments, property condition reports, and utility studies to its clients.

Our area of specialty includes the evaluation of low-income housing tax credit properties. Over the past several years we have completed assignments in 24 states including Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, Wyoming and Puerto Rico.

Allen & Associates has offices in Charlotte, North Carolina and Detroit, Michigan and is approved to provide its services throughout the United States. Since 1973, we have completed thousands of assignments across the country.

The following discussion summarizes our affordable multifamily activities over the past several years:

- Since 2000 we have completed a total of 735 assignments throughout the United States including 221 in 2005. A summary listing of projects is found below:

Project Summary												
Year	Virginia		North Carolina		South Carolina **		Georgia		Region		United States	
	Total	HFA	Total	HFA	Total	HFA	Total	HFA	Total	HFA	Total	HFA
2001	11	na	4	3	5	0	18	18	38	21	87	21
2002	25	na	13	13	0	0	15	6	53	19	122	19
2003	30	na	8	8	4	0	24	10	66	18	170	18
2004	22	na	16	11	1	0	30	17	69	28	135	28
2005	31	na	13	9	24	10	30	17	98	36	221	36
<b>Total</b>	<b>119</b>	<b>na</b>	<b>54</b>	<b>44</b>	<b>34</b>	<b>10</b>	<b>117</b>	<b>68</b>	<b>324</b>	<b>122</b>	<b>735</b>	<b>122</b>

\*\* Currently in the Process of Completing Demand Analyses for All 46 Counties in the State of South Carolina

- Since 2000 we have completed 324 assignments in Virginia, North Carolina, South Carolina, and Georgia. A total of 119 of these assignments were in Virginia, 54 were in North Carolina, 34 were in South Carolina, and 117 were in Georgia. A total of 122 of these assignments were engaged by state housing finance agencies.
- We have compiled a database of detailed information for every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Texas, Iowa and Minnesota since 1999. We have made this data available to National Council of Affordable Housing Market Analysts members as part of our ongoing effort to provide useful information to industry participants.
- We are in the process of conducting county-level demand assessments for Virginia, North Carolina, South Carolina and Georgia. In 2003 we conducted this analysis for Texas and Wisconsin.

- The Georgia Department of Community Affairs ranks its market analysts each year. Allen & Associates Consulting has been ranked at the top of its list of analysts for the past two years based on a variety of factors including price, work quality, work capacity, and responsiveness to their needs.
- In 2004, the State of Indiana solicited our input regarding their market study guidelines and their underwriting process. We were one of 3 firms asked to provide input.
- In 2003 and 2004, Allen & Associates was retained to provide expert testimony with respect to litigation involving the market feasibility of several affordable multifamily properties in Michigan.
- In 2003, Allen & Associates was retained to provide expert testimony with respect to litigation involving the valuation of a Michigan low-income housing tax credit property that was being over-assessed.

The following is a listing of key personnel at Allen & Associates:

Jeffrey B. Carroll

Jeffrey B. Carroll is President of Allen & Associates Consulting and has over 17 years of real estate consulting experience. Since 1988, he has performed over 1000 market study, appraisal, and environmental assessment assignments throughout the country for affordable multifamily properties.

Mr. Carroll chairs the data committee for the National Council of Affordable Housing Market Analysts, he is a Certified Environmental Consultant and a member of the Environmental Assessment Association. He is also a certified general appraiser, licensed to appraise real estate in the states of Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia. Mr. Carroll, an associate member of the Appraisal Institute, is currently completing the requirements necessary to obtain the MAI designation.

Jeff Carroll has written articles on development, market assessment, financial analysis, and property management for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Mr. Carroll has conducted seminars on development, market & feasibility analysis and affordable housing for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, and the National Council of Affordable Housing Market Analysts.

The following is a summary of Mr. Carroll's relevant educational background:

Clemson University, Bachelor of Science Degree  
Chemical Engineering and Economics

1983

Harvard University, Master's Degree in Business Administration

General Management, Economics and Real Estate	1988
Appraisal Institute	
Appraisal Principles	2001
Appraisal Procedures	2001
Uniform Standards of Professional Appraisal Practice	2001
Applied Residential Property Valuation	2001
General Applications	2002
Highest & Best Use and Market Analysis	2002
Basic Income Capitalization	2002
Advanced Income Capitalization	2002
General Demonstration Report Writing	2003
Advanced Applications	2003
Advanced Sales Comparison & Cost Approach	2003
Report Writing & Valuation Analysis	2003
Business Practices & Ethics	2003
Uniform Standards of Professional Appraisal Practice Update	2005
Market Analysis for Real Estate	2005
National Council of Affordable Housing Market Analysts	
Semi-Annual Meeting & Continuing Education	January 2002
Semi-Annual Meeting & Continuing Education	September 2002
Semi-Annual Meeting & Continuing Education	January 2003
Semi-Annual Meeting & Continuing Education	September 2003
Semi-Annual Meeting & Continuing Education	January 2004
Semi-Annual Meeting & Continuing Education	September 2004
Semi-Annual Meeting & Continuing Education	January 2005
Semi-Annual Meeting & Continuing Education	September 2005

Mr. Carroll, who was awarded a scholarship on the Clemson University varsity wrestling team, is an assistant coach for a local high school wrestling team. He is also a children's instructor at a local judo club. Mr. Carroll resides in Charlotte, North Carolina with his wife Becky and his two children, Luke and Brittany.

Laurence G. Allen

Laurence G. Allen is President of Allen & Associates Appraisal and has over 30 years of real estate valuation and consulting experience. Since 1973, he has performed over 3000 appraisal and consulting assignments for a variety of property types throughout the country.

His experience includes the appraisal and feasibility analysis for low income housing tax credit and tax-exempt bond projects. Since 2000, he has performed over 200 market study and appraisal assignments throughout the country for affordable multifamily properties.

Mr. Allen, a member of the National Council of Affordable Housing Market Analysts, has written a number of articles in the Appraisal Journal, Michigan Assessor magazine, and Community Management magazine. In addition, he wrote a section entitled “Estimating Value” for the book How to Find, Buy and Sell Manufactured Home Communities.

Mr. Allen taught courses on real estate appraisal at the University of Michigan . In addition, he was a guest lecturer on real estate appraisal at the University of Michigan and Michigan State University School of Business Administration, Graduate programs.

Mr. Allen is a licensed real estate broker and a state certified real estate appraiser in the state of Michigan, Georgia and Virginia. In addition, he holds the MAI designation with the Appraisal Institute and the CFA (Chartered Financial Analyst) designation with the CFA Institute.

Mr. Allen received his Bachelor’s Degree with honors from Linfield College and his Master’s Degree in Business Administration from the University of Michigan .

