



**A MARKET FEASIBILITY STUDY OF
COMPANION AT WALNUT HILL
Walnut Hill Drive
Easley, Pickens County, South Carolina**

Effective Date: March 15, 2007

Report Date: April 17, 2007

Prepared For

**Ms. Leanne Johnson
South Carolina Housing Finance and Development Authority
300-C Outlet Pointe Blvd.
Columbia, SC 29210**

Assignment Code: SOU601V 016

Prepared By

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April 17, 2007

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

Re: Market Study for Companion at Walnut Hill, Easley, South Carolina

Dear Ms. Johnson:

At your request, Novogradac & Company LLP performed a study of the multifamily rental housing market in the Easley, Pickens County, South Carolina area relative to the above-proposed Low-Income Housing Tax Credit (LIHTC) project known as Companion at Walnut Hill, (the Subject).

The purpose of this market study is to assess the viability of Companion at Walnut Hill, a proposed Housing for Older Persons (HFOP) development consisting of 40 units. The property will offer affordable rental units restricted to senior households ages 55 and older earning 50 and 60 percent or less of the Area Median Gross Income (AMI). The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

Market Study Cover Letter
April 17, 2007

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

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

Respectfully submitted,
Novogradac & Company LLP



H. Blair Kincer, MAI
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Novogradac & Company LLP



Michalena M. Sukenik
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Julia Buckmaster
Real Estate Analyst

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy

thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

21. This consulting report specifically permitted no contact with or disclosure of who the Subject developer is, and reliance solely upon information received from IFA was utilized in this analysis.
22. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Property Overview:	Companion at Walnut Hill is a proposed 40-unit apartment community restricted to senior households ages 55 and older earning no more than 50 and 60 percent of the Area Median Income (AMI). The Subject will offer one- and two-bedroom units in a single four-story elevator serviced building.
Date of Construction:	The Subject is proposed construction. We have projected March 2009 as the date of market entry.
Development Location:	The Subject will be located on Walnut Hill Drive in Easley, South Carolina just north of its intersection with Pope Field Road.
Construction Type:	The Subject will consist of one, four-story elevator serviced mid-rise and a community building. The exterior will have brick veneer and fiber cement siding.
Occupancy Type:	Older persons ages 55 and older.
Target Income Group:	The Subject will target households earning 50 and 60 percent of the AMI. Household sizes ranging from one to two persons will be residents of the Subject. The maximum allowable household income for the Subject is \$27,120 (two-person household at 60 percent AMI). The minimum allowable household income for the Subject is \$15,900 (based on 40 percent of the annualized gross rent for the smallest unit).
Land Area:	The Subject will be located on a 3.03 acre site.
Proposed Rents and Unit Mix:	The following table details the Subject's proposed rents and unit mix.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2007 LIHTC Maximum Allowable Gross Rent	2007 HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA	12	\$435	\$95	\$530	\$530	\$560
2BR/2BA	8	\$521	\$115	\$636	\$636	\$623
<i>60% AMI</i>						
1BR/1BA	12	\$435	\$95	\$530	\$636	\$560
2BR/2BA	8	\$521	\$115	\$636	\$763	\$623
Total	40					

Notes (1) Source of Utility Allowance Developer

Site Evaluation:	The Subject neighborhood is located in the southern portion of Easley. The Subject site is located along Walnut Hill Drive just
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northeast of its intersection with Pope Field Drive. The neighborhood is predominantly residential consisting of primarily older single-family homes and several multifamily properties. The majority of the homes in the Subject's neighborhood are in average condition and appear to have been built in the 1950s and 1960s.

NORTH- Immediately north of the Subject site is heavily wooded land. Several commercial uses are located slightly further north of the site including a large retail center anchored by Bi-Lo (grocer) and Wal-Mart which appeared to be between 95 and 100 percent occupied.

SOUTH- Immediately south of the Subject site is a light industrial area. Additionally, Pope Field which offers baseball fields and tennis courts is located southwest of the Subject site. Slightly further south along Pope Field Road are single-family homes generally in average to good condition. Currently, one home along Pope Field Road is for sale. This four-bedroom, two and a half bath single-family home is approximately 21 to 30 years old and has an asking price of \$229,900. Approximately one mile south along Pope Field Road is a new duplex and single-family home subdivision called Springfield Plantation. Homes appear to have been built within the past five years and are in good to excellent condition and many are currently for sale. Two three-bedroom, two bath single family homes are currently for sale by Upstate Exit Realty. These homes range in size from 1,200 to 1,599 square feet, sit on 0.13 to 0.18 acre lots, and range in asking price from \$113,000 to \$117,000.

EAST- Immediately east of the Subject site is heavily wooded land. Slightly further east are two multifamily buildings both of which appear to be over 20 years old and are in fair to average condition. The brick veneer building immediately north of the Subject site has no signage. The building offers four units and it appears to be 100 percent occupied. Due to the lack of signage at the property and the small number of total units offered, this property was not included as a comparable property in this report. The second multifamily building, Walnut Hill Apartments, offers 20 efficiency units. The units at this property are small and the amenities offered are limited. The property is currently 90 percent occupied. Due to the differing unit mix, this property was not included as a comparable property in this report.

WEST- West of the Subject is heavily wooded land and a

predominantly residential neighborhood. The heavily wooded land is located immediately west of the Subject across Pope Field Road. Southwest across Pope Field Road are the American Legion Senior Apartments, an age-restricted Section 8 property offering 24 one-bedroom units that is currently 100 percent occupied. Further west is a residential neighborhood consisting primarily of older single-family homes in average condition that appear to have been built in the 1950s and 1960s. Quail Ridge Apartments are also located in this neighborhood. Based on the site inspection, Quail Ridge Apartments offers approximately 20 to 30 units and is in average condition. We attempted to contact management of this property; however, the phone number on the signage at the property has been disconnected with no forwarding information. Therefore, this property was excluded from this market study.

Inspection Date:

March 15, 2007.

Market Area Definition:

The PMA is defined as the southern portion of Pickens County as well as the northern portion of Anderson County and portions of western Greenville County, including the city of Greenville north of Interstate 85. The boundaries of this area are as follows: State Routes 11 and 288 to the north, Interstate 85 to the south, US Highways 276 and 25, Piney Mountain Road, and Interstate 385 to the east, and the Pickens-Oconee County Line to the west. There are two LIHTC properties in Easley, Park West and Creekside Apartments. Both are family properties. According to members of the management staff at Park West and Creekside Apartments, a majority of the residents at the properties are from the Pickens County area. Additionally, several residents are from the surrounding areas including the various suburbs of Greenville. This trend was confirmed by numerous property managers at market rate properties in Easley. Many property managers surveyed reported that households in Greenville are moving further from downtown to Pickens County for the lower cost of living.

Senior households are typically more willing to relocate further distances when compared to families, both for the lower cost of living and to avoid the traffic and crowds of downtown living. There are five senior LIHTC properties in the PMA, including one in Pickens County (Timberland Crossing). According to the property manager at Timberland Crossing, the majority of the residents are from the local area. Property managers at age-restricted market rate properties reported varying trends with regards to the areas from which the majority of the residents were relocating. Many indicated that Greenville and

surrounding areas will be a strong source of demand for a senior property in Easley as some older households in Greenville prefer a more suburban area with less traffic and a lower cost of living. This trend was confirmed by property managers at age-restricted properties in other suburbs of Greenville. Therefore, we have included the downtown Greenville area in the PMA and we believe the PMA is considered to be adequate. As a new senior property, we believe the Subject will draw residents from all of these areas. While we believe the majority of tenants will originate from within these boundaries, we do expect some leakage since several property managers indicated that several tenants are from out of state.

Market Area Economy:

Both the Greenville MSA and Pickens County have relatively stable economies with increasing total employment and decreasing unemployment. Total employment in the MSA increased over the better part of the past 16 years. The local economy has averaged an annual increase of 3,321 new jobs with 14 of the 16 years experiencing net job growth. The area saw its first decline in total employment in 2001, which correlates to a period of national recession. This decline in total employment continued through 2002. In 2003, the economy began to recover reporting positive total employment growth. From 2003 through 2007, total employment has continued to experience positive growth. With major employers representing a variety of industries ranging from healthcare, education, public administration, and manufacturing, the local economy appears to have a broad employment base with ample diversity. The local economy appears stable, and the relatively low-paying jobs offered in the services and retail trade sectors are expected to generate demand for affordable housing in the PMA. Further, with an average commute time of 22.2 minutes, it appears that many residents of the PMA are commuting to Greenville for work, which indicates that Easley and Pickens County is a desirable alternative to Greenville because of overall affordability.

Market Area Demographics:

Both the PMA and MSA have reported strong increases in senior population. Similarly, the rate of growth in the number of households within the PMA is considered positive. Senior population and household growth are projected to outpace the general population and household growth through 2011. This is indicative of an aging population. Overall, the growth projections reported within the PMA are considered a positive indicator for the Subject.

Capture Rates:

The demand analysis illustrates capture rates that vary from 1.8 to 8.7 percent with an overall capture rate of 5.9 percent. These are considered reasonable and are illustrated in the following table.

Bedrooms	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1 Bedroom 50% AMI	168	30	138	12	8.7%
1 Bedroom 60% AMI	278	10	268	12	4.5%
2 Bedroom 50 % AMI	263	0	263	8	3.0%
2 Bedroom 60 % AMI	437	0	437	8	1.8%
Project Overall	715	40	675	40	5.9%

Market Supply Conclusions:

Our market interviews indicate strong demand for additional age-restricted affordable housing in the market area. With an average vacancy of 2.21 percent, and three of the four age-restricted LIHTC comparables reporting waiting lists, the market appears healthy. The Subject will offer competitive rental rates in the market, which will give the Subject a positive price value relationship. All local officials and property managers interviewed stated that there is significant demand for age-restricted affordable housing. The Subject's location and market area has experienced population and household growth, and will continue to do so as Pickens County, and Easley in particular, become increasingly popular bedroom communities of Greenville. The Subject is well-designed with large units and a full range of amenities to accommodate the tenancy. As proposed, the Subject property appears to be a well-conceived addition to the affordable housing market and we recommend the property as proposed.

Affect of Subject on Other Affordable Units in Market:

Capture rates for the Subject are considered low and reflect strong demand within the primary market area. Therefore, supplementing the market with the Subject is not expected to have a negative impact on the affordable housing market. Additionally, vacancy at comparable properties is low and three of the four LIHTC properties reported waiting lists. Property managers in the area indicated a high demand for additional affordable age-restricted housing in the market. Rents at the Subject will be lower than the majority of conventional market rents in the market and the Subject will be the only age-restricted LIHTC property in the city of Easley. Therefore, we do not expect the Subject to have a negative affect on other affordable housing units in the market.

Projected Absorption Period:

Due to the ages of the properties and management turnover, none of the comparable properties were able to report

absorption information. However, the capture rates for the Subject illustrate strong demand for additional age-restricted affordable housing in the region. Additionally, the presence of waiting lists at three of the four age-restricted comparables is a positive indicator for the Subject. Therefore, we believe that the Subject will have an absorption rate of five months, or approximately eight units per month.

MARKET STUDY CONCLUSION:

The project is recommended as proposed. Our market interviews indicate strong demand for additional affordable senior housing in the market area. Three of the four age-restricted LIHTC comparable properties indicated the presence of waiting list ranging in length from five to 25 households. Interviews with the local housing authority and the Senior Center also reported a strong need for additional affordable elderly housing in the area. Further, the Subject will offer lower rental rates when compared to the two senior LIHTC properties located in Greenville including the most similar property, The Oaks at Laurel Baye. We believe the Subject will be a positive addition to the market. Most of the Subject's future tenants are expected to be from the local area or are the parents of local residents. Additionally, several residents are expected to come from out of state. Vacancy, at both the senior LIHTC properties as well as the market rate comparables is very low. The Subject is well-designed with a full range of amenities to accommodate the senior tenancy. As proposed, the Subject property appears to be a well-conceived addition to the affordable housing market and we recommend the property as proposed.

APPENDIX C: EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY

Development Name:	Companion at Walnut Hill	Total # Units:	40
Location:	Walnut Hill Drive, Easley, SC	# LIHTC Units:	40
PMA Boundary:	The PMA is defined as the southern portion of Pickens County as well as the northern portion of Anderson County and portions of western Greenville County, including the city of Greenville north of Interstate 85. The boundaries of this area are as follows: State Routes 11 and 288 to the north, Interstate 85 to the south, US Highways 276 and 25, Piney Mountain Road, and Interstate 385 to the east, and the Pickens-Oconee County Line to the west.		
	Farthest Boundary Distance to Subject:		19 miles

RENTAL HOUSING STOCK (found on page 53-87)

Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	8	686	8	98.83%
Market-Rate Housing	4	460	3	99.35%
Assisted/Subsidized Housing	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC (All)	4	226	5	97.79%
Stabilized Comps**	8	686	8	98.83%
Non-stabilized Comps	N/Ap	N/Ap	N/Ap	N/Ap

* 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 84-86)

Subject Development				Adjusted Market Rent			Highest Unadjusted Comp Rent	
Bedrooms	Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
1	1	750	\$435 @ 50%	\$487	\$0.58	10.7%	\$535	\$0.63
2	2	950	\$521 @ 50%	\$560	\$0.52	7.0%	\$635	\$0.62
1	1	750	\$435 @ 60%	\$487	\$0.58	10.7%	\$535	\$0.63
2	2	950	\$521 @ 60%	\$560	\$0.52	7.0%	\$635	\$0.62

DEMOGRAPHIC DATA (found on page 35-39)

	2000		2006		2009	
Older Persons Population	57,152		63,607		68,679	
Older Persons Households	36,394		40,334		43,607	
Older Persons Renter Households	6,864	19%	7,662	19%	8,618	19%
Income-Qualified Renter HHs (LIHTC)	549	8%	613	8%	708	8%
Income-Qualified Renter HHs (MR)	(if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 40-50)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	117	194				194
Existing Households (Overburd + Substand)	254	421				421
Homeowner conversion (Seniors)	60	100				100
Other:	0	0				0
Less Comparable/Competitive Supply	30	10				40
Net Income-qualified Renter HHs	401	705				675

CAPTURE RATES (found on page 14, 40-50)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Net Income-qualified Renter HHs	401	705				675
Proposed Subject Units	20	20				40
Capture Rate	5%	3%				6%

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

The Subject property will consist of a total of 40 units in one residential building. Our description of the improvements is based on a site inspection, a review of information provided by SCSHFDA as well as a conversation with the applicant regarding the proposed development. We assume that this information is accurate.

Development Location:	The Subject will be located along Walnut Hill Drive just east of its intersection with Pope Field Road in Easley, Pickens County, South Carolina.
Construction Type:	The Subject will be brick and fiber cement siding, four-story elevator-serviced mid-rise property.
Occupancy Type:	Housing for Older Persons, aged 55 and older.
Target Income Group:	The Subject will target households earning 50 and 60 percent of the AMI. Household sizes ranging from one to two persons are residents of the Subject. The maximum allowable household income for the Subject is \$27,120 (two-person household at 60 percent AMI). The minimum allowable household income for the Subject is \$15,900 (based on 40 percent of the annualized gross rent for the smallest unit).
Special Population Target:	None.
Proposed Rents and Unit Mix:	The following table details the Subject's proposed rents and unit mix.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2007 LIHTC Maximum Allowable Gross Rent	2007 HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA	12	\$435	\$95	\$530	\$530	\$560
2BR/2BA	8	\$521	\$115	\$636	\$636	\$623
<i>60% AMI</i>						
1BR/1BA	12	\$435	\$95	\$530	\$636	\$560
2BR/2BA	8	\$521	\$115	\$636	\$763	\$623
Total	40					

Notes (1) Source of Utility Allowance Developer

Number of Buildings/Stories:	One, four-story elevator-serviced mid-rise residential building and one single-story community building.
Unit Size:	The following table details the proposed unit mix and unit sizes for the Subject.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	24	750	18,000
2BR/2BA	<u>16</u>	<u>950</u>	<u>15,200</u>
Total	40		33,200

Structure Type/Design:

The Subject will be constructed in one, four-story elevator serviced mid-rise buildings. Additionally, the Subject will be constructed with a community building.

Utility Structure:

The tenant will be responsible for paying electric, water, and sewer costs. Trash removal costs are included in the rents. The following table depicts the utility allowance calculations.

UTILITY ALLOWANCES

Utility	Paid By	One-bedroom	Two-bedroom
Utilities-Electricity	Tenant	\$30.00	\$35.00
Utilities-Electric Heating	Tenant	\$27.00	\$37.00
Utilities-Electric Cooking	Tenant	\$5.00	\$6.00
Utilities-Electric Heated Hot Water	Tenant	\$16.00	\$21.00
Utilities-Water and Sewer Services	Tenant	\$34.00	\$41.00
Utilities-Trash Collection	Landlord	\$11.00	\$11.00
Total Utility Allowance		\$123.00	\$151.00
Total Tenant Paid Utilities		\$112.00	\$140.00

Source: SC Regional Housing Authority #1, 03/2007.

The utility allowance provided by the local housing authority is approximately \$17 and \$25 higher than the utility allowance provided by the developer for the one- and two-bedroom units, respectively. The developer's proposed 50 percent rents are at the maximum allowable and may need to be reduced to fit within the LIHTC maximum allowable guidelines with the higher utility allowance.

Existing or Proposed

Project Based Rental Assistance: None.

Proposed Development Amenities: Community amenities will include a community building with an on-site leasing office, community room, exercise facility, computer center, and central laundry facility. The Subject will also offer a gazebo, walking trails, and supportive services which may include holiday parties, health screenings, safety and security seminars, movie and game nights, and/or a neighborhood association.

Proposed Unit Amenities:

Units will be equipped with a range, refrigerator, dishwasher, microwave, central air conditioning, washer/dryer hook-ups, walk-in closets, patio/balconies, carpet and vinyl flooring in wet areas, and mini-blinds.

Parking:	There will be surface parking located at the Subject that will offer 20 parking spaces. This equates to 0.5 parking spaces per unit. Based on the Subject's targeted senior tenancy, we believe that the amount of parking provided by the Subject will be adequate.
Current Tenancy:	The Subject is not yet constructed and therefore, has no current tenancy.
Conclusion:	The Subject will be an above average-quality brick and fiber cement siding apartment complex, superior to most of the inventory in the area. As a newly constructed property, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

B. SITE EVALUATION

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

Date of Site Visit: March 15, 2007.

Frontage: The Subject will have frontage along Walnut Hill Drive.

Surrounding Land Uses: The Subject neighborhood is located in the southern portion of Easley. The Subject site is located along Walnut Hill Drive just northeast of its intersection with Pope Field Drive. The neighborhood is predominantly residential consisting of primarily older single-family homes and several multifamily properties. The majority of the homes in the Subject's neighborhood are in average condition and appear to have been built in the 1950s and 1960s.

NORTH- Immediately north of the Subject site is heavily wooded land. Several commercial uses are located slightly further north of the site including a large retail center anchored by Bi-Lo (grocer) and Wal-Mart, which appeared to be between 95 and 100 percent occupied.

SOUTH- Immediately south of the Subject site is a light industrial area. Additionally, Pope Field which offers baseball fields and tennis courts is located southwest of the Subject site. Slightly further south along Pope Field Road are single-family homes generally in average to good condition. Currently, one home along Pope Field Road is for sale. This four-bedroom, two and a half bath single-family home is approximately 21 to 30 years old and has an asking price of \$229,900. Approximately one mile south along Pope Field Road is a new duplex and single-family home subdivision called Springfield Plantation. Homes appear to have been built within the past five years and are in good to excellent condition and many are currently for sale. Two three-bedroom, two bath single family homes are currently for sale by Upstate Exit Realty. These homes range in size from 1,200 to 1,599 square feet, sit on 0.13 to 0.18 acre lots, and range in asking price from \$113,000 to \$117,000.

EAST- Immediately east of the Subject site is heavily wooded land. Slightly further east are two multifamily buildings both of which appear to be over 20 years old and are in fair to average condition. The brick veneer building immediately north of the Subject site has no signage. The building offers four units and it appears to be 100 percent occupied. Due to the lack of signage at the property and the small number of total units offered, this property was not included as a comparable

property in this report. The second multifamily building, Walnut Hill Apartments, offers 20 efficiency units. The units at this property are small and the amenities offered are limited. The property is currently 90 percent occupied. Due to the differing unit mix, this property was not included as a comparable property in this report.

WEST- West of the Subject is heavily wooded land and a predominantly residential neighborhood. The heavily wooded land is located immediately west of the Subject across Pope Field Road. Southwest across Pope Field Road are the American Legion Senior Apartments, an age-restricted Section 8 property offering 24 one-bedroom units that is currently 100 percent occupied. Further west is a residential neighborhood consisting primarily of older single-family homes in average condition that appear to have been built in the 1950s and 1960s. Quail Ridge Apartments are also located in this neighborhood. Based on the site inspection, Quail Ridge Apartments offers approximately 20 to 30 units and is in average condition. We attempted to contact management of this property; however, the phone number on the signage at the property has been disconnected with no forwarding information. Therefore, this property was excluded from this market study.

Access and Traffic Flow:

The Subject site is located on Walnut Hill Drive just east of its intersection with Pope Hill Road. Walnut Hill Drive is a residential road with minimal traffic. Pope Field Road is more heavily trafficked providing access to the areas major retail plazas and State Route 135 and US Highway 123. Access and traffic flow are considered to be adequate for the Subject.

Views/Visibility:

Views to the north include heavily wooded land and several commercial/retail buildings, a light industrial area and Pope Field to the south, heavily wooded land, two multifamily buildings, and one single-family home to the east, and heavily wooded land, the American Legion Senior Apartments, and older single-family homes to the west.

Availability of Public Transportation:

There is no public transportation available in Easley.

Road/Infrastructure Proposed Improvements:

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

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including medical services and retail. The following table

details the Subject's distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is provided in the addenda to this report.

Locational Amenities				
Map #	Name	City	Service	Distance to Subject
1	Easley Police Department	Easley	Law Enforcement	1.3 miles
2	CVS Pharmacy	Easley	Drug Store/Pharmacy	0.3 miles
3	Bi-Lo	Easley	Grocer	0.3 miles
4	Palmetto Baptist Medical Center	Easley	Hospital	1.9 miles
5	Pickens County Library	Easley	Library	1.1 miles
6	Liberty Senior Center	Liberty	Senior Center	6.6 miles

Detrimental Influences:

We did not witness any detrimental influences during the site inspection.

Flood Plain:

The Subject is located outside the flood zone according to www.floodinsights.com flood map panel number 0003C dated July 19, 1982. A copy of the flood map is located in the addenda.

Neighborhood Crime:

Interviews in the market area did not reveal any local concern with regards to crime in the Subject's neighborhood. Further, according to South Carolina's Law Enforcement Division's 2004 County Crime Rates per 100,000 persons, Pickens County has a crime index of 277.3. The statewide average crime index is 525.6. Therefore, crime in the Subject's county is below the statewide average and does not appear to be an issue.

Conclusion:

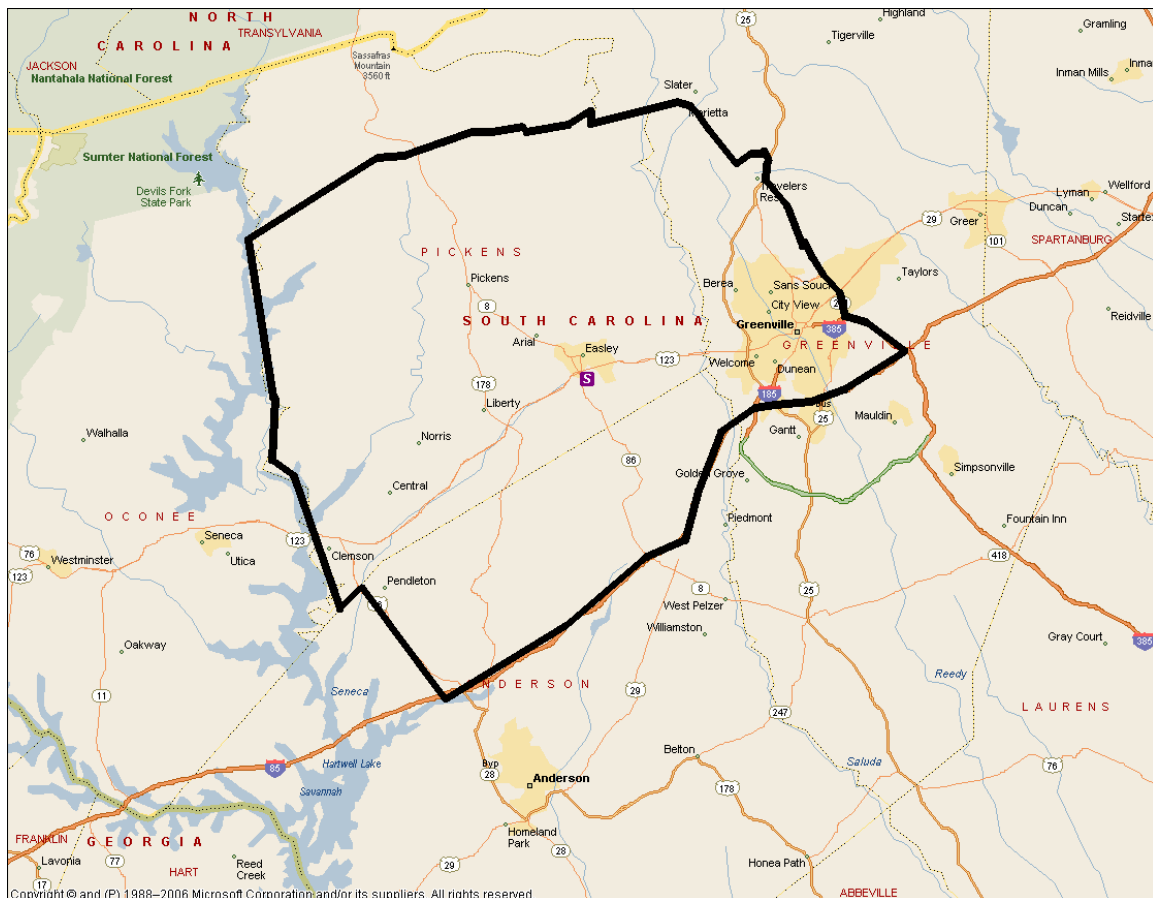
The Subject is located within a predominantly residential neighborhood with older single family homes in average condition and several multifamily properties ranging in condition from fair to good. The immediate surroundings include single family homes, several multifamily properties, wooded land, a light industrial area, and Pope Field. Overall, the Subject will be a positive addition to the neighborhood.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Primary Market Area has been approved by SCSHFDA on April 3, 2007. This correspondence is in the addenda of the report.



The Subject is a proposed 40-unit housing for older persons development that will be constructed using tax credits. The Subject is located in southern Easley with easy access to State Routes 8 and 125 as well as US Highway 123 which increases the likelihood that senior residents will relocate to the Subject from areas outside of the Easley city limits, particularly areas in southern Pickens County, northern Anderson County, and downtown Greenville, which are accessed via these thoroughfares. We believe that a new senior property would draw residents from all of these areas. The PMA boundaries are based on discussions with property managers at comparable properties, examinations of major transportation corridors in the region, the Subject’s targeting of senior households, and the characteristics of the local communities.