The following is a summary of Mr. Allen’s relevant educational background:

Linfield College, Bachelor of Arts Degree Psychology	1972
University of Michigan, Master’s Degree in Business Administration Marketing and Finance	1982
American Institute of Real Estate Appraisers Completed Required Curriculum for AIREA Designation	1973-1978
Appraisal Institute Appraising Troubled Properties	1985
Rates, Ratios & Reasonableness	1985
Hotel/Motel Valuation	1990
Analysis of Retail Properties	1995
Dynamics of Office Building Valuation	2000
Subdivision Valuation	2005
National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	September 2005

Mr. Allen is the father of two and resides in Birmingham, Michigan with his wife Susan.

#### Douglas P. Koch

Douglas P. Koch is President of Housing Advisors, LLC and has over 23 years of affordable housing consulting experience. Mr. Koch provides advisory services for investors, developers, communities and institutions involved in multifamily and

affordable housing. Doug has been successful in carving out a niche in the affordable housing marketplace, providing valuation advisory and consulting services since 1981.

Working as a private consultant on a one to one basis, or working with an experienced team of professionals, Mr. Koch uses his position in the field of affordable housing and multifamily consultation to seek out opportunity and prevent pitfalls for clients. This experience is conveyed in market studies, appraisals, brokerage, financing and other consulting assignments that can be specially tailored to meet a client's specific needs. His clients include many of the industry's major multifamily and affordable housing developers, investors, syndicators, lenders and national non-profit organizations.

Working in real estate and community development since 1975, Doug's involvement in multiple situations, work with developers, community organizations, owners, investors and public entities, and familiarity with a multitude of assignments/property types and market types: (from inner city to rural submarkets from Seattle to Puerto Rico) in over 120 metropolitan areas in 46 states across the nation, gives him the experience and insight needed to assist clients in today's complex marketplace.

Doug maintains his reputation as a leader in the industry by teaching, writing and speaking about affordable housing issues nationwide. He co-developed the Appraisal Institute's text entitled Appraising Affordable Housing and taught the course nationwide. In 2003-2004 he served as the Chairman of the National Council of Affordable Housing Market Analysts (NCAHMA).

With published articles in both the specialty and general press, Doug has completed presentations at the major meetings for NH&RA, NCSHA, AHIC and MultiHousing World. His appraisal and marketability study work includes assessments of developments with subsidies and restrictions, including but not limited to: Section 42 Low Income Housing Tax Credits, Section 236, Rural Development (former FmHA) Section 221(D)(3) and Section 221(D)(4) interest subsidies and rent restrictions, Section 236 rent supplement and Section 8 rental assistance and various state construction and rental assistance programs.

Mr. Koch has completed numerous assignments throughout South Carolina including the following areas: Dillon, Darlington, Florence, Conway, Myrtle Beach, Georgetown, Charleston, Burton, Beaufort, Port Royal, Orangeburg, Aiken, Sumter and Columbia.

The following is a summary of Mr. Koch's relevant educational background:

Rutgers University, Bachelor of Arts Degree Community Development	1976
Harvard University Graduate School of Design, Master's Degree City and Regional Planning	1978

American Institute of Real Estate Appraisers  
Completed Required Curriculum for AIREA and MAI Designation 1990

National Council of Affordable Housing Market Analysts  
Semi-Annual Meeting & Continuing Education 2001  
Semi-Annual Meeting & Continuing Education 2001  
Semi-Annual Meeting & Continuing Education 2002  
Semi-Annual Meeting & Continuing Education 2002  
Semi-Annual Meeting & Continuing Education 2003  
Semi-Annual Meeting & Continuing Education 2003  
Semi-Annual Meeting & Continuing Education 2004  
Semi-Annual Meeting & Continuing Education 2004  
Semi-Annual Meeting & Continuing Education 2005

Doug enjoys baseball (which he still plays competitively) and lives in Newton, Massachusetts with his wife, Theodora and his two children, Eric and Alexandra.

#### Jeremy L. Allen

Jeremy Allen has over seven years of real estate valuation and consulting experience.

Since 1998 he has completed over 250 appraisals and market studies for a variety of property types, including hotels, office, retail, industrial, golf course, and multifamily developments. His areas of expertise include affordable multifamily market analysis and the valuation of hotels. Mr. Allen is a state licensed real estate valuation specialist.

Cornell University, Bachelor of Science Degree  
Real Estate Development 2002

Mr. Allen is unmarried and resides in Phoenix, Arizona.

#### Debbie Rucker

Debbie Rucker is an analyst with Allen & Associates, coordinating rent surveys and data collection for the company. Ms. Rucker has worked on over 250 assignments and has conducted over 5000 rent surveys.

Ms. Rucker was also responsible for compiling the database of detailed information on of every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Texas, Iowa and Minnesota since 1999. We have made this data available to National Council of Affordable Housing Market Analysts members as part of our ongoing effort to provide useful information to industry participants.

The following is a summary of Ms. Rucker's relevant educational background:

National Council of Affordable Housing Market Analysts  
Semi-Annual Meeting & Continuing Education September 2005

Ms. Rucker is active in her church and helps run a local judo club. Ms. Rucker is the mother of two and resides in Weddington, North Carolina.

Frank Victory

Frank Victory is an analyst with Allen & Associates, coordinating rent surveys and data collection for the company. Mr. Victory has worked on over 150 assignments and has compiled over 30 gigabytes of economic and demographic data.

Mr. Victory is also in the process of compiling the data for county-level demand assessments for Virginia, North Carolina, South Carolina and Georgia.

The following is a summary of Mr. Victory's relevant educational background:

National Council of Affordable Housing Market Analysts  
Semi-Annual Meeting & Continuing Education

September 2005

Mr. Victory is active in his church and the community. He was recently named "Charlotte's Hometown Hero" for his charitable work by one of the largest radio and television stations in North Carolina. Mr. Victory is the father of two and resides in Monroe, North Carolina.



## Interviews

Competing Property # 001

Mr. Atkins

Atkinson Apartments

(843) 672-7445

Mr. Atkinson refused to supply information for this study. In his views the government shouldn't enter into competition with him in the rental industry. Individuals from Pageland report these properties are in bad condition and need to be demolished.

Competing Property # 002

Bea, Manager

Dream Builders 2

(843) 623-9016

Property restricted to individuals with mental retardation.

Competing Property # 003

Eddie Rivers

Eddie Rivers' Properties

(843) 672-6936

Mr. Rivers advised that he had no vacancies as of today, but he will not participate in the study. His apartment business is a private affair. He reported that there were too many rental units in the city already.

Competing Property # 004

Bea, Manager

Hope Housing

(843) 623-9016

Property restricted to persons with Mental Retardation.

Competing Property # 005

Larry Brown

Oak Terrace Apartments

(843) 672-5479

Property accepts section 8 vouchers.

Competing Property # 006

Johnnie Mangum

Page Square Apartments

(843) 672-2203

2 people on waiting list. LIHTC & USDA Rural Development Property with Project Based rental assistance available on 12 units. High proportion on elderly on this property. Plants closed, economy is bad. Residents of Pageland are suffering. Need more rental assistance on units.

Competing Property # 007

Jennette Oliver

Pageland Place

(843) 672-5422

Volunteers of America purchased this property. They will empty it out and rehabilitate it with \$2 million.