The PMA is defined as the southern portion of Pickens County as well as the northern portion of Anderson County and portions of western Greenville County, including the city of Greenville north

of Interstate 85. The boundaries of this area are as follows: State Routes 11 and 288 to the north, Interstate 85 to the south, US Highways 276 and 25, Piney Mountain Road, and Interstate 385 to the east, and the Pickens-Oconee County Line to the west. There are two LIHTC properties in Easley, Park West and Creekside Apartments. Both are family properties. According to members of the management staff at Park West and Creekside Apartments, a majority of the residents at the properties are from the Pickens County area. Additionally, several residents are from the surrounding areas including the various suburbs of Greenville. This trend was confirmed by numerous property managers at market rate properties in Easley. Many property managers surveyed reported that households in Greenville are moving further from downtown to Pickens County for the lower cost of living.

Senior households are typically more willing to relocate further distances when compared to families, both for the lower cost of living and to avoid the traffic and crowds of downtown living. There are five senior LIHTC properties in the PMA, including one in Pickens County (Timberland Crossing). According to the property manager at Timberland Crossing, the majority of the residents are from the local area. Property managers at age-restricted market rate properties reported varying trends with regards to the areas from which the majority of the residents were relocating. Many indicated that Greenville and surrounding areas will be a strong source of demand for a senior property in Easley as some older households in Greenville prefer a more suburban area with less traffic and a lower cost of living. This trend was confirmed by property managers at age-restricted properties in other suburbs of Greenville. Therefore, we have included the downtown Greenville area in the PMA and we believe the PMA is considered to be adequate. As a new senior property, we believe the Subject will draw residents from all of these areas. While we believe the majority of tenants will originate from within these boundaries, we do expect some leakage since several property managers indicated that several tenants are from out of state.

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

Census Tracts			
45007010101	45045001302	45045002805	45077010600
45007010102	45045001400	45045003601	45077010700
45007010500	45045001501	45045003602	45077010801
45007010600	45045001502	45045003701	45077010802
45007010700	45045001802	45045003702	45077010803
45007011200	45045001806	45045003704	45077010804
45045000100	45045001900	45045003705	45077010901
45045000200	45045002103	45045003801	45077010902
45045000300	45045002104	45045003802	45077010903
45045000400	45045002105	45045003903	45077011001
45045000500	45045002106	45045003904	45077011002
45045000700	45045002107	45045004100	45077011003
45045000800	45045002108	45077010100	45077011101
45045000900	45045002201	45077010200	45077011102
45045001000	45045002202	45077010300	45077011103
45045001101	45045002301	45077010401	45077011201
45045001102	45045002302	45077010402	45077011202
45045001201	45045002303	45077010403	45077011203
45045001202	45045002304	45077010501	
45045001301	45045002701	45077010502	

D. MARKET AREA ECONOMY

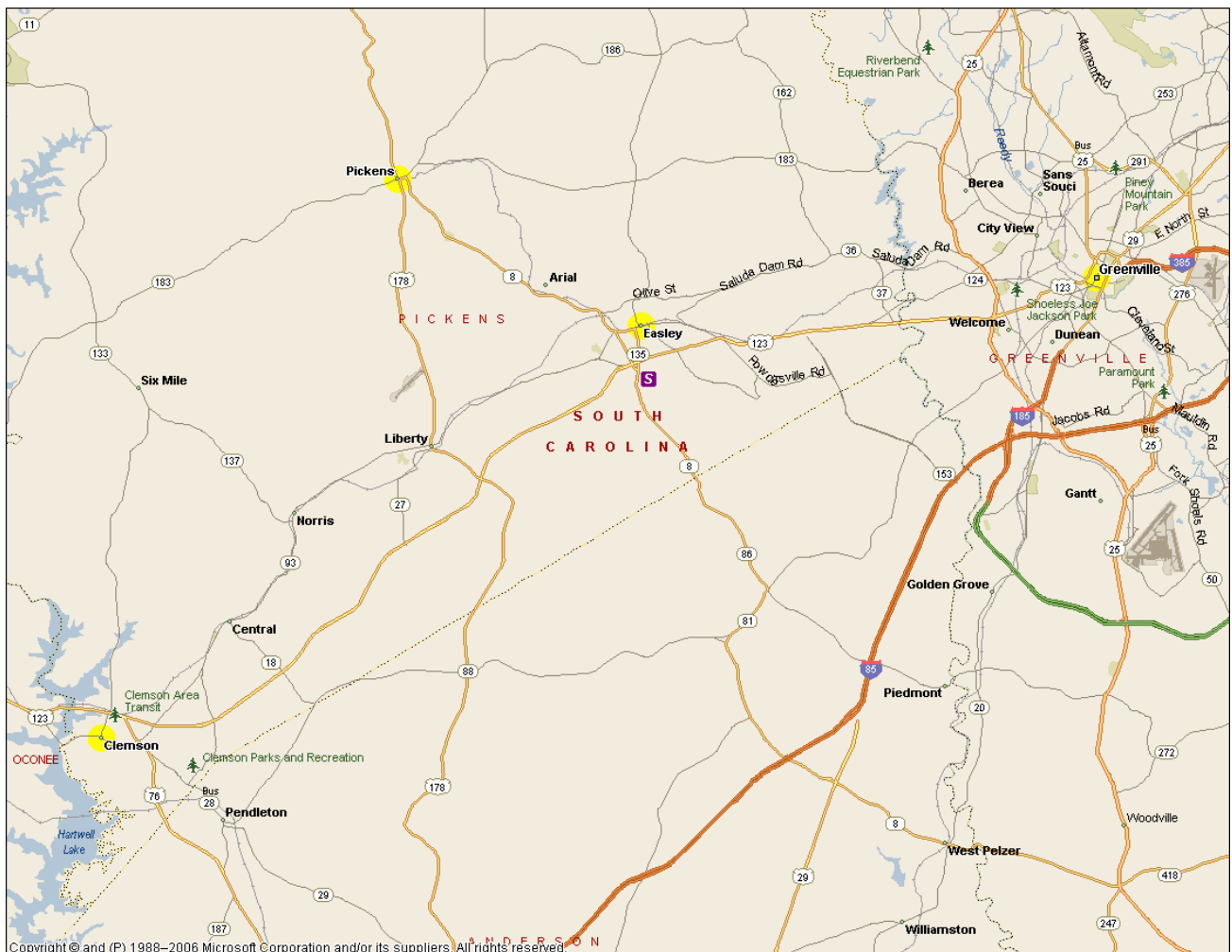
MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

The Subject is located in Easley, Pickens County, which along with Greenville County comprises the Greenville MSA. Located approximately 15 miles west of downtown Greenville, Pickens County and Easley in particular, have increasingly become bedroom communities of Greenville. While portions of Pickens County are considered rural, other portions, including Easley and Clemson are generally suburban and urban, respectively. The local economy is driven by the construction, manufacturing, and services industries.

Map of Employment Centers

The following map illustrates the Subject's location compared to major employment centers in the area, including Greenville, Pickens, downtown Easley, and Clemson.



Employment by Industry

The following table exhibits unemployment by industry for the PMA. A well-diversified economy is an indicator of strength and stability. Municipalities that rely primarily on one industry are more susceptible to economic downturns that may occur within that industry.

2006 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	663	0.54%	1,792,524	1.29%
Mining	36	0.03%	635,053	0.46%
Construction	11,512	9.35%	10,676,130	7.67%
Manufacturing	21,095	17.14%	14,986,531	10.77%
Wholesale Trade	3,301	2.68%	5,066,018	3.64%
Retail Trade	14,549	11.82%	16,413,830	11.79%
Transportation/Warehousing	3,408	2.77%	5,697,580	4.09%
Utilities	1,662	1.35%	1,111,127	0.80%
Information	2,973	2.42%	3,216,362	2.31%
Finance/Insurance	4,145	3.37%	7,156,643	5.14%
Real Estate/Rental/Leasing	2,494	2.03%	3,003,541	2.16%
Prof/Scientific/Tech Services	5,301	4.31%	8,338,262	5.99%
Mgmt of Companies/Enterprises	37	0.03%	115,929	0.08%
Admin/Support/Waste Mgmt Svcs	4,531	3.68%	5,032,635	3.62%
Educational Services	14,660	11.91%	13,052,431	9.38%
Health Care/Social Assistance	12,715	10.33%	17,210,702	12.36%
Arts/Entertainment/Recreation	1,520	1.24%	2,646,985	1.90%
Accommodation/Food Services	8,870	7.21%	9,106,473	6.54%
Other Services (excl Publ Adm)	6,480	5.27%	6,935,697	4.98%
Public Administration	3,118	2.53%	6,995,144	5.03%
Total Employment	123,070	100.00%	139,189,597	100.00%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

The construction, manufacturing, retail trade, and services industries comprise a significant portion of the PMA's total employment. The PMA has a higher percentage of construction, education, and accommodation/food services employees and significantly more manufacturing employees when compared to the national average. The high number of persons employed in the food/accommodation services and construction industries is a result of the area's close proximity to Greenville as well as Clemson, a major university in the PMA which is experiencing increasing student enrollment as well as facility expansions. Further, as a college town, the area is a popular visitor/tourist destination. The high percentage of persons employed in the manufacturing, education, and healthcare industries is due to the large number of major employers representing these industries. While there are a large number of major employers in the public administration industry in the MSA, the low percentage of persons employed in this industry in the PMA indicates that few of the respective employees reside within the PMA boundaries but instead reside in other areas of the MSA. Similarly, the transportation/warehousing and finance/insurance industries are grossly unrepresented in the PMA's workforce compared to the national average.

Major Employers

A fundamental indicator of the economic health of a city or metropolitan area is how well the economy is producing jobs for local residents. The table below shows all major employers in the Greenville MSA that employ more than 1,000 persons.

MAJOR EMPLOYERS

Greenville, SC MSA

Employer	Industry	County	Number Employed
Clemson University	Education	Pickens	7,997
Greenville Hospital System	Healthcare	Greenville	7,792
School District of Greenville County	Education	Greenville	7,207
Michelin North America Inc	Manufacturing/Retail Trade	Greenville	4,085
State of South Carolina	Public Administration	Pickens	3,534
General Electric	Manufacturing/Utilities	Greenville	2,600
SC State Budget and Control Board	Public Administration	Greenville	2,524
Fluor Corporation	Engineering/Construction	Greenville	2,400
St. Francis Health System	Healthcare	Greenville	2,027
School District of Pickens County	Education	Pickens	2,000
Bob Jones University	Education	Greenville	1,795
Sealed Air Corp - Cryovac Division	Manufacturing	Greenville	1,700
Greenville County Government	Public Administration	Greenville	1,627
Greenville Technical College	Education	Greenville	1,321
Lockhead Martin Aircraft & Logistics Center	Manufacturing/Transportation	Greenville	1,300
Nuvox Communications	Telecommunications	Greenville	1,200

Source: Greater Greenville Chamber of Commerce, Novogradac & Company LLP, 02/2007.

The major employers are dominated by the government, education, healthcare, and manufacturing sectors. Many of the major employers in the MSA are located in Greenville County, the urban center of the MSA. However, Clemson University, the largest employer is located in neighboring Pickens County approximately 19 miles south of Easley. As a major research university advancing research in fields such as electron beam technology, thermal engine controls, rapid precision manufacturing, advanced materials and manufacturing, vehicle chassis software, and others, the area has emerged as a regional manufacturing research hub, particularly in the automotive industry. The strong base in manufacturing is complimented by a strong presence of education, healthcare, and government employer. These industries can employ a wide range of employees, from college professors to industrial workers to janitorial staffs and other service occupations, which includes many lower-paying positions, and therefore helps to generate a need for more affordable housing options. The three largest employers represent the healthcare, education, and government industries. Other major employers represent manufacturing, retail trade, utilities, transportation, and telecommunications. This is indicative of a broad employment base with ample diversity, which bodes well for the area's economy.

Labor Force Growth

The following table details employment and unemployment trends for the Greenville MSA, from 1990 to January 2007.

EMPLOYMENT & UNEMPLOYMENT TRENDS Greenville, SC MSA

Year	<u>MSA</u>		<u>MSA</u>		<u>USA</u>
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	238,483	-	4.2%	-	5.7%
1991	240,326	0.8%	5.1%	0.9%	6.9%
1992	243,403	1.3%	5.4%	0.3%	7.6%
1993	249,169	2.4%	5.3%	-0.1%	7.0%
1994	255,425	2.5%	4.1%	-1.2%	6.2%
1995	259,906	1.8%	3.0%	-1.1%	5.7%
1996	263,401	1.3%	3.8%	0.8%	5.5%
1997	265,821	0.9%	2.6%	-1.2%	5.0%
1998	269,473	1.4%	2.2%	-0.4%	4.6%
1999	270,104	0.2%	2.5%	0.3%	4.3%
2000	287,016	6.3%	2.7%	0.2%	4.0%
2001	280,023	-2.4%	4.3%	1.6%	4.8%
2002	272,993	-2.5%	5.4%	1.1%	5.8%
2003	273,465	0.2%	5.9%	0.5%	6.0%
2004	276,245	1.0%	6.2%	0.3%	5.6%
2005	279,553	1.2%	6.0%	-0.2%	5.2%
2006	286,037	2.3%	5.6%	-0.4%	4.7%
2007 YTD*	294,945	5.4%	5.9%	-0.1%	5.1%

Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University.

*2007 Data is through January.

Total employment in the Greenville MSA has been strong, as is reflected by steady increases in total employment numbers from 1991 through 2000. The area saw its first decline in total employment in 2001, which correlates to a period of national recession. This decline in total employment continued through 2002. In 2003, the economy began to recover reporting positive total employment growth. From 2003 through 2007, total employment has continued to experience positive growth.

Unemployment rates in the MSA decreased for the better part of the 1990s. However, from 1999 to 2004 the unemployment rate increased by almost four percentage points. This is a larger increase in unemployment than experienced nationally during the same time period. Nonetheless, the increase corresponds to a national recession. Further, areas with a strong manufacturing presence such as the PMA and MSA were generally more heavily impacted by the recession. Beginning in 2005 and continuing in 2006 and into 2007, the unemployment rate has begun to decline as the local economy shows signs of recovery.

ECONOMIC DEVELOPMENT

According to Greenville Area Economic Indicators March 2007, a publication of the Greater Greenville Chamber of Commerce, there have been several recent closures/layoff announcements since January 2007, including Action Staffing (50 jobs) and Hitachi Transport Systems (eight jobs) in Greenville. Other closures/layoff announcements are concentrated in Anderson, Duncan, and Greenwood. Conversely, there are two primary additions to the current employment base in Greenville including Genesis Press, a new company which will invest approximately \$5 million and

create 100 new jobs, and Cyttech Industries, an existing company that recently announced a planned expansion which will create approximately 60 new jobs.

According to Tim Duerr of the Pickens County Economic Development Alliance, there are no major expansions or closures planned for the near future with the exception of a warehouse redevelopment which will add 13 new jobs to the Pickens County economy. In addition, according to the organization's website, while there have been no major closures/layoff announcements in 2007 in Pickens County, there was one major closure in 2006. Alice Manufacturing, a major employer in Pickens County employing over 500 persons, closed its Elljean plant (260 jobs). However, this loss was countered by three expansion announcements by businesses local to Pickens County, including MST Concrete Products (Central) which will create 30 new jobs, St. Jude Medical (Liberty) with 300 new jobs, and Computer Software Innovations (Easley), which is expanding its facility and will likely add jobs shortly thereafter.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 22.2 minutes, which limits residents to travel in, or near Pickens and Greenville Counties. The majority of residents appear to be commuting to the Greenville area, which is located approximately 15 miles east of Easley and has an estimated commute time of 22 minutes. Residents may also be commuting 19 miles south to Clemson, which is home to Pickens County's largest employer, Clemson University. These trends are consistent with reports from property managers in Easley many of whom indicated approximately 50 percent of the residents commute to Greenville for employment.

2000 Travel Time to Work

Travel Time	Time in Minutes	% of Commuters
<i>Average Travel Time</i>	22.20	
Travel Time < 5 min	4,805	4%
Travel Time 5-9 min	15,125	13%
Travel Time 10-14 min	20,307	17%
Travel Time 15-19 min	20,396	17%
Travel Time 20-24 min	18,465	15%
Travel Time 25-29 min	7,866	7%
Travel Time 30-34 min	16,459	14%
Travel Time 35-39 min	2,392	2%
Travel Time 40-44 min	2,847	2%
Travel Time 45-59 min	6,821	6%
Travel Time 60-89 min	2,881	2%
Travel Time 90+ min	2,140	2%

Source: EBIS, Novogradac & Co., LLP, 04/2007.

Conclusions

Both the Greenville MSA and Pickens County have relatively stable economies with increasing total employment and decreasing unemployment. Total employment in the MSA increased over the better part of the past 16 years. The local economy has averaged an annual increase of 3,321 new jobs with 14 of the 16 years experiencing net job growth. The area saw its first decline in total employment in 2001, which correlates to a period of national recession. This decline in total employment continued through 2002. In 2003, the economy began to recover reporting positive total employment growth. From 2003 through 2007, total employment has continued to experience positive growth. With major employers representing a variety of industries ranging from healthcare, education, public

administration, and manufacturing, the local economy appears to have a broad employment base with ample diversity. The local economy appears stable, and the relatively low-paying jobs offered in the services and retail trade sectors are expected to generate demand for affordable housing in the PMA. Further, with an average commute time of 22.2 minutes, it appears that many residents of the PMA are commuting to Greenville for work, which indicates that Easley and Pickens County is a desirable alternative to Greenville because of overall affordability.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

According to SCSHFDA's market study guidelines, we have utilized demographic data for ages 55 and older as the Subject is a proposed Housing for Older Persons (ages 55 and older).

General Population, Population by Age, Senior Population, and Group Quarter Population

The following tables illustrate changes within general population, population by age, and senior population in the MSA, PMA and nationally from 1990 through 2011.

POPULATION

Year	Greenville, SC MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	472,153	-	243,716	-	248,709,873	-
2000	559,940	1.86%	264,115	0.84%	281,421,906	1.32%
2006	598,160	1.09%	271,785	0.46%	303,582,361	1.26%
Projected Mkt Entry:						
March 2009	618,048	1.02%	278,578	0.77%	316,714,614	1.33%
2011	628,757	1.02%	282,236	0.77%	323,785,827	1.33%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

2006 POPULATION BY AGE

Age Cohort	Greenville, SC MSA		PMA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	39,319	6.57%	16,666	6.13%
5-9	38,635	6.46%	16,179	5.95%
10-14	39,183	6.55%	16,495	6.07%
15-19	42,779	7.15%	21,504	7.91%
20-24	44,746	7.48%	25,118	9.24%
25-29	38,234	6.39%	18,186	6.69%
30-34	41,979	7.02%	18,651	6.86%
35-39	42,614	7.12%	18,005	6.62%
40-44	46,659	7.80%	19,882	7.32%
45-49	45,000	7.52%	19,602	7.21%
50-54	40,474	6.77%	17,889	6.58%
55-59	37,066	6.20%	16,052	5.91%
60-64	28,923	4.84%	12,797	4.71%
65-69	21,655	3.62%	9,992	3.68%
70-74	16,861	2.82%	7,939	2.92%
75-79	13,665	2.28%	6,560	2.41%
80-84	10,819	1.81%	5,405	1.99%
85+	9,549	1.60%	4,862	1.79%
Total	598,160	100.0%	271,784	100.0%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

SENIOR POPULATION, 55+

Year	Greenville, SC MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	117,540	-	57,152	-
2006	138,538	2.86%	63,607	1.81%
Projected Mkt Entry:				
March 2009	150,124	2.57%	68,679	2.45%
2011	156,362	2.57%	71,410	2.45%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

As illustrated in the tables above, growth in population is occurring in all areas, for all ages. The growth in senior population is significantly outpacing that of the general population in both the PMA and MSA. Overall, the growth projections illustrated above are considered a positive indicator for the Subject.

General Households, Senior Households, Average Household Size, and Senior Household Size

The following tables illustrate changes within general households, senior households, average household sizes, and households by group quarter in the MSA, PMA and nationally from 1990 through 2011.

HOUSEHOLDS

Year	Greenville, SC MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	176,960	-	91,638	-	91,947,410	-
2000	217,152	2.27%	102,657	1.20%	105,480,101	1.47%
2006	238,812	1.60%	108,865	0.97%	114,049,635	1.30%
Projected Mkt Entry:						
March 2009	248,552	1.25%	112,447	1.01%	119,128,636	1.37%
2011	253,797	1.25%	114,376	1.01%	121,863,482	1.37%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	Greenville, SC MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	73,129	-	36,394	-
2006	86,667	2.96%	40,334	1.73%
Projected Mkt Entry:				
March 2009	94,181	2.67%	43,607	2.50%
2011	98,227	2.67%	45,369	2.50%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

AVERAGE HOUSEHOLD SIZE

Year	Greenville, SC MSA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2.56	-	2.51	-	2.63	-
2000	2.48	-0.31%	2.43	-0.32%	2.59	-0.15%
2006	2.42	-0.39%	2.37	-0.40%	2.59	0.00%
Projected Mkt Entry:						
March 2009	2.41	-0.17%	2.35	-0.25%	2.59	0.00%
2011	2.40	-0.17%	2.34	-0.25%	2.59	0.00%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

Group Quarter Population

Year	MSA		PMA		USA	
	Number	% of Population	Number	% of Population	Number	% of Population
2000	20,862	3.73%	14,850	5.62%	7,778,633	2.76%
2006	20,210	3.38%	14,136	5.20%	8,017,339	2.64%

Similar to the general population, all households will experience growth with the MSA experiencing slightly stronger growth than the PMA for both general and senior households. From 2006 through 2011, senior household growth is expected to significantly outpace general household growth in both the PMA and MSA. As with population growth, we believe this projected household growth is a positive indicator for the Subject.

Senior Households by Tenure and Renter Households by Number of Persons in the Household

The tables below depict households by tenure from 2000 through 2011 and senior renter households by number of persons in the household.

Tenure Patterns - Elderly Population (Age 55+)

Year	PMA				MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	29,270	81.0%	6,864	19.0%	60,758	83.1%	12,371	16.9%
2006	32,672	81.0%	7,662	19.0%	72,006	83.1%	14,661	16.9%
Projected Mkt Entry March 2009	35,323	81.0%	8,284	19.0%	78,249	83.1%	15,932	16.9%
2011	36,751	81.0%	8,618	19.0%	81,610	83.1%	16,617	16.9%

US Census Bureau 2000 Census; ESRI Business Information Solutions 2003; Novogradac & Company, LLP, 3/07.

**Senior Renter Households by Number of Persons in Household in PMA
at Market Entry March 2009 (55+)**

Household Size	Total Senior Households	Percentage Senior Renter Households	Senior Renter Households by Number of Persons in Household
1 person	12,079	19.00%	2,295
2+ persons	31,528	19.00%	5,989

As the table illustrates, senior households within the PMA reside in predominately owner occupied residences. This trend is projected to remain relatively unchanged through 2011.

Household Income

The following tables illustrate median income and household income in the PMA, MSA, and nation.

MEDIAN HOUSEHOLD INCOME

Year	Greenville, SC MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
<i>All Ages</i>				
2000	\$39,215	-	\$34,551	-
2006	\$47,100	3.22%	\$41,060	3.01%
Projected Mkt Entry: March 2009	\$51,943	3.16%	\$44,851	2.84%
2011	\$54,550	3.16%	\$46,892	2.84%
<i>Age 55+</i>				
2000	-	-	-	-
2006	\$32,215	-	\$30,494	-
Projected Mkt Entry: March 2009	\$35,665	3.29%	\$33,313	2.84%
2011	\$37,522	3.29%	\$34,831	2.84%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

HOUSEHOLD INCOME OF SENIORS 55+ IN 2006

Income Cohort	Greenville, SC MSA		PMA		USA
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Percentage</i>
<\$15,000	17,611	20.32%	9,564	23.71%	16.82%
\$15,000-\$24,999	11,577	13.36%	5,742	14.24%	12.92%
\$25,000-\$34,999	10,416	12.02%	5,094	12.63%	11.42%
\$35,000-\$49,999	12,875	14.86%	5,987	14.84%	14.18%
\$50,000-\$74,999	14,039	16.20%	6,201	15.37%	16.26%
\$75,000-\$99,999	7,535	8.69%	2,936	7.28%	10.00%
100,000-\$149,999	7,832	9.04%	3,100	7.69%	10.61%
150,000-\$199,999	2,038	2.35%	580	1.44%	3.52%
200,000-\$249,999	1,224	1.41%	510	1.26%	1.71%
250,000-\$499,999	1,249	1.44%	511	1.27%	1.95%
\$500,000+	271	0.31%	109	0.27%	0.61%
Total	86,667	100%	40,334	100%	100%

Source: ESRI Business Analyst 9.1; Novogradac & Company LLP - April 2007

As the tables above illustrate, the PMA has a lower median income for seniors when compared to the MSA. In fact, the percent of senior households in the PMA and MSA earning less than \$25,000 per year is significantly above the nation. This bodes well for affordable properties such as the Subject.

CONCLUSION

Both the PMA and MSA have reported strong increases in senior population. Similarly, the rate of growth in the number of households within the PMA is considered positive. Senior population and household growth are projected to outpace the general population and household growth through 2011. This is indicative of an aging population. Overall, the growth projections reported within the PMA are considered a positive indicator for the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

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

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

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

Affordability

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

Demand

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

1. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2009, the anticipated date of market entry, as the base year for the analysis. Therefore, 2006 household population estimates are inflated to 2008 by interpolation of the difference between 2006 estimates and 2011 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2009. This number takes the overall growth from 2000 to 2009 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of dollar value inflation.

2. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 30 percent of their income in housing costs.

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. The SCHFA guidelines indicate that demand from this segment should not add more than 20 percent of total demand.

The data provided for 2b and 2c is based upon the 2000 census. For 2a, we relied on estimates provided in the Comprehensive Housing Affordability Strategy (CHAS) reported on the HUD webpage which relies on 2000 census data. This data provides information on the number of households within the county that are within certain income brackets and what percentage of those households are rent overburdened. The rent overburdened is divided into two classifications: those paying over 30 percent of their income in rent and those paying over 50 percent of their income in rent. Since we are using 35 percent as the rent overburdened threshold, we interpolate between these two classifications. According to this information, the greatest number of renter households (3,389) have incomes that are greater than 80 percent of the median family income (MFI), followed by households with incomes less than or equal to 30 percent of the MFI (3,111) and households with incomes between 50 and 80 percent of the MFI (2,401). This is a positive indication of the need for affordable housing targeted to those at or below 50 percent of the MFI. Within the lower income brackets for households earning between 30 and 50 percent of the MFI, approximately 57.8 percent of households are paying more than 30 percent of their income in rent and 16.9 percent are paying over 50 percent of their income in rent. In the higher income bracket, households earning between 50 and 80 percent of the MFI, approximately 23.8 percent of households are paying more than 30 percent of their income in rent and 3.5 percent are paying over 50 percent of their income in rent. Since the Subject will target households in both income brackets, we believe that demand from rent overburdened households will be moderate. We have used 35 percent of households that are rent overburdened.

We also used information from CHAS to determine the percentage of households living in substandard housing, and have used 0.8 percent in our analysis.