Competing Property # 008

Patsy Price

Price Rental Properties

(843) 672-7018

One bedroom units' include water, sewer & trash. Select units have central air while others have window units.

Competing Property # 009

Jill Sullivan

Sullivan Rental Property

(843) 672-6886

Local people are struggling with the economy.

Competing Property # 010

Vickie Quick

Water Oak Apartments

(843) 658-3077

5 people on waiting list. This is a HUD Property with Project Based subsidy on each unit. Market Rates are \$518; \$576; 546 on 1 bedroom units; \$588 on 2 bedrooms & \$670 on 3 Bedrooms.

## **Rental Property Inventory Data**



Dream Builders 2  
 W McGregor & Oak  
 Pageland  
 South Carolina  
 29728  
 (843) 623-9016  
 Bea, Manager

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
1	1.0	Subsidized	4	0	100%	BOI - BOI	700 - 700	BOI
2	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2			0	0	0%	BOI - BOI	0 - 0	BOI
3	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3			0	0	0%	BOI - BOI	0 - 0	BOI
4	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4			0	0	0%	BOI - BOI	0 - 0	BOI
<b>Subtotal</b>		<b>Subsidized</b>	<b>4</b>	<b>0</b>	<b>100%</b>	<b>BOI - BOI</b>	<b>700 - 700</b>	<b>BOI</b>

<b>Building Type:</b>		<b>Unit Amenities:</b>		<b>Utilities in Rent:</b>		<b>Parking:</b>		<b>Miscellaneous:</b>																	
<input type="checkbox"/> Single Family	<input type="checkbox"/> Duplex	<input type="checkbox"/> Townhouse	<input type="checkbox"/> Garden	<input type="checkbox"/> Mid-Rise	<input type="checkbox"/> High-Rise	<input type="checkbox"/> Blinds	<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> Carpeting	<input type="checkbox"/> Fireplace	<input type="checkbox"/> Patio/Balcony	<input type="checkbox"/> Storage	<input type="checkbox"/> Heat	<input type="checkbox"/> A/C	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Electricity	<input type="checkbox"/> Cold Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash	<input type="checkbox"/> Open	<input type="checkbox"/> Assigned	<input type="checkbox"/> Covered	<input type="checkbox"/> Garage	Year Built	na	
																								Year Renovated	na
																								Heating Fuel	na
																								Minimum Lease	na
																								Security Deposit/Fees	na
																								Incentives	na
																								Waiting List	na
																								Est Turnover	10-20%
																								Distance to Subject	2.17
																								Rents	Subsidized
																								Type	Special Needs
																								Status	Other
																								Survey Date	03/20/06
																								Map Key	002
<b>Project Amenities:</b>		<b>Laundry:</b>		<b>Heat:</b>		<b>Tenant Utilities:</b>		<b>Comments/Notes:</b>																	
<input type="checkbox"/> Comm Center	<input type="checkbox"/> Pool	<input type="checkbox"/> Sports Court	<input type="checkbox"/> Playground	<input type="checkbox"/> Fitness Ctr	<input type="checkbox"/> Business Ctr	<input type="checkbox"/> Central	<input type="checkbox"/> W/D Units	<input type="checkbox"/> W/D Hookups	<input type="checkbox"/> Central Heat	<input type="checkbox"/> Baseboards	<input type="checkbox"/> Radiators	<input type="checkbox"/> Other	0BR	1BR	2BR	3BR	4BR	Property restricted to individuals with mental retardation.							
																	\$96								

Eddie Rivers' Properties  
Edisto Street & Funderburk St.  
Pageland  
South Carolina  
29728  
(843) 672-6936  
Eddie Rivers

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
1	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	2.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2			0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3			0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4			0	0	0%	\$0 - \$0	0 - 0	\$0.00
<b>Subtotal</b>		<b>Market Rate</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>\$0 - \$0</b>	<b>0 - 0</b>	<b>\$0.00</b>

<b>Building Type:</b>		<b>Unit Amenities:</b>		<b>Utilities in Rent:</b>		<b>Parking:</b>		<b>Miscellaneous:</b>																	
<input type="checkbox"/> Single Family	<input type="checkbox"/> Duplex	<input type="checkbox"/> Townhouse	<input type="checkbox"/> Garden	<input type="checkbox"/> Mid-Rise	<input type="checkbox"/> High-Rise	<input type="checkbox"/> Blinds	<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> Carpeting	<input type="checkbox"/> Fireplace	<input type="checkbox"/> Patio/Balcony	<input type="checkbox"/> Storage	<input type="checkbox"/> Heat	<input type="checkbox"/> A/C	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Electricity	<input type="checkbox"/> Cold Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash	<input type="checkbox"/> Open	<input type="checkbox"/> Assigned	<input type="checkbox"/> Covered	<input type="checkbox"/> Garage	Year Built	na	
																								Year Renovated	na
																								Heating Fuel	na
																								Minimum Lease	na
																								Security Deposit/Fees	na
																								Incentives	na
																								Waiting List	na
																								Est Turnover	30-50%
																								Distance to Subject	2.14
																								Rents	Market Rate
																								Type	Family
																								Status	Unconfirmed
																								Survey Date	03/20/06
																								Map Key	003
<b>Project Amenities:</b>		<b>Laundry:</b>		<b>Heat:</b>		<b>Tenant Utilities:</b>		<b>Comments/Notes:</b>																	
<input type="checkbox"/> Comm Center	<input type="checkbox"/> Pool	<input type="checkbox"/> Sports Court	<input type="checkbox"/> Playground	<input type="checkbox"/> Fitness Ctr	<input type="checkbox"/> Business Ctr	<input type="checkbox"/> Central	<input type="checkbox"/> W/D Units	<input type="checkbox"/> W/D Hookups	<input type="checkbox"/> Central Heat	<input type="checkbox"/> Baseboards	<input type="checkbox"/> Radiators	<input type="checkbox"/> Other	0BR	1BR	2BR	3BR	4BR	Mr. Rivers advised that he had no vacancies as of today, but he will not participate in the study. His apartment business is a private affair. He reported that there were too many rental							



Oak Terrace Apartments  
 400 East Maynard  
 Pageland  
 South Carolina  
 29728  
 (843) 672-5479  
 Larry Brown

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
1	1.0	Restricted	6	0	100%	\$369 - \$369	650 - 650	\$0.57
2	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	1.5	Restricted	18	0	100%	\$402 - \$402	1,000 - 1,000	\$0.40
2	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2			18	0	100%	\$402 - \$402	1,000 - 1,000	\$0.40
3	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	1.5	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3			0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.5	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4			0	0	0%	\$0 - \$0	0 - 0	\$0.00
<b>Subtotal</b>		<b>Restricted</b>	<b>24</b>	<b>0</b>	<b>100%</b>	<b>\$369 - \$402</b>	<b>650 - 1,000</b>	<b>\$0.44</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input type="checkbox"/> Single Family <input type="checkbox"/> Duplex <input checked="" type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input checked="" type="checkbox"/> Patio/Balcony <input checked="" type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input type="checkbox"/> Cold Water <input type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.7719 Longitude: 80.3869	Year Built 1987 Year Renovated na Heating Fuel electric Minimum Lease 12 Security Deposit/Fees 1 month Incentives no Waiting List yes Est Turnover 20-40% Distance to Subject 1.00 Rents Restricted Type Family Status Stabilized Survey Date 03/20/06 Map Key 005
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input checked="" type="checkbox"/> 1 Story <input checked="" type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	
<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input checked="" type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input checked="" type="checkbox"/> Central <input type="checkbox"/> W/D Units <input checked="" type="checkbox"/> W/D Hookups	<input checked="" type="checkbox"/> Central Heat <input type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR \$89 2BR \$125 3BR 4BR	- Property accepts section 8 vouchers. - -



Page Square Apartments  
 310 South Gum Street  
 Pageland  
 South Carolina  
 29728  
 (843) 672-2203  
 Johnnie Mangum

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
1	1.0	Restricted	16	0	100%	\$376 - \$376	600 - 600	\$0.63
2	1.0	Restricted	24	0	100%	\$401 - \$401	875 - 875	\$0.46
2	1.5	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2			24	0	100%	\$401 - \$401	875 - 875	\$0.46
3	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	1.5	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3			0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.5	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	2.0	Restricted	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4			0	0	0%	\$0 - \$0	0 - 0	\$0.00
<b>Subtotal</b>		<b>Restricted</b>	<b>40</b>	<b>0</b>	<b>100%</b>	<b>\$376 - \$401</b>	<b>600 - 875</b>	<b>\$0.53</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input type="checkbox"/> Single Family <input type="checkbox"/> Duplex <input type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input type="checkbox"/> Patio/Balcony <input type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input checked="" type="checkbox"/> Cold Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.7703 Longitude: -80.3843	Year Built 1980 Year Renovated na Heating Fuel electric Minimum Lease 12 Security Deposit/Fees \$200 Incentives no Waiting List yes Est Turnover 20-40% Distance to Subject 0.85 Rents Restricted Type Family Status Stabilized Survey Date 03/20/06 Map Key 006
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input checked="" type="checkbox"/> 1 Story <input type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	
<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input checked="" type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input type="checkbox"/> Central <input type="checkbox"/> W/D Units <input checked="" type="checkbox"/> W/D Hookups	<input checked="" type="checkbox"/> Central Heat <input type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR 2BR 3BR 4BR	-2 people on waiting list. LIHTC & USDA Rural Development Property with Project Based rental assistance available on 12 units. High proportion on elderly on this property. \$75 \$105 - - Plants closed, economy is bad. Residents of Pageland are suffering. Need more rental assistance on units.

Pageland Place  
 205 Mangum Street  
 Pageland  
 South Carolina  
 29728  
 (843) 672-5422  
 Jennette Oliver

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
1	1.0	Subsidized	18	0	100%	BOI - BOI	654 - 654	BOI
2	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2	2.0	Subsidized	22	1	95%	BOI - BOI	943 - 943	BOI
2	2.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2			22	1	95%	BOI - BOI	943 - 943	BOI
3	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	2.0	Subsidized	10	0	100%	BOI - BOI	1,198 - 1,198	BOI
3			10	0	100%	BOI - BOI	1,198 - 1,198	BOI
4	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4			0	0	0%	BOI - BOI	0 - 0	BOI
<b>Subtotal</b>		<b>Subsidized</b>	<b>50</b>	<b>1</b>	<b>98%</b>	<b>BOI - BOI</b>	<b>654 - 1,198</b>	<b>BOI</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input type="checkbox"/> Single Family <input type="checkbox"/> Duplex <input checked="" type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input checked="" type="checkbox"/> Patio/Balcony <input checked="" type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input checked="" type="checkbox"/> Cold Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.7616 Longitude: -80.3808	Year Built 1983 Year Renovated na Heating Fuel electric Minimum Lease 12 Security Deposit/Fees BOI Incentives no Waiting List no Est Turnover 20-40% Distance to Subject 0.82 Rents Subsidized Type Family Status Stabilized Survey Date 03/20/06 Map Key 007
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input type="checkbox"/> 1 Story <input checked="" type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	

<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input checked="" type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input checked="" type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input checked="" type="checkbox"/> Central <input type="checkbox"/> W/D Units <input type="checkbox"/> W/D Hookups	<input checked="" type="checkbox"/> Central Heat <input type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR \$75 2BR \$105 3BR \$131 4BR -	Volunteers of America purchased this property. They will empty it out and rehabilitate it with \$2 million.

Price Rental Properties  
Multiple Scattered Sites  
Pageland  
South Carolina  
29728  
(843) 672-7018  
Patsy Price

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
1	1.0	Market Rate	7	1	86%	\$300 - \$350	700 - 700	\$0.46
2	1.0	Market Rate	8	1	88%	\$350 - \$400	1,000 - 1,000	\$0.38
2	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2			8	1	88%	\$350 - \$400	1,000 - 1,000	\$0.38
3	1.0	Market Rate	15	0	100%	\$400 - \$400	1,250 - 1,250	\$0.32
3	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	2.0	Market Rate	15	0	100%	\$450 - \$450	1,250 - 1,250	\$0.36
3			30	0	100%	\$400 - \$450	1,250 - 1,250	\$0.34
4	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4			0	0	0%	\$0 - \$0	0 - 0	\$0.00
<b>Subtotal</b>		<b>Market Rate</b>	<b>45</b>	<b>2</b>	<b>96%</b>	<b>\$300 - \$450</b>	<b>700 - 1,250</b>	<b>\$0.37</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input checked="" type="checkbox"/> Single Family <input checked="" type="checkbox"/> Duplex <input checked="" type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input type="checkbox"/> Patio/Balcony <input type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input type="checkbox"/> Cold Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.7761 Longitude: -80.3930	Year Built 1986 Year Renovated na Heating Fuel gas & electric Minimum Lease 12 Security Deposit/Fees 1 month Incentives no Waiting List no Est Turnover 30-50% Distance to Subject 1.37 Rents Market Rate Type Family Status Stabilized Survey Date 03/20/06 Map Key 008
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input checked="" type="checkbox"/> 1 Story <input type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input type="checkbox"/> Central Air <input checked="" type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	
<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input type="checkbox"/> Central <input type="checkbox"/> W/D Units <input type="checkbox"/> W/D Hookups	<input type="checkbox"/> Central Heat <input checked="" type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR \$96 2BR \$135 3BR \$170 4BR	- One bedroom units' include water, sewer & trash. Select units have central air while others have window units. - Various buildings with varying amenities, ages & sizes. Estimated square footage.