Affordable housing properties can pull demand from markets that are located a significant distance away. Therefore, it is often necessary to include a leakage factor. We usually determine an estimate of the leakage factor based on comments from local property managers regarding the percentage of tenants they have that are from out of town. However, SCSHFDA does not encourage the inclusion of a leakage factor. Therefore, we have not included a leakage factor in our demand analysis. Because we have not included a leakage factor in our analysis, we believe our estimate of demand may be understated.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of SCHFA guidelines, we deduct additions to supply funded, under construction, or placed in service in 2006 that are directly competitive as well as any vacancies in projects placed in service prior to 2006 which have not yet reach stabilized occupancy that are considered directly competitive. There was one age-restricted LIHTC property, Charleston Place, in the PMA that is considered directly comparable that has been deducted. Charleston Place was allocated tax credits in 2005 and will offer 40 one-bedroom units approximately 728 square feet in size, restricted to senior households ages 55 and older. Thirty units will be restricted to older person households earning 50 percent of the AMI, or less and the remaining 10 units will be restricted to older person households earning 60 percent of the AMI, or less.

Capture Rates

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

Household Income Distribution 2000 to Projected Market Entry March 2009							
Companion at Walnut Hill							
PMA							
	2000		2006		Prj Mrkt Entry March 2009		Percent
	#	%	#	%	#	%	Growth
<\$15,000	10,553	29.00%	9,564	23.71%	9,238	21.18%	-14.2%
\$15,000-\$24,999	6,169	16.95%	5,742	14.24%	5,561	12.75%	-10.9%
\$25,000-\$34,999	5,020	13.79%	5,094	12.63%	5,304	12.16%	5.4%
\$35,000-\$49,999	5,361	14.73%	5,987	14.84%	6,255	14.35%	14.3%
\$50,000-\$74,999	4,620	12.69%	6,201	15.37%	6,968	15.98%	33.7%
\$75,000-\$99,999	1,954	5.37%	2,936	7.28%	3,840	8.80%	49.1%
\$100,000-\$149,999	1,615	4.44%	3,100	7.69%	3,999	9.17%	59.6%
\$150,000-\$199,999	407	1.12%	580	1.44%	1,023	2.35%	60.2%
\$200,000+	695	1.91%	1,130	2.80%	1,420	3.26%	51.1%
Total	36,394	100.00%	40,334	100.00%	43,607	100.00%	16.5%

Household Income Distribution Projected Market Entry March 2009			
Companion at Walnut Hill			
PMA			
	Prj Mrkt Entry March 2009		Change 2000 to Prj Mrkt Entry March 2009
	#	%	#
<\$15,000	9,238	21.18%	1,528
\$15,000-\$24,999	5,561	12.75%	920
\$25,000-\$34,999	5,304	12.16%	877
\$35,000-\$49,999	6,255	14.35%	1,035
\$50,000-\$74,999	6,968	15.98%	1,153
\$75,000-\$99,999	3,840	8.80%	635
\$100,000-\$149,999	3,999	9.17%	661
\$150,000-\$199,999	1,023	2.35%	169
\$200,000+	1,420	3.26%	235
Total	43,607	100.00%	7,213

Tenure Prj Mrkt Entry March 2009	
Renter	19.00%
Owner	81.00%
Total	100.00%

Household Size for Prj Mrkt Entry March 2009		
Size	Number	Percentage
1	12,054	27.00%
2 or more	31,502	73.00%
Total	43,607	100.00%

Household Size for 2000		
Size	Number	Percentage
1	9,826	27.00%
2 or more	26,568	73.00%
Total	36,394	100.00%

50% AMI**Calculation of Potential Household Demand by Income Cohort by % of AMI**

Percent of AMI Level			50%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$22,600 2 Person		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2009		Households within Income Brackets Percent within Cohort Bracket		
<\$15,000	1,528	21.18%	6,700	67%	616
\$15,000-\$24,999	920	12.75%			
\$25,000-\$34,999	877	12.16%			
\$35,000-\$49,999	1,035	14.35%			
\$50,000-\$74,999	1,153	15.98%			
\$75,000-\$99,999	635	8.80%			
\$100,000-\$149,999	661	9.17%			
\$150,000-\$199,999	169	2.35%			
\$200,000+	235	3.26%			
	7,213	100.00%	616		
Percent of households within limits versus total number of households			8.54%		

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

Percent of AMI Level			50%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$22,600 2 Person		
Income Category	Total Households PMA Prj Mrkt Entry March 2009		Income Brackets	Percent within Cohort	Households within Bracket
<\$15,000	9,238	21.18%	6,700	67%	3,726
\$15,000-\$24,999	5,561	12.75%			
\$25,000-\$34,999	5,304	12.16%			
\$35,000-\$49,999	6,255	14.35%			
\$50,000-\$74,999	6,968	15.98%			
\$75,000-\$99,999	3,840	8.80%			
\$100,000-\$149,999	3,999	9.17%			
\$150,000-\$199,999	1,023	2.35%			
\$200,000+	1,420	3.26%		0%	0
	43,607	100.00%	3,726		
Percent of households within limits versus total number of households			8.54%		

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2009 Median Income

Change from 2000 to Prj Mrkt Entry March 2009

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$30,494		
\$33,313		
\$2,819		
9.2%		
1.5%		
1.5%	Two year adjustment	1.0000
\$22,600		
\$22,600		
2 Person		
50%		
\$530		
\$530.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	Excluded	Total
1	0%	90%	10%	X	X	0%	100%
2	0%	20%	80%	X	X	0%	100%
3	X	0%	60%	40%	X	0%	100%
4	X	X	0%	80%	20%	0%	100%
5	X	X	X	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2009

Income Target Population	50%
New Households PMA	7,213
Percent Income Qualified	8.5%
Income Qualified Households	616
Percent Renter	19.0%
New Renter Income Qualified Households	117

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	43,607
Income Qualified	8.5%
Percent Renter	19.0%
Income Qualified Renter Households	708
Percent Rent Overburdened Prj Mrkt Entry March 2009	35%
Rent Overburdened Households	248

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	708
Percent Living in Substandard Housing	0.8%
Households Living in Substandard Housing	6

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	3018
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	60

Total Demand

Total Demand from Existing Households	314
Adjustment Factor	0%
Adjusted Demand form Existing Households	314
Total New Demand	117
Total Demand (New Plus Existing Households)	431

Demand from Seniors Who Convert from Homeownership	60
Percent of Total Demand From Homeownership Conversion	13.9%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	27.00%	116
Two Persons	73.00%	315
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
Total	100.00%	431

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	105
Of two person households in one-bedroom units	20%	63
Of one person households in two-bedroom units	10%	12
Of two person households in two-bedroom units	80%	252
Of three person households in two-bedroom units	60%	0
Of three person households in three-bedroom units	40%	0
Of four person households in three-bedroom units	80%	0
Of five person households in three-bedroom units	70%	0
Of four person households in four-bedroom units	20%	0
Of five person households in four-bedroom units	30%	0
Of six person households in four-bedroom units	100%	0
Of seven plus person households in four-bedroom units	100%	0
Total Demand		431
Check		OK

Total Demand by Bedroom	50%
One Bedroom	168
Two Bedroom	263
Three Bedroom	0
Four Bedroom	0
Total Demand	431

Additions To Supply 2000 to Prj Mrkt Entry March 2009	50%
One Bedroom	30
Two Bedroom	0
Three Bedroom	0
Four Bedroom	0
Total	30

Net Demand	50%
One Bedroom	138
Two Bedroom	263
Three Bedroom	0
Four Bedroom	0
Total	401

Developer's Unit Mix	50%
One Bedroom	12
Two Bedroom	8
Three Bedroom	0
Four Bedroom	0
Total	20

Capture Rate Analysis	50%
One Bedroom	9%
Two Bedroom	3%
Three Bedroom	N/A
Four Bedroom	N/A
Total	5%

60% AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$27,120 2 Person		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry March 2009		Income Brackets	Percent within Cohort	Households within Bracket
<\$15,000	1,528	21.18%			
\$15,000-\$24,999	920	12.75%	9,099	91%	837
\$25,000-\$34,999	877	12.16%	2,120	21%	186
\$35,000-\$49,999	1,035	14.35%			
\$50,000-\$74,999	1,153	15.98%			
\$75,000-\$99,999	635	8.80%			
\$100,000-\$149,999	661	9.17%			
\$150,000-\$199,999	169	2.35%			
\$200,000+	235	3.26%			
	7,213	100.00%			1,023
Percent of households within limits versus total number of households			14.18%		

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

Percent of AMI Level			60%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$27,120 2 Person		
Income Category	Total Households PMA Prj Mrkt Entry March 2009		Income Brackets	Percent within Cohort	Households within Bracket
<\$15,000	9,238	21.18%			
\$15,000-\$24,999	5,561	12.75%	9,099	91%	5,060
\$25,000-\$34,999	5,304	12.16%	2,120	21%	1,125
\$35,000-\$49,999	6,255	14.35%			
\$50,000-\$74,999	6,968	15.98%			
\$75,000-\$99,999	3,840	8.80%			
\$100,000-\$149,999	3,999	9.17%			
\$150,000-\$199,999	1,023	2.35%			
\$200,000+	1,420	3.26%		0%	0
	43,607	100.00%			6,185
Percent of households within limits versus total number of households			14.18%		

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry March 2009 Median Income

Change from 2000 to Prj Mrkt Entry March 2009

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$30,494		
\$33,313		
\$2,819		
9.2%		
1.5%		
1.5%	Two year adjustment	1.0000
\$27,120		
\$27,120		
2 Person		
60%		
\$530		
\$530.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	Excluded	Total
1	0%	90%	10%	X	X	0%	100%
2	0%	20%	80%	X	X	0%	100%
3	X	0%	60%	40%	X	0%	100%
4	X	X	0%	80%	20%	0%	100%
5	X	X	X	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry March 2009

Income Target Population	60%
New Households PMA	7,213
Percent Income Qualified	14.2%
Income Qualified Households	1,023
Percent Renter	19.0%
New Renter Income Qualified Households	194

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	43,607
Income Qualified	14.2%
Percent Renter	19.0%
Income Qualified Renter Households	1175
Percent Rent Overburdened Prj Mrkt Entry March 2009	35%
Rent Overburdened Households	411

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1175
Percent Living in Substandard Housing	0.8%
Households Living in Substandard Housing	9

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	5010
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	100

Total Demand

Total Demand from Existing Households	521
Adjustment Factor	0%
Adjusted Demand form Existing Households	521
Total New Demand	194
Total Demand (New Plus Existing Households)	715

Demand from Seniors Who Convert from Homeownership	100
Percent of Total Demand From Homeownership Conversion	14.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	27.00%	193
Two Persons	73.00%	522
Three Persons	0.00%	0
Four Persons	0.00%	0
Five Persons	0.00%	0
Six Persons	0.00%	0
Seven Plus Persons	0.00%	0
Total	100.00%	715

To place Person Demand into Bedroom Type Units

Of one person households in one-bedroom units	90%	174
Of two person households in one-bedroom units	20%	104
Of one person households in two-bedroom units	10%	19
Of two person households in two-bedroom units	80%	418
Of three person households in two-bedroom units	60%	0
Of three person households in three-bedroom units	40%	0
Of four person households in three-bedroom units	80%	0
Of five person households in three-bedroom units	70%	0
Of four person households in four-bedroom units	20%	0
Of five person households in four-bedroom units	30%	0
Of six person households in four-bedroom units	100%	0
Of seven plus person households in four-bedroom units	100%	0
Total Demand		715
Check		OK

Total Demand by Bedroom	60%
One Bedroom	278
Two Bedroom	437
Three Bedroom	0
Four Bedroom	0
Total Demand	715

Additions To Supply 2000 to Prj Mrkt Entry March 2009	60%
One Bedroom	10
Two Bedroom	0
Three Bedroom	0
Four Bedroom	0
Total	10

Net Demand	60%
One Bedroom	268
Two Bedroom	437
Three Bedroom	0
Four Bedroom	0
Total	705

Developer's Unit Mix	60%
One Bedroom	12
Two Bedroom	8
Three Bedroom	0
Four Bedroom	0
Total	20

Capture Rate Analysis	60%
One Bedroom	4%
Two Bedroom	2%
Three Bedroom	N/A
Four Bedroom	N/A
Total	3%

Conclusions

Several factors affect the indicated capture rates and are discussed following.

- The number of senior households ages 55 and older in the PMA is expected to increase 19.82 percent between 2000 and 2009.
- The Subject's target income group is \$15,900 to \$27,120. This spreads across two income cohorts. While the \$15,000 to \$24,999 cohort is expected to decrease by 3.16 percent from 2006 to 2009, the \$25,000 to \$34,999 cohort is expected to increase by 4.12 percent from 2006 to 2009. Overall, the appropriate income cohorts in the PMA are projected to increase by 29 households.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be significant and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

Bedrooms	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1 Bedroom 50% AMI	168	30	138	12	8.7%
1 Bedroom 60% AMI	278	10	268	12	4.5%
2 Bedroom 50 % AMI	263	0	263	8	3.0%
2 Bedroom 60 % AMI	437	0	437	8	1.8%
Project Overall	715	40	675	40	5.9%

The previous table illustrates the indicated capture rates derived from our standard SCSHFDA demand analysis.

As the analysis illustrates, the Subject's capture rates vary from 1.8 to 8.7 percent with an overall capture rate of 5.9 percent. The capture rates are low and therefore we believe that the Subject is feasible.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Additionally, there are several Section 8 and Rural Development properties located in the market area. Many of these were interviewed, but because of their rental structure we do not believe them to be comparable. Nonetheless, it should be noted that one Section 8 age-restricted property, American Legion Senior Apartments, is located immediately west of the Subject. This property offers 24 one-bedroom units. Built in late 1999/early 2000, the property was fully occupied within six months. Currently, the property is 100 percent occupied with a two year waiting list. Units at American Legion Senior Apartments are approximately 200 square feet smaller than the Subject’s proposed one-bedroom units and offers slightly inferior amenities when compared to the Subject. The average tenant paid rent at the property is \$150 per month and management indicated a significant unmet need for affordable age-restricted housing in Easley. Like other Section 8 properties, this property was excluded due to the differing rent structure.

The availability of LIHTC data is considered adequate. While there are no age-restricted LIHTC properties located in Easley, we have included four properties all of which are located in the Subject’s PMA including two in Greenville, one in Travelers Rest, and one in Central. The availability of age-restricted market rate data is weak. Therefore, we have included the most comparable family market rate properties located in Easley, which includes all stabilized market rate properties in Easley that offer at least one-bedroom and two-bedroom units (Brookfall I, Brookfall II, Country Place, and Shadowbrook Apartments). All properties offering only two-bedroom units or larger were excluded due to the differing unit mix. The following table illustrates excluded LIHTC and market rate properties.

Excluded Properties				
Name	City	Type	Tenancy	Reason for Exclusion
Charleston Place	Greenville	LIHTC	Older Persons	Under Construction
Greenville Summit Apartments	Greenville	LIHTC/Section 8	Older Persons	Rent Subsidized
Preston Pointe Apartments	Central	LIHTC	Family	Under Construction; Tenancy not comparable
Park West	Easley	LIHTC	Family	Tenancy not comparable
Falls Landing Apartments	Clemson	LIHTC	Family	Tenancy not comparable
Sterling Woods Apartments	Clemson	LIHTC	Family	Tenancy not comparable
Creekside Apartments	Easley	LIHTC	Family	Tenancy not comparable
Forest View Apartments	Liberty	LIHTC/Rural Development	Family	Rent Subsidized; Tenancy not comparable
47 Overbrook Street	Pickens	LIHTC	Family	1 unit
119 Sunset Circle	Pickens	LIHTC	Family	1 unit
Clemson Downs	Clemson	Market	Older Persons	Rent includes meals and other services;adjoined to assisted living facility
Countryside Village	Easley	Market	Elderly	Rent includes meals and other services;adjoined to assisted living facility
The Commons	Easley	Market	Elderly	Rent includes meals and other services;adjoined to assisted living facility
Auston Woods	Easley	Market	Family	Under Construction
Quail Ridge	Easley	Market	Family	Phone Number Disconnected
Royal Townhouses Apartments	Easley	Market	Family	Management not available
Southeastern Mobile Home Property	Easley	Market	Family	Unit Design not comparable
Walnut Hill	Easley	Market	Family	Unit Mix not comparable; all efficiency units
Cedar Tree Apartments	Easley	Market	Family	Unit Mix not comparable; all two-bedroom units
Waterford Apartments	Easley	Market	Family	Unit Mix not comparable; all two-bedroom units
Deerfield Apartments	Easley	Market	Family	Unit Mix not comparable; all two-bedroom units
Colonial Square	Easley	Market	Family	Unit Mix not comparable; all two-bedroom units
Chuck Yeager Rentals	Easley	Market	Family	Unit Mix and design not comparable; all two-, three-, and four-bedroom units

There are three market rate age-restricted properties in the Subject's market. All three, Clemson Downs, Countryside Village, and The Commons, offer assisted living units as well as independent living units. Rents for the independent living units at all three properties include at least one daily meal as well as other services which range from laundry services to transportation services. Typically seniors will pay a premium to live at properties with both independent living and assisted living units as it makes the transition from independent living to assisted living easier for tenants. This preference was confirmed by property managers at these properties who indicated that the majority of the turnover in the independent living units is a result of tenants relocating into an assisted living unit. With an average vacancy of 7.8 percent, Countryside Village has the highest occupancy (and lowest rents) and The Commons has the lowest occupancy (and highest rents). Both Countryside Village and The Commons are located in Easley. The Commons is also the most recently constructed of the three properties built in 2004 compared to 1978 (Clemson Downs) and 1986 (Countryside Village). Overall, although not directly comparable to the Subject, the performance of these properties indicates a moderate demand for age-restricted housing in the PMA.

Additionally, it should be noted that there are two family LIHTC properties in Easley, Creekside Apartments and Park West. As family properties offering only two- and three-bedroom units, these properties are not comparable to the proposed Subject and therefore were excluded from this market study. Nonetheless, these properties are the only LIHTC properties in Easley and therefore provide a point of comparison for the immediate market area of Easley. The following table illustrates these properties compared to the proposed Subject.

Project	Type / Built	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Companion At Walnut Hill (SUBJECT)	Garden	1BR / 1BA	12	30.00%	@50%	\$435	750	yes		N/A	N/A
Walnut Hill Drive	(age-restricted)	1BR / 1BA	12	30.00%	@60%	\$435	750	no		N/A	N/A
Easley, SC	2009	2BR / 2BA	8	20.00%	@50%	\$521	950	yes		N/A	N/A
Pickens County		2BR / 2BA	8	20.00%	@60%	\$521	950	no		N/A	N/A
			40	100%						N/A	N/A
Creekside Apartments	Garden	2BR / 2BA	66	50.00%	@60%	\$484	899	no	none	2	3.03%
100 Pebble Brook Court	(2 stories)	3BR / 2BA	66	50.00%	@60%	\$532	1,109	no	none	7	10.61%
Easley, SC 29642	1995										
Pickens County			132	100%						9	6.82%
Park West	Garden	2BR / 2BA	20	33.30%	@50%	\$471	986	no	none	1	5.00%
300 Duvall St.	(3 stories)	2BR / 2BA	20	33.30%	@60%	\$525	986	no	none	0	0.00%
Easley, SC 29640	2003	3BR / 2BA	10	16.70%	@50%	\$586	1,193	no	none	0	0.00%
Pickens County		3BR / 2BA	10	16.70%	@60%	\$625	1,193	no	none	2	20.00%
			60	100%						3	5.00%

The Subject's proposed 60 percent AMI rents are \$37 above and \$4 below those at Creekside Apartments and Park West. Despite offering slightly superior common amenities when compared to Park West, Creekside Apartments is achieving rents below those at Park West. This appears to indicate that larger units and newer construction are more dominant driving forces in the market than common amenities. Property managers at both Creekside Apartments and Park West indicated that there are seniors and disabled households currently residing at the respective properties. The Subject will be age-restricted and as seniors are generally willing to pay a premium to reside in an age-restricted community, we believe the rents are reasonable and achievable when compared to family LIHTC properties in Easley.

Pipeline Construction

According to the SCSHFDA's list of recent allocations, two projects, Preston Pointe and Charleston Place, were recently awarded tax credits that remain under construction. While the former is a family development, the latter is an age-restricted development that will be comparable to the Subject. Therefore, only units at Charleston Place were included in the demand analysis as the units at Preston Pointe will not be age-restricted and are all three-bedroom units.

Preston Pointe is located at 201 Tramlaw Court in Central and is in the final stages of development and management at the property has begun the pre-leasing process. Marketing began February 1, 2007 and leasing began February 14, 2007. As of early March 2007, two of the total 48 units had been leased. Management indicated that the leasing pace will likely be slow due to the large number of college students in the area and therefore affordable market rate rental properties. As a bedroom community of Greenville, the Subject will have a superior location when compared to Preston Pointe which is located in a predominantly college town. Further, the Subject will be age-restricted with differing unit types. Therefore, the Subject will not compete directly with Preston Pointe. The following table illustrates the unit mix, sizes, and rent structure at the property.

Preston Pointe – LIHTC Family

Beds	Baths	Units	Size (SF)	Rent	Restriction	Vacant
3	2	N/Av	1,200	\$595	@50%	N/Av
3	2	N/Av	1,200	\$737	@60%	N/Av
Total		48				46

Charleston Place is located at 335 Greenacre Road in Greenville and is in the final stages of development. The property will consist of 40, one-bedroom units at approximately 728 square feet. Of the total units, 30 will be restricted to senior households ages 55 and older earning 50 percent of the AMI, or less, and the remaining 10 will be restricted to senior households ages 55 and older earning 60 percent of the AMI, or less. Proposed rents were not available at the time of this study.

According to Ms. Judy King of the Community Development Office of the Easley Planning and Development Department, there are also several residential developments which are either planned or currently under construction within the City of Easley. A market rate multi-family property, Auston Woods, with approximately 110 units is currently under construction on Saco-Lowell Road approximately two miles from the Subject. According to Ms. King, the property will be fully open within the next few months. Management at the property indicated that the property opened March 1, 2007 and pre-leasing began approximately three weeks prior to the grand opening. Management refused to comment as to the leasing pace or current occupancy at the property. Auston Woods will be the first addition to the multifamily housing stock in Easley since the construction of Park West, a LIHTC property, in 2003. The following table illustrates the unit mix, sizes, and rents for the property.

Auston Woods - Market Family

Unit Type	Size (SF)	Rent
1BR / 1BA	696	\$535
2BR / 2BA	1,209	\$640
3BR / 2BA	1,451	\$770

In addition to Auston Woods, land is currently being annexed for a market rate multi-family property. However, the property has not officially secured the land and details of the project have not yet been made public.

LIHTC Competition

The following table illustrates all LIHTC properties in Pickens County and all age-restricted properties in Greenville based on SCSHFDA's LIHTC Allocation List.

SCSHFDA Tax Credit Allocation List for Pickens County and Age-Restricted in Greenville

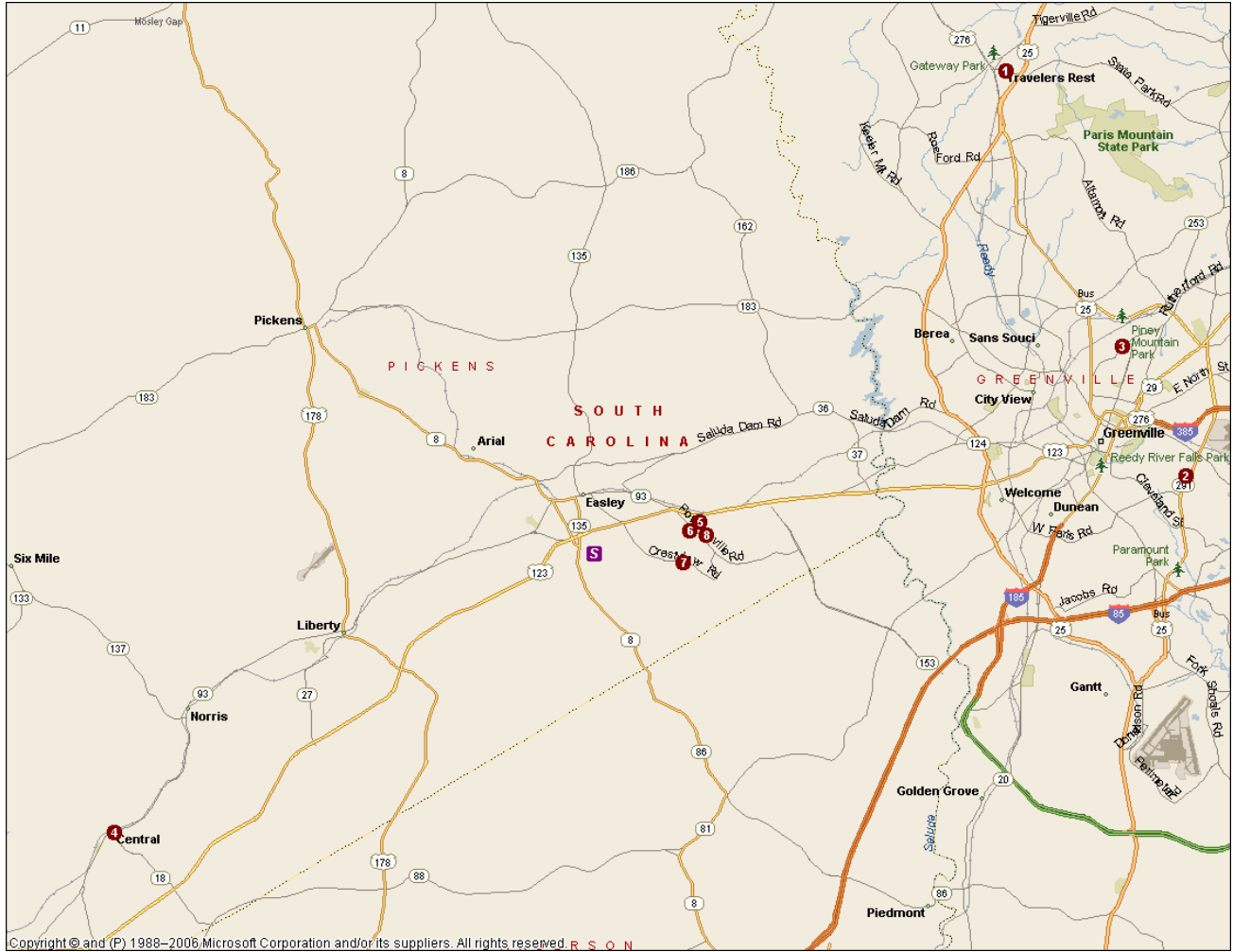
Year Allocated	Name	City	County	Type	Tenancy
2005	Charleston Place	Greenville	Greenville	LIHTC	Older Persons
2004	Greenville Summit Apartments	Greenville	Greenville	LIHTC/Section 8	Older Persons
2004	Preston Pointe Apartments	Central	Pickens	LIHTC	Family
2001	Park West	Easley	Pickens	LIHTC	Family
2000	Harmony Ridge	Travelers Rest	Greenville	LIHTC	Elderly
2000	Laurel Oaks	Greenville	Greenville	LIHTC	Elderly
1997	Timberland Crossing	Central	Pickens	LIHTC	Elderly
1996	Falls Landing Apartments	Clemson	Pickens	LIHTC	Family
1996	Sterling Woods Apartments	Clemson	Pickens	LIHTC	Family
1995	Creekside Apartments	Easley	Pickens	LIHTC	Family
1992	Landwood Ridge Apartments	Greenville	Greenville	LIHTC	Elderly
1989	Forest View Apartments	Liberty	Pickens	LIHTC/Rural Development	Family
1988	47 Overbrook Street	Pickens	Pickens	LIHTC	Family
1988	119 Sunset Circle	Pickens	Pickens	LIHTC	Family

Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey included eight “true” comparable properties containing 686 units.