Sullivan Rental Property  
 110 Evans Mill Road  
 Pageland  
 South Carolina  
 29728  
 (843) 672-6886  
 Jill Sullivan

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
1	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	1.0	Market Rate	6	0	100%	\$425 - \$425	800 - 800	\$0.53
2	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
2			6	0	100%	\$425 - \$425	800 - 800	\$0.53
3	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
3			0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	1.5	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4	2.0	Market Rate	0	0	0%	\$0 - \$0	0 - 0	\$0.00
4			0	0	0%	\$0 - \$0	0 - 0	\$0.00
<b>Subtotal</b>		<b>Market Rate</b>	<b>6</b>	<b>0</b>	<b>100%</b>	<b>\$425 - \$425</b>	<b>800 - 800</b>	<b>\$0.53</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input type="checkbox"/> Single Family <input checked="" type="checkbox"/> Duplex <input type="checkbox"/> Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input checked="" type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input checked="" type="checkbox"/> Patio/Balcony <input checked="" type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input type="checkbox"/> Cold Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.7622 Longitude: -80.3861	Year Built 1994 Year Renovated na Heating Fuel gas Minimum Lease 12 Security Deposit/Fees 1 month Incentives no Waiting List no Est Turnover 30-50% Distance to Subject 1.06 Rents Market Rate Type Family Status Stabilized Survey Date 03/20/06 Map Key 009
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input checked="" type="checkbox"/> 1 Story <input type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	
<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input type="checkbox"/> Central <input type="checkbox"/> W/D Units <input checked="" type="checkbox"/> W/D Hookups	<input checked="" type="checkbox"/> Central Heat <input type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR 2BR \$135 3BR 4BR	Local people are struggling with the economy.

Water Oak Apartments  
 303 East Elizabeth Street  
 Jefferson  
 South Carolina  
 29718  
 (843) 658-3077  
 Vickie Quick

BR	BA	Rent Type	Units	Vac	Occ	Rent Range	Est SF Range	\$/SF
0	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
1	1.0	Subsidized	12	0	100%	BOI - BOI	607 - 607	BOI
2	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2	1.5	Subsidized	20	0	100%	BOI - BOI	852 - 852	BOI
2	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
2			20	0	100%	BOI - BOI	852 - 852	BOI
3	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
3	2.0	Subsidized	8	0	100%	BOI - BOI	959 - 959	BOI
3			8	0	100%	BOI - BOI	959 - 959	BOI
4	1.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	1.5	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4	2.0	Subsidized	0	0	0%	BOI - BOI	0 - 0	BOI
4			0	0	0%	BOI - BOI	0 - 0	BOI
<b>Subtotal</b>		<b>Subsidized</b>	<b>40</b>	<b>0</b>	<b>100%</b>	<b>BOI - BOI</b>	<b>607 - 959</b>	<b>BOI</b>

<b>Building Type:</b>	<b>Unit Amenities:</b>	<b>Utilities in Rent:</b>	<b>Parking:</b>	<b>Miscellaneous:</b>
<input type="checkbox"/> Single Family <input type="checkbox"/> Duplex <input checked="" type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise	<input checked="" type="checkbox"/> Blinds <input type="checkbox"/> Ceiling Fans <input checked="" type="checkbox"/> Carpeting <input type="checkbox"/> Fireplace <input checked="" type="checkbox"/> Patio/Balcony <input checked="" type="checkbox"/> Storage	<input type="checkbox"/> Heat <input type="checkbox"/> A/C <input type="checkbox"/> Hot Water <input type="checkbox"/> Electricity <input checked="" type="checkbox"/> Cold Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Assigned <input type="checkbox"/> Covered <input type="checkbox"/> Garage <b>Geocoding:</b> Latitude: 34.6523 Longitude: -80.3845	Year Built 1983 Year Renovated na Heating Fuel electric Minimum Lease 12 Security Deposit/Fees \$50 Incentives no Waiting List yes Est Turnover 20-40% Distance to Subject 6.75 Rents Subsidized Type Family Status Stabilized Survey Date 03/20/06 Map Key 010
<b>Floors:</b>	<b>Kitchens:</b>	<b>Air Conditioning:</b>	<b>Security:</b>	
<input checked="" type="checkbox"/> 1 Story <input checked="" type="checkbox"/> 2-4 Story <input type="checkbox"/> 5-10 Story <input type="checkbox"/> 11-20 Story <input type="checkbox"/> >20 Story	<input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Disposal <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Window Units <input type="checkbox"/> Wall Units <input type="checkbox"/> Other <input type="checkbox"/> None	<input type="checkbox"/> Cont Access <input type="checkbox"/> Sec Alarms <input type="checkbox"/> Monitoring <input type="checkbox"/> Sec Patrols <input type="checkbox"/> Sec Officer	

<b>Project Amenities:</b>	<b>Laundry:</b>	<b>Heat:</b>	<b>Tenant Utilities:</b>	<b>Comments/Notes:</b>
<input type="checkbox"/> Comm Center <input type="checkbox"/> Pool <input type="checkbox"/> Sports Court <input checked="" type="checkbox"/> Playground <input type="checkbox"/> Fitness Ctr <input type="checkbox"/> Business Ctr	<input checked="" type="checkbox"/> Central <input type="checkbox"/> W/D Units <input type="checkbox"/> W/D Hookups	<input checked="" type="checkbox"/> Central Heat <input type="checkbox"/> Baseboards <input type="checkbox"/> Radiators <input type="checkbox"/> Other	0BR 1BR \$75 2BR \$105 3BR \$131 4BR -	-5 people on waiting list. This is a HUD Property with Project Based subsidy on each unit. Market Rates are \$518; \$576; \$466 on 1 bedroom units; \$588 on 2 bedrooms & \$670 on 3

Atkinson Apartments



Eddie Rivers' Properties



Oak Terrace



Page Square Apartments



Pageland Place



Price Rental Properties



Sullivan Rental Property



Water Oak Apartments





## **SCSHFDA Forms**

**EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY**

Development Name:	Amberly Place (As Proposed)	Total # Units:	40
Location:	Pageland, Chesterfield County, South Carolina	# LIHTC Units:	40
PMA Boundary:	Union County NC Tracts 209.01 / Chesterfield County SC Tracts 9501, 9502 & 9503		
Lancaster County SC Tracts 101	Farthest Boundary Distance to Subject:		11.5 miles

**RENTAL HOUSING STOCK (found on page 80)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	6	205	3	98.5%
Market-Rate Housing	2	51	2	96.1%
Assisted/Subsidized Housing	4	154	1	99.3%
<b>LIHTC (All)</b>	2	90	1	99.0%
Stabilized Comps**	2	64	0	99.0%
Non-stabilized Comps				%

\* Average Occupancy percentages will be determined by using the second and fourth quarter rates reported for 2005.

\*\* 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.

**MONTHLY RENT COMPARISON (found on page 106)**

Subject Development			Adjusted Market Rent				Highest Unadjusted Comp Rent	
Bedrooms	Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	2	974	\$475	\$560	\$0.57	17.9%	\$425	\$0.53
3	2	1193	\$520	\$610	\$0.51	17.3%	\$425	\$0.53
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$

**DEMOGRAPHIC DATA (found on page 62)**

	2000		2005		2008	
Population	22789		24228		25159	
Households	8474		9173		9596	
Renter Households	1888	22.3%	2023	22.1%	2100	21.9%
Income-Qualified Renter HHs (LIHTC)	413	21.9%	443	21.9%	460	21.9%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 129)**

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	2	3				
Existing Households (Overburd + Substand)	43	35				
Homeowner conversion (Seniors)						
Other:	12	10				
Less Comparable/Competitive Supply	0	0				
<b>Net Income-qualified Renter HHs</b>	57	48				

**CAPTURE RATES (found on page 133)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Net Income-qualified Renter HHs	57	48				
Proposed Subject Units	16	24				
Capture Rate	28.0%	50.0%				

**EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY**

Development Name:	Amberly Place (Optimal)	Total # Units:	49
Location:	Pageland, Chesterfield County, South Carolina	# LIHTC Units:	49
PMA Boundary:	Union County NC Tracts 209.01 / Chesterfield County SC Tracts 9501, 9502 & 9503		
Lancaster County SC Tracts 101	Farthest Boundary Distance to Subject:		11.5 miles

**RENTAL HOUSING STOCK (found on page 80)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	6	205	3	98.5%
Market-Rate Housing	2	51	2	96.1%
Assisted/Subsidized Housing	4	154	1	99.3%
<b>LIHTC (All)</b>	2	90	1	99.0%
Stabilized Comps**	2	64	0	99.0%
Non-stabilized Comps				%

\* Average Occupancy percentages will be determined by using the second and fourth quarter rates reported for 2005.

\*\* 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.

**MONTHLY RENT COMPARISON (found on page 141)**

Subject Development			Adjusted Market Rent				Highest Unadjusted Comp Rent	
Bedrooms	Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	2	974	\$515	\$560	\$0.57	8.7%	\$425	\$0.53
3	2	1193	\$576	\$610	\$0.51	5.9%	\$425	\$0.53
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$
			\$	\$	\$	%	\$	\$

**DEMOGRAPHIC DATA (found on page 62)**

	2000		2005		2008	
Population	22789		24228		25159	
Households	8474		9173		9596	
Renter Households	1888	22.3%	2023	22.1%	2100	21.9%
Income-Qualified Renter HHs (LIHTC)	413	21.9%	443	21.9%	460	21.9%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 141)**

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	2	3				
Existing Households (Overburd + Substand)	43	35				
Homeowner conversion (Seniors)						
Other:	12	10				
Less Comparable/Competitive Supply	0	0				
<b>Net Income-qualified Renter HHs</b>	57	48				

**CAPTURE RATES (found on page 141)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Net Income-qualified Renter HHs	57	48				
Proposed Subject Units	25	24				
Capture Rate	43.7%	50.0%				

ID#	Project Name	City	County	Total Units	Occupied Units 06/30/05	Occupied Units 12/31/05	Occupied Units as of Survey
94017	Page Square Apartments	Pageland	Chesterfield	39	38	39	39
05065	Pageland Place	Pageland	Chesterfield	50	N/A	N/A	N/A

## PRELIMINARY MARKET ANALYSIS DATA

Property:

Amberly Place  
Kingstree Drive  
Pageland, Chesterfield County, South Carolina 29728



Type of Property:

Affordable Multifamily Development  
Family-New Construction

Date of Report:

March 24, 2006

Developer:

Mr. Frankie W. Pendergraph  
Pendergraph Development, LLC  
3924 Browning Place  
Raleigh, North Carolina 27609  
Phone: 919-755-0558 · Fax: 919-754-8663

Prepared For:

Ms. Leanne Johnson  
South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Boulevard  
Columbia, South Carolina 29210  
Phone: 803-896-9141 · Fax: 803-896-9189

Prepared By:

Mr. Jeffrey B. Carroll  
Allen & Associates Consulting  
3116 Glen Summit Drive  
Charlotte, North Carolina 28270  
Phone: 704-905-2276 · Fax: 704-708-4261

AAC File Number: AAC-2006-061



---

Copyright © 2006 Allen & Associates Consulting. Material in this report may not be reprinted, reproduced, or recorded in any manner, in whole or in part, without the specific written permission of Allen & Associates Consulting. Information contained herein has been obtained from sources believed to be reliable. Allen & Associates Consulting and its representatives make no guarantee, warranty or representation regarding the accuracy of information obtained from third-party sources. For more information contact Allen & Associates Consulting at 704-905-2276.

## MARKET AREA

### Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for affordable multifamily properties. A summary of the survey results follows:

Market Area Survey

Family			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants are over 55 years old?	20%	15%	15%

55+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	25%	25%	15%
What % of your tenants come out of single family residences?	40%	20%	30%
What % of your tenants are between 55 & 65 years old?	35%	30%	30%
What % of your tenants are between 65 & 75 years old?	60%	55%	55%
What % of your tenants are over 75 years old?	5%	15%	15%
What % of your tenants are female?	85%	80%	90%

62+ Elderly			
	Urban	Suburban	Rural
How many minutes does your typical tenant move from to reside in your units?	15	20	15
What % of your tenants come from outside this typical drive time area?	20%	20%	10%
What % of your tenants come out of single family residences?	20%	20%	10%
What % of your tenants are between 62 & 65 years old?	20%	10%	10%
What % of your tenants are between 65 & 75 years old?	70%	75%	75%
What % of your tenants are over 75 years old?	10%	10%	10%
What % of your tenants are female?	80%	95%	95%

Source: Allen & Associates

---

The market area survey was used to develop the primary and secondary market area defined below.

### **Primary Market Area**

We defined the primary market area by generating a drive time zone around the subject property and analyzing median rents and average household income levels in the area. We also considered population densities, existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Based on our evaluation of the local market, we concluded that the primary market area includes the following 2000 Census Tracts:

<b>Census Tract</b>	<b>County</b>
209.01	Union
9501	Chesterfield
9502	Chesterfield
9503	Chesterfield
101	Lancaster

The site is located in Chesterfield County Census Tract 9501.