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

COMPARABLE RENTAL PROPERTY MAP



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Harmony Ridge Apartments	Travelers Rest	LIHTC – Senior	20.1 miles
2	Landwood Ridge Apartments	Greenville	LIHTC – Senior	15.8 miles
3	The Oaks At Laurel Baye	Greenville	LIHTC – Senior	15.0 miles
4	Timberland Crossing	Central	LIHTC – Senior	14.9 miles
5	Brookfall I	Easley	Market – Family	3.5 miles
6	Brookfall II	Easley	Market – Family	3.5 miles
7	Country Place	Easley	Market – Family	2.5 miles
8	Shadowbrook Apartments	Easley	Market – Family	3.7 miles

Summary Matrix

Comp #	Project	Distance	Type / Built	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Companion At Walnut Hill Walnut Hill Drive Easley, SC Pickens County	n/a	Midrise (age-restricted) 2009	@50%, @60%	1BR / 1BA	12	30.00%	@50%	\$435	750	yes		N/A	N/A
					1BR / 1BA	12	30.00%	@60%	\$435	750	no		N/A	N/A
					2BR / 2BA	8	20.00%	@50%	\$521	950	yes		N/A	N/A
					2BR / 2BA	8	20.00%	@60%	\$521	950	no		N/A	N/A
						40	100%						N/A	N/A
1	Harmony Ridge Apartments 49 Brookside Drive Travelers Rest, SC 29690 Greenville County	20.1 miles	Garden (age-restricted) 2001	@60%	1BR / 1BA	30	75.00%	@60%	\$386	680	no	None	1	3.30%
					2BR / 2BA	10	25.00%	@60%	\$446	838	no	Yes	0	0.00%
						40	100%						1	2.50%
2	Landwood Ridge Apartments 200 Mcalister Road Greenville, SC 29607 Greenville County	15.8 miles	Garden (age-restricted) (2 stories) 1994	@60%	1BR / 1BA	48	100.00%	@60%	\$478	600	no	None	2	4.20%
						48	100%						2	4.20%
3	The Oaks At Laurel Baye 667 Rutherford Road Greenville, SC 29609 Greenville County	15.0 miles	Garden (age-restricted) (3 stories) 2001	@50%, @60%	1BR / 1BA	42	63.60%	@50%	\$431	647	yes	25 HH	0	0.00%
					1BR / 1BA	14	21.20%	@60%	\$522	647	no	25 HH	1	7.10%
					2BR / 2BA	6	9.10%	@50%	\$520	885	yes	25 HH	0	0.00%
					2BR / 2BA	4	6.10%	@60%	\$613	885	no	25 HH	1	25.00%
						66	100%						2	3.00%
4	Timberland Crossing West Linn Dr. Central, SC Pickens County	14.9 miles	One-story (age-restricted) 1999	@60%	1BR / 1BA	48	66.70%	@60%	\$415	590	no	5 HH	0	0.00%
					2BR / 1BA	24	33.30%	@60%	\$491	780	no	7 HH	0	0.00%
						72	100%						0	0.00%
5	Brookfall I 129 Hillandale Drive Easley, SC 29642 Pickens County	3.5 miles	Garden (2 stories) 1985	Market	1BR / 1BA	28	31.80%	Market	\$416	800	n/a	None	0	0.00%
					2BR / 1BA	30	34.10%	Market	\$474	830	n/a	None	1	3.30%
					2BR / 1BA	30	34.10%	Market	\$444	830	n/a	None	0	0.00%
						88	100%						1	1.10%
6	Brookfall II 108 Brookfall Drive Easley, SC 29642 Pickens County	3.5 miles	Garden (2 stories) 1991	Market	1BR / 1BA	16	26.70%	Market	\$500	800	n/a	None	2	12.50%
					2BR / 2BA	44	73.30%	Market	\$575	1,150	n/a	None	0	0.00%
						60	100%						2	3.30%
7	Country Place 918 Crestview Road Easley, SC 29642 Pickens County	2.5 miles	Various (2 stories) 1972	Market	1BR / 1BA (Garden)	8	12.50%	Market	\$375	650	n/a	None	0	0.00%
					2BR / 1.5BA (Townhouse)	44	68.80%	Market	\$420	870	n/a	None	0	0.00%
					3BR / 1.5BA (Townhouse)	12	18.80%	Market	\$480	1,060	n/a	None	0	0.00%
						64	100%						0	0.00%
8	Shadowbrook Apartments 219 Andrea Circle Easley, SC 29642 Pickens County	3.7 miles	Garden 1996	Market	1BR / 1BA	56	22.60%	Market	\$535	930	n/a	None	0	0.00%
					2BR / 2BA	156	62.90%	Market	\$635	1,200	n/a	2 HH	0	0.00%
					3BR / 2BA	36	14.50%	Market	\$735	1,475	n/a	4 HH	0	0.00%
						248	100%						0	0.00%

Property Profile Report

Harmony Ridge Apartments

Comp # 1
Effective Rent Date 3/13/2007
Created by Matt Cochran (March 14, 2005 12:18 PST)
Last updated by Julia Buckmaster (April 09, 2007 12:36 PDT)

Location 49 Brookside Drive
 Travelers Rest, SC 29690
 Greenville County
 (verified)
Distance 20.1 miles
Units 40
Vacant Units 1
Vacancy Rate 2.50%
Type Garden (age-restricted)
Year Built/Renovated 2001
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors See Comments
Tenant Characteristics 55 + Seniors and
 handicapped/disabled.
Contact Name Anne
Phone 864.610.9222



Market

Program	@60%	Leasing Pace	3-5 Weeks
Annual Turnover Rate	25%	Change in Rent (Past Year)	Increase in Jan. 07 of 4% to 5%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 3)

Harmony Ridge Apartments

Comp # 1

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator	Security	none
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Property	Elevators Central Laundry Off-Street Parking On-Site Management	Premium	none
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Services	none	Other	none
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Comments

Contact said that there aren't really any major competitors in the area, she said that all the properties around that area are all strictly Section 8 properties.

Property Profile Report (page 4)

Harmony Ridge Apartments Trend Report

Trend: @60%	2QTR 2005		1QTR 2007	
	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA
# Units	30	10	30	10
Vacancy Rate	0.00%	0.00%	3.30%	0.00%
Waiting List	n/a	n/a	No	Yes
Face Rent	\$400	\$470	\$420	\$487
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$400	\$470	\$420	\$487
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$400	\$470	\$420	\$487

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
N/A	N/A	0.00%	N/A	N/A	2.50%	N/A	1.20%

Comments

2QTR 2005 Harmony Ridge Apartments is a garden-style elderly (55+) and handicapped community with 40 units and no vacant units. Rents listed are asking rents and are the same for units set aside at the 50% level and those set aside at the 60% level. There are 31 units set aside at the 50% AMI level and 9 units set aside at the 60% level. The property manager did not know how many at the 60% level were one bedrooms or how many at the 50% were 1 bedrooms. The leasing pace has been very slow. The property manager reported an unleased unit that was vacant since November but was leased on mid March. Approximately 90 percent of tenants are from Travelers Rest, SC. There are 2 tenants from out of state (West Virginia and Alaska) and the rest are from other parts of South Carolina. Hand rails are only available in handicapped units and the contact did not know how many handicapped units there are. The property also accepts Section 8 vouchers. There are currently 11 tenants with vouchers occupying units.

1QTR 2007 Contact said that there aren't really any major competitors in the area, she said that all the properties around that area are all strictly Section 8 properties.

Property Profile Report

Landwood Ridge Apartments

Comp # 2
Effective Rent Date 4/3/2007
Created by Matt Cochran (March 16, 2005 07:46 PST)
Last updated by Julia Buckmaster (April 12, 2007 09:59 PDT)

Location 200 Mcalister Road
Greenville, SC 29607
Greenville County
(verified)

Distance 15.8 miles
Units 48
Vacant Units 2
Vacancy Rate 4.20%
Type Garden (age-restricted)
(2 stories)

Year Built/Renovated 1994
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors The Oaks of
Magnolia

Tenant Characteristics Tenants are 62 and
older, the average
household size is 1,
the average age is
about 72, and the
average income is
\$655/month
(including voucher
HHs)



Contact Name Terry/Pete
Phone 864.250.1026

Market

Program	@60%	Leasing Pace	One week
Annual Turnover Rate	6%	Change in Rent (Past Year)	Increase of 3%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	30%		

Utilities

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

Property Profile Report (page 2)

Landwood Ridge Apartments

Comp #

2

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden (2 stories)	48	600	\$512	\$0	@60%	No	2	4.20%	no	

Unit Mix: @60%

[illegible]

Property Profile Report (page 3)

Landwood Ridge Apartments

Comp # 2

Amenities

In-Unit	Balcony/Patio	Security	Perimeter Fencing
	Blinds		Video Surveillance
	Carpeting		
	Central A/C		
	Coat Closet		
	Exterior Storage		
	Hand Rails		
	Oven		
	Pull Cords		
	Refrigerator		
Property	Elevators	Premium	Hairdresser / Barber
	Exercise Facility		
	Central Laundry		
	Off-Street Parking		
	On-Site Management		
Services	none	Other	none

Comments

Management noted that the property is not currently maintaining a waiting list due to an increase in recent turnover. Management noted that the property is typically 100 percent occupied and maintains a short waiting list. Management believes that both vacant units will be filled within the next one to two weeks.

Property Profile Report (page 4)

Landwood Ridge Apartments Trend Report

	1QTR 2005	2QTR 2006	4QTR 2006	2QTR 2007
Trend: @60%	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
# Units	48	48	48	48
Vacancy Rate	2.10%	0.00%	0.00%	4.20%
Waiting List	n/a	50 HH	12 HH	No
Face Rent	\$497	\$497	\$512	\$512
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$497	\$497	\$512	\$512
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$497	\$497	\$512	\$512

Vacancy Rates							Overall Vacancy Rate
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	
N/A	2.10%	N/A	0.00%	0.00%	N/A	4.20%	1.60%

Comments

- 1QTR 2005** Landwood Ridge Apartments is a garden style senior complex with 48 total units. The complex is a Tax Credit property set aside at the 60% AMI level. Landwood does accept Section 8 but does not set any units aside for the program. According to the contact at Landwood all tenants are from the Greenville area.
- 2QTR 2006** Current Interview (04/26/2006): Landwood Ridge Apartments is a LIHTC senior property offering one-bedroom units. The property is currently 100 percent occupied, which is normal for the property. There is a long waiting list of approximately 50 households. The rents are not at the maximum allowable because the market will not support higher rents. However the property does increase the rents generally once per annum. Management reported that there are plans to demolish the adjacent residential land use, Fieldcrest, upon which approximately 700 newly constructed single family home, condominiums, and apartments, will be constructed. Construction is scheduled to begin in September 3006. The property has a very low turnover with most residents relocating to assisted living developments.
- 4QTR 2006** Landwood Ridge Apartments is a LIHTC property restricted to seniors 62 and older. The property offers a total of 48 one-bedroom units with rents set aside at 60 percent of AMI. The manager stated rents are set under the maximum allowable. The property is 100 percent occupied and there is a 12 household waiting list. The property had a recent three percent rent increase. The manager went on to say that there is a lot of new development in the area including both single family and multi family homes.
- 2QTR 2007** Management noted that the property is not currently maintaining a waiting list due to an increase in recent turnover. Management noted that the property is typically 100 percent occupied and maintains a short waiting list. Management believes that both vacant units will be filled within the next one to two weeks.

Property Profile Report

The Oaks At Laurel Baye

Comp # 3
Effective Rent Date 3/15/2007
Created by Kelly Crouch (April 04, 2005 12:40 PDT)
Last updated by Julia Buckmaster (April 09, 2007 12:40 PDT)

Location 667 Rutherford Road
Greenville, SC 29609
Greenville County
(verified)
Distance 15 miles
Units 66
Vacant Units 2
Vacancy Rate 3.00%
Type Garden (age-restricted)
(3 stories)
Year Built/Renovated 2001
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors Palmetto House,
Landwood Ridge
Tenant Characteristics Seniors 55+ primarily
from the City of
Greenville; Average
age 65 and older; 1/4
previous
homeowners, others
relocate from family
rental properties



Contact Name Jennifer Wellbourne

Phone 864.242.9003

Market

Program	@50%, @60%	Leasing Pace	Immediate
Annual Turnover Rate	5%	Change in Rent (Past Year)	Increase 1% on units set at 50% AMI
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	5%		

Utilities

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

Property Profile Report (page 3)

The Oaks At Laurel Baye

Comp # 3

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Hand Rails Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Limited Access Video Surveillance
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Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
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Services	none	Other	none
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Comments

The manager stated rents are not at the maximum allowable on the units set aside at 60 percent as the market will not support higher rents. The property rarely has vacant units and oftentimes has a waiting list. The majority of the residents move to the property from family rental properties and are looking for an age-restricted property that has limited access. Also, approximately one fourth of the residents are previous homeowners. The average age of residents is 65 years of age and few, if any, work. Residents have a fixed income and while many prefer the larger units (two-bedroom units) many are not able to afford the larger floorplan and therefore the one-bedroom units are typically in higher demand. The property includes basic cable in the rent, which management indicated is worth approximately \$70.