### **Secondary Market Area**

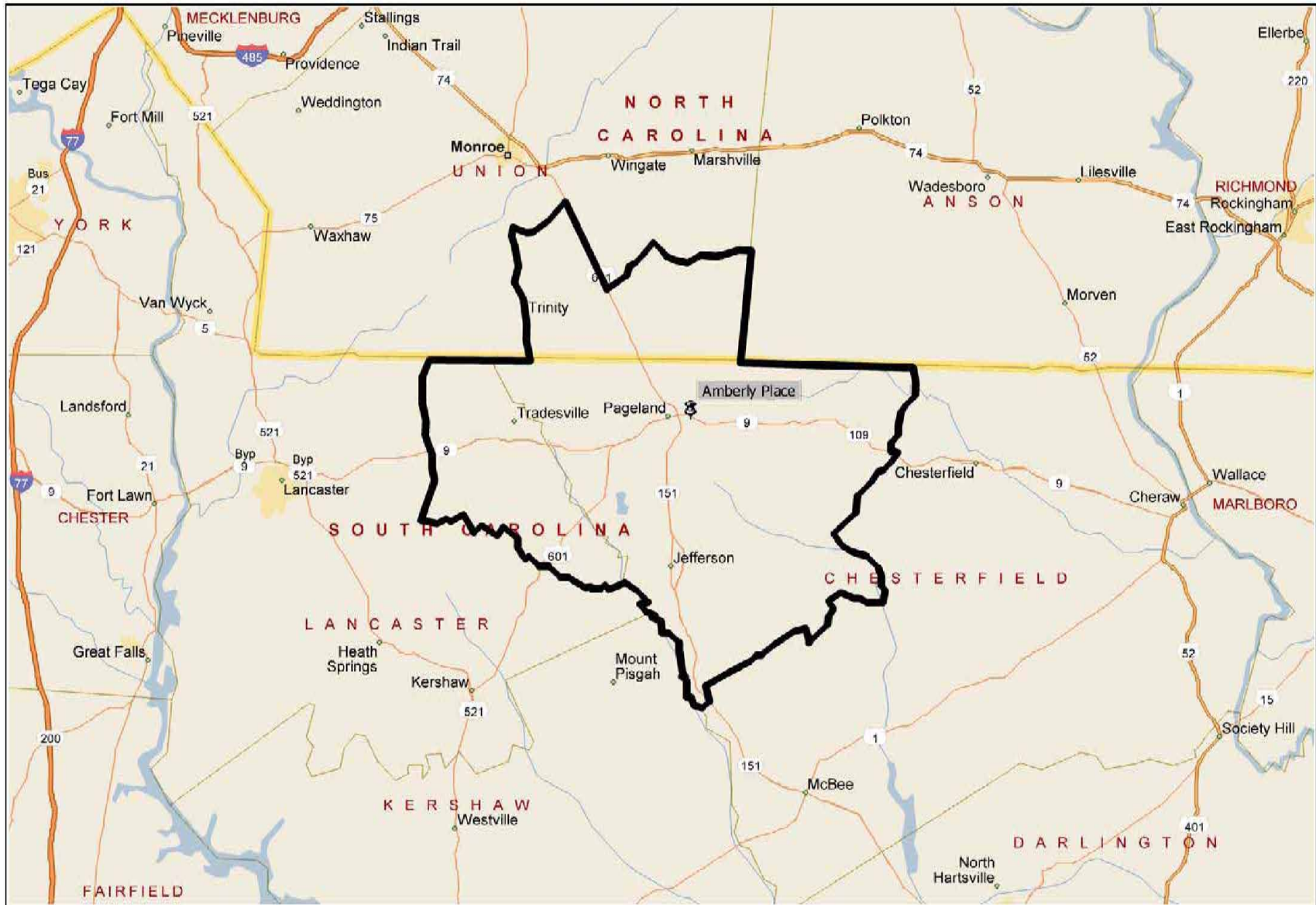
Our analysis suggests that as much as 20 percent of multifamily demand will come from areas outside of the market area defined above.

### **Market Area Map**

Market area, drive time and rental property inventory maps depicting the location of the subject property are presented in the following pages:

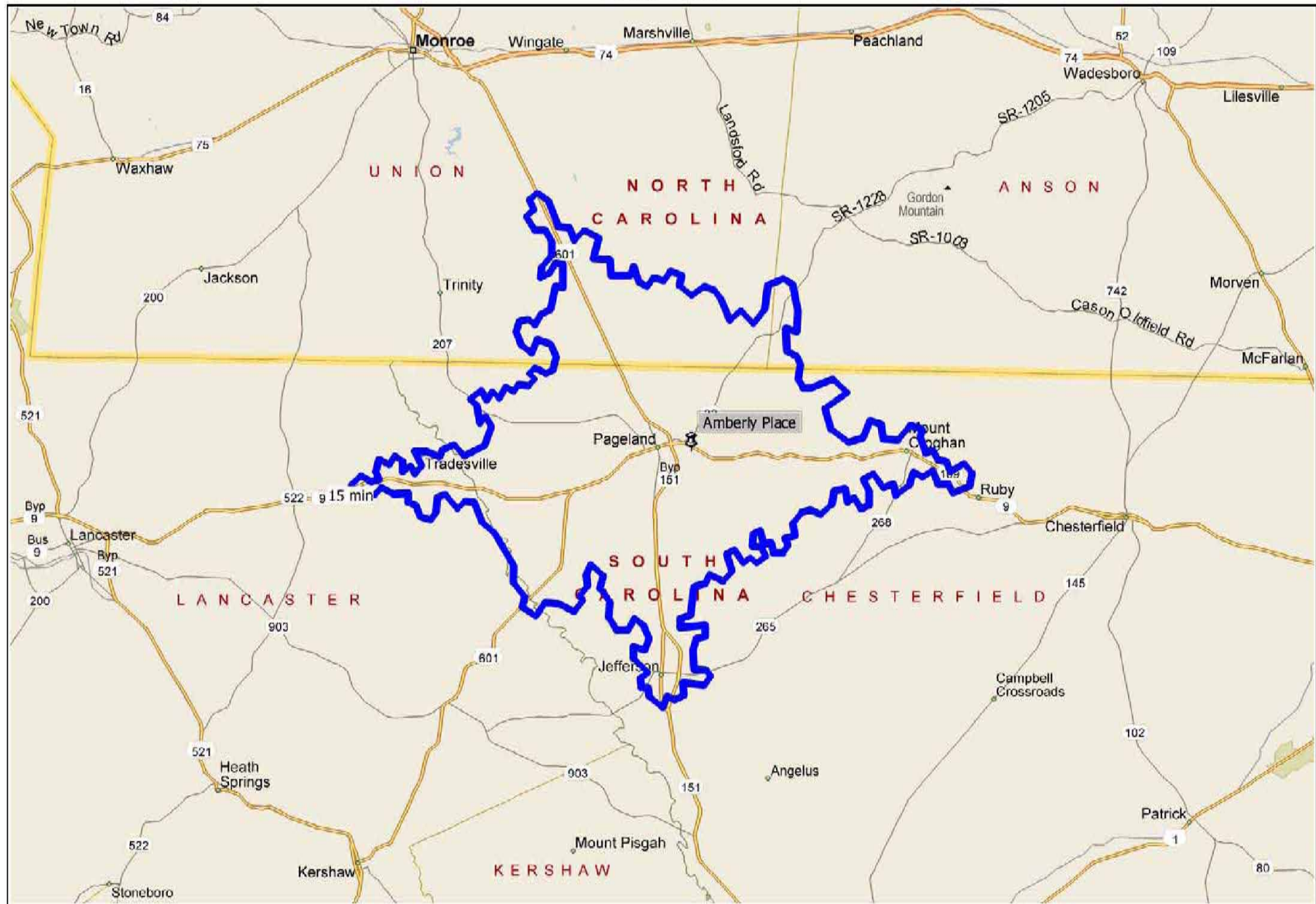


# Market Area

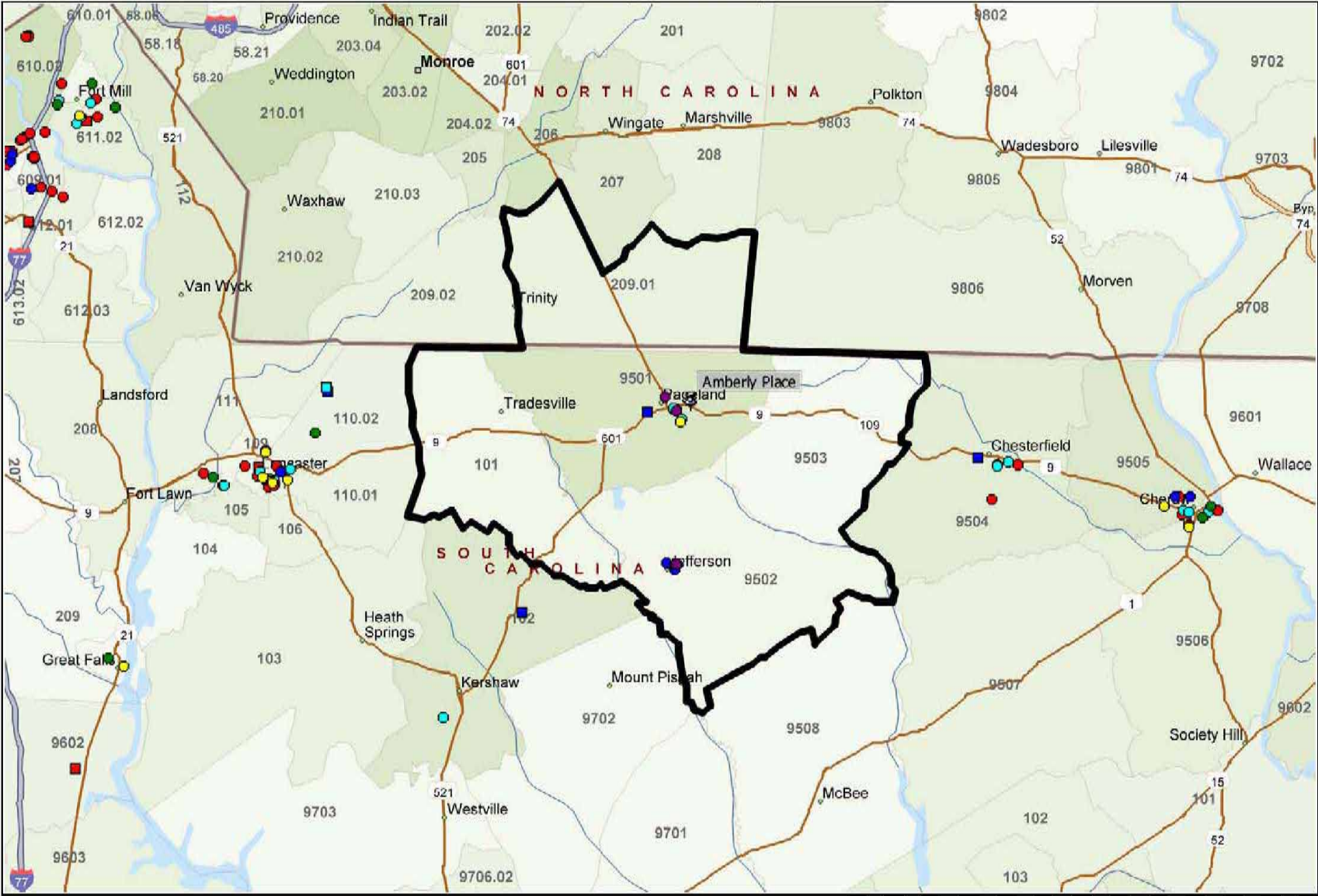


Copyright © 1988-2005 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>  
© 2004 NAVTEQ. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada. © Copyright 2004 by TeleAtlas North America, Inc. All rights reserved.

# Drive Time



# Existing Multifamily



Copyright © 1998-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>  
 © Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.

## Competitive Properties

Competitive properties are defined as rent and income restricted properties in the market area targeting the same demographic group (family versus elderly) with the same types of units as the subject property.

The following is a preliminary list of the competitive properties to be included in our analysis:

Competing Properties												
Key	Project Name	Location						Overview				
		Address	City	State	Zip	Phone	Rents	Type	Status	Total	Vacant	Occupancy
006	Page Square Apartments	310 South Gum Street	Pageland	South Carolina	29728	(843) 672-2203	Restricted	Family	Stabilized	40	-	100%
007	Pageland Place	205 Mangum Street	Pageland	South Carolina	29728	(843) 672-5422	Subsidized	Family	Stabilized	50	1	98%
010	Water Oak Apartments	303 East Elizabeth Street	Jefferson	South Carolina	29718	(843) 658-3077	Subsidized	Family	Stabilized	40	-	100%

## Comparable Properties

Comparable properties are defined as those properties in the market area that can be used to provide the best indication of unrestricted market rent for the subject property units. It is sometimes necessary to use comparables with restricted rents when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

The following is a preliminary list of the comparable properties to be included in our analysis:

Comparable Properties												
Key	Project Name	Location						Overview				
		Address	City	State	Zip	Phone	Rents	Type	Status	Total	Vacant	Occupancy
006	Page Square Apartments	310 South Gum Street	Pageland	South Carolina	29728	(843) 672-2203	Restricted	Family	Stabilized	40	-	100%
008	Price Rental Properties	Multiple Scattered Sites	Pageland	South Carolina	29728	(843) 672-7018	Market Rate	Family	Stabilized	45	2	96%
009	Sullivan Rental Property	110 Evans Mill Road	Pageland	South Carolina	29728	(843) 672-6886	Market Rate	Family	Stabilized	6	-	100%



[Print - Close Window](#)

---

**Subject:** RE: Preliminary Market Analysis Data - Amberly Place (AAC-2006-061)

---

**Date:** Mon, 27 Mar 2006 14:37:10 -0500

---

**From:** Leanne.Johnson@schousing.com

---

**To:** jcarroll@allenadvisors.com

---

[You have the go ahead for this project.](#)

-----Original Message-----

**From:** Jeff Carroll [mailto:jcarroll@allenadvisors.com]

**Sent:** Friday, March 24, 2006 9:43 AM

**To:** Johnson, Leanne 6-9194; fpendergraph@thepencos.com

**Cc:** Douglas Koch; Douglas P. Koch

**Subject:** Preliminary Market Analysis Data - Amberly Place (AAC-2006-061)

Please find the attached information with respect to the above-referenced property.

Feel free to contact me with any questions you may have regarding this information.

Sincerely,

Jeff Carroll  
3116 Glen Summit Drive  
Charlotte, NC 28270  
phone: 704-905-2276  
fax: 704-708-4261