Property Profile Report (page 4)

The Oaks At Laurel Baye Trend Report

	2QTR 2005		2QTR 2006		4QTR 2006		1QTR 2007	
Trend: @50%	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA
# Units	42	6	42	6	42	6	42	6
Vacancy Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Waiting List	2-10 months	2-10 months	20 HH	20 HH	Yes	Yes	25 HH	25 HH
Face Rent	\$443	\$546	\$459	\$551	\$465	\$561	\$465	\$561
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$443	\$546	\$459	\$551	\$465	\$561	\$465	\$561
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$443	\$546	\$459	\$551	\$465	\$561	\$465	\$561

	2QTR 2005		2QTR 2006		4QTR 2006		1QTR 2007	
Trend: @60%	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA
# Units	14	4	14	4	14	4	14	4
Vacancy Rate	0.00%	0.00%	0.00%	0.00%	7.10%	0.00%	7.10%	25.00%
Waiting List	2-10 months	2-10 months	20 HH	20 HH	Yes	Yes	25 HH	25 HH
Face Rent	\$531	\$642	\$556	\$654	\$556	\$654	\$556	\$654
Concession	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$531	\$642	\$556	\$654	\$556	\$654	\$556	\$654
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$531	\$642	\$556	\$654	\$556	\$654	\$556	\$654

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
N/A	N/A	0.00%	0.00%	1.50%	3.00%	N/A	1.10%

Comments

2QTR 2005 This is a LIHTC property restricted to seniors at both the 50% and 60% AMI levels. The property is 100% occupied and has a waiting list from 2 to 10 months long. We were not given the exact unit mix but, we were told that 48 of the units are restricted to the 50% AMI level and 18 units were restricted to the 60% AMI level. We estimated the unit mix to be 42 one-bedrooms and 6 two-bedroom units at the 50% AMI level and 14 one-bedroom units and 4 two-bedroom units at the 60 percent AMI level.

2QTR 2006 Current Interview (04/26/2006): Laurel Oaks is a senior LIHTC property offering one and two-bedroom units. The property is currently 100 percent occupied which is normal for this property. There are approximately 20 households on the waiting list. The rents have increased in the past year by 3.6, 4.7, 0.9, and 1.9 percent for the one-bedroom 50 percent, one-bedroom 60 percent, two-bedroom 50 percent, and two-bedroom 60 percent, respectively. The rents are not at the maximum allowable as the market will not support higher rents. The property has a very low turnover and all units are pre-leased from the waiting list. Management reported a very high demand for more affordable senior housing in the Greenville, SC area. Less than five percent of the residents are using Section 8 vouchers. Management was unsure as to absorption information.

4QTR 2006 Laurel Oaks is a senior LIHTC property offering a total of 66 one and two-bedroom units with rents set aside at 50 and 60 percent of AMI. The property is currently 98.5 percent occupied. There are approximately 50 households on the waiting list. The rents have increased one percent on the units set aside at 50 percent of AMI. The manager stated rents are not at the maximum allowable on the units set aside at 60 percent as the market will not support higher rents. The property has a very low turnover and all units are pre-leased from the waiting list. Less than five percent of the residents are using Section 8 vouchers.

1QTR 2007 The manager stated rents are not at the maximum allowable on the units set aside at 60 percent as the market will not support higher rents. The property rarely has vacant units and oftentimes has a waiting list. The majority of the residents move to the property from family rental properties and are looking for an age-restricted property that has limited access. Also, approximately one fourth of the residents are previous homeowners. The average age of residents is 65 years of age and few, if any, work. Residents have a fixed income and while many prefer the larger units (two-bedroom units) many are not able to afford the larger floorplan and therefore the one-bedroom units are typically in higher demand. The property includes basic cable in the rent, which management indicated is worth approximately \$70.

Property Profile Report

Timberland Crossing

Comp # 4
Effective Rent Date 3/26/2007
Created by Brandi Day (March 31, 2005 18:52 PST)
Last updated by Julia Buckmaster (April 06, 2007 16:32 PDT)

Location West Linn Dr.
Central, SC
Pickens County
(verified)
Distance 14.9 miles
Units 72
Vacant Units 0
Vacancy Rate 0.00%
Type One-story (age-restricted)
Year Built/Renovated 1999
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors n/a
Tenant Characteristics average age is 75,
most do not work,
mostly widows



Contact Name Roy Pitts
Phone 864.639.0717

Market

Program	@60%	Leasing Pace	3-4 days
Annual Turnover Rate	17%	Change in Rent (Past Year)	increase of 7%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	49%		

Utilities

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

Property Profile Report (page 2)

Timberland Crossing

Comp #

4

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	One-story	48	590	\$449	\$0	@60%	5 HH	0	0.00%	no	
2	1	One-story	24	780	\$532	\$0	@60%	7 HH	0	0.00%	no	

Unit Mix: @60%

[illegible]

Property Profile Report (page 3)

Timberland Crossing

Comp # 4

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Hand Rails Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup	Security	none
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Property	Central Laundry Off-Street Parking On-Site Management	Premium	none
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Services	Shuttle Service	Other	none
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Comments

Management noted that the property's rents are not set at the maximum allowable. However, management could not offer an explanation as to why rents were not set at the maximum allowable level. Management stated that demand has increased in the past few years and the property rarely has a vacancy.

Property Profile Report (page 4)

Timberland Crossing Trend Report

Trend: @60%	2QTR 2005		1QTR 2007	
	1BR / 1BA	2BR / 1BA	1BR / 1BA	2BR / 1BA
# Units	48	24	48	24
Vacancy Rate	4.20%	4.20%	0.00%	0.00%
Waiting List	none	yes	5 HH	7 HH
Face Rent	\$418	\$495	\$449	\$532
Concession	\$0	\$0	\$0	\$0
Concessed Face Rent	\$418	\$495	\$449	\$532
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$418	\$495	\$449	\$532

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
N/A	N/A	4.20%	N/A	N/A	0.00%	N/A	2.10%

Comments

2QTR 2005 The property originally opened in June of 1999. Construction delays and a transfer of the property delayed the absorption period. The property, when first built, lacked amenities, landscaping, and curb appeal. When those problems were resolved, the property took another six months to lease, for a total absorption period of 18 months, a rate of only four units per month. However, management feels the absorption period could have been much shorter if the delays had not occurred. Most of the tenants are from the local areas. They are retired mill workers, most survive on Social Security. Other tenants are the parents of children who work nearby, particularly at the local colleges. Only four tenants work. Three of them work at Wal-Mart. Management believes many local tenants have difficulty affording the rents because they are based on the much higher median income of the Greenville metro area when Pickens county is rural and poor. The property does offer rent specials on occasion to entice seniors to move to the property. "It's hard to get a senior to moves," Mr. Pitts said. The current vacancies were first available in early February. The two-bedroom unit is leased and awaiting occupancy. The units were vacated when tenants moved to a nursing home. The property is rarely at 100 percent occupancy. Management believes there is a definite need for more senior housing in the area, particularly market-rate and fully subsidized housing.

1QTR 2007 Management noted that the property's rents are not set at the maximum allowable. However, management could not offer an explanation as to why rents were not set at the maximum allowable level. Management stated that demand has increased in the past few years and the property rarely has a vacancy.

Property Profile Report

Brookfall I

Comp # 5
Effective Rent Date 3/8/2007
Created by Matt Cochran (March 25, 2005 12:03 PST)
Last updated by Julia Buckmaster (April 11, 2007 14:32 PDT)

Location 129 Hillandale Drive
Easley, SC 29642
Pickens County

Distance 3.5 miles
Units 88
Vacant Units 1
Vacancy Rate 1.10%
Type Garden
(2 stories)

Year Built/Renovated 1985
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors n/a
Tenant Characteristics Tenants are mostly families with an average household size of 3.



Contact Name Revonda
Phone 864.855.0780

Market

Program	Market	Leasing Pace	Preleased up to 1 week
Annual Turnover Rate	41%	Change in Rent (Past Year)	Increased between 6% and 8%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	3%		

Utilities

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

Property Profile Report (page 3)

Brookfall I

Comp # 5

Amenities

In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Oven Refrigerator Washer/Dryer hookup	Security	Patrol Perimeter Fencing
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Property	Car Wash Central Laundry Off-Street Parking Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

The property manager indicated the market is currently performing well. The management office for this property is handled through Shadowbrook Apartments. Rental rates in the two-bedroom units vary based on whether the unit includes carpet or vinyl, how recently the unit has been renovated, and the location within the building.

Property Profile Report (page 4)

Brookfall I Trend Report

Trend: Market	2QTR 2005		1QTR 2007	
	1BR / 1BA	2BR / 1BA	1BR / 1BA	2BR / 1BA
# Units	N/A	N/A	28	60
Vacancy Rate	N/A	N/A	0.00%	1.70%
Waiting List	none	none	None	none
Face Rent	\$425	\$465	\$450	\$485 - \$515
Concession	\$0	\$39	\$0	\$0
Concessed Face Rent	n/a	\$426	\$450	\$485 - \$515
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	n/a	\$426	\$450	\$485 - \$515

Vacancy Rates							Overall Vacancy Rate
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	
N/A	N/A	13.60%	N/A	N/A	1.10%	N/A	7.40%

Comments

- 2QTR 2005** Brookfall I is a garden style market rate property with 88 units and 12 vacant units. Brookfall I accepts Section 8 vouchers but does not set any units aside for the program. Approximately 85 percent of tenants are from the Easley area, with the remaining 15 percent being from other parts of South Carolina.
- 1QTR 2007** The property manager indicated the market is currently performing well. The management office for this property is handled through Shadowbrook Apartments. Rental rates in the two-bedroom units vary based on whether the unit includes carpet or vinyl, how recently the unit has been renovated, and the location within the building.

Property Profile Report

Brookfall II

Comp # 6
Effective Rent Date 3/8/2007
Created by Matt Cochran (March 25, 2005 12:11 PST)
Last updated by Julia Buckmaster (March 19, 2007 11:25 PDT)

Location 108 Brookfall Drive
Easley, SC 29642
Pickens County

Distance 3.5 miles
Units 60
Vacant Units 2
Vacancy Rate 3.30%
Type Garden
(2 stories)

Year Built/Renovated 1991

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors n/a

Tenant Characteristics Tenants are mostly families with an average household size of 2-3.



Contact Name Revonda
Phone 864.855.0780

Market

Program	Market	Leasing Pace	Preleased up to 1 week
Annual Turnover Rate	10%	Change in Rent (Past Year)	Increased between 5% and 11%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Brookfall II

Comp #

6

Unit Mix (face rent)

Bedrooms	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden (2 stories)	16	800	\$500	\$0	Market	none	2	12.50%	n/a	
2	2	Garden (2 stories)	44	1,150	\$575	\$0	Market	none	0	0.00%	n/a	

Unit Mix: Market

[illegible]

Property Profile Report (page 3)

Brookfall II

Comp # 6

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Patrol Perimeter Fencing
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Property	Car Wash Central Laundry Off-Street Parking Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

The property manager indicated the rental market is strong. The management office for this property is located at Shadowbrook Apartments.

Property Profile Report (page 4)

Brookfall II Trend Report

Trend: Market	2QTR 2005		1QTR 2007	
	1BR / 1BA	2BR / 2BA	1BR / 1BA	2BR / 2BA
# Units	N/A	N/A	16	44
Vacancy Rate	N/A	N/A	12.50%	0.00%
Waiting List	none	none	none	none
Face Rent	\$450	\$550	\$500	\$575
Concession	\$0	\$46	\$0	\$0
Concessed Face Rent	\$450	\$504	\$500	\$575
Utility Adjustment	\$0	\$0	\$0	\$0
Adjusted Rent	\$450	\$504	\$500	\$575

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
N/A	N/A	6.70%	N/A	N/A	3.30%	N/A	5.00%

Comments

2QTR 2005 Brookfall II is a garden style property with 60 units and 4 vacancies. Concessions include one month of free rent with the signing of a 12 month lease. Approximately 85 percent of tenants come from the Easley area and 15 percent come from other parts of South Carolina.

1QTR 2007 The property manager indicated the rental market is strong. The management office for this property is located at Shadowbrook Apartments.

Property Profile Report

Country Place

Comp # 7
Effective Rent Date 3/15/2007
Created by Matt Cochran (March 30, 2005 10:43 PST)
Last updated by Julia Buckmaster (March 19, 2007 11:36 PDT)

Location 918 Crestview Road
Easley, SC 29642
Pickens County

Distance 2.5 miles
Units 64
Vacant Units 0
Vacancy Rate 0.00%
Type Various
(2 stories)

Year Built/Renovated 1972
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors None because
Country Place's rents
are cheaper.



Tenant Characteristics Tenants are mostly
families, the average
household size is 3
and average age is
35; 90 percent are
from Easley

Contact Name Pat Hodge
Phone 864.859.3116

Market

Program	Market	Leasing Pace	1 week
Annual Turnover Rate	20%	Change in Rent (Past Year)	Increase of one to five percent
Units/Month Absorbed	n/a	Concession	none
Section 8 Tenants	N/A		

Utilities

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

Property Profile Report (page 2)

Country Place

Comp #

7

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden	8	650	\$375	\$0	Market	none	0	0.00%	n/a	
2	1.5	Townhouse (2 stories)	44	870	\$420	\$0	Market	none	0	0.00%	n/a	
3	1.5	Townhouse (2 stories)	12	1,060	\$480	\$0	Market	none	0	0.00%	n/a	

Unit Mix: Market

	1BR / 1BA	2BR / 1.5BA	3BR / 1.5BA							
Face Rent	\$375	\$420	\$480							
Concession	\$0	\$0	\$0							
Concessed Face Rent	\$375	\$420	\$480							
Utility Adjustment	\$0	\$0	\$0							
Adjusted Rent	\$375	\$420	\$480							

Property Profile Report (page 3)

Country Place			
Comp #	7		

Amenities

In-Unit	Balcony/Patio	Security	none
	Blinds		
	Carpeting		
	Central A/C		
	Coat Closet		
	Oven		
	Refrigerator		
	Washer/Dryer hookup		
Property	Central Laundry	Premium	none
	Off-Street Parking		
	On-Site Management		
	Playground		
	Swimming Pool		
Services	none	Other	none

Comments

Housing Choice Vouchers are accepted but the number of vouchers in not avaiable. Approximately 90 percent of tenants are from the Easley and Pickens County areas and the other 10 percent are from other parts of South Carolina. The property manager said that there were no real competitors because rents are cheaper than all other properties in Easley. Management indicated that in recent years the property has typically maintained high occupancy.

Property Profile Report (page 4)

Country Place Trend Report

Trend: Market	1QTR 2005			1QTR 2007		
	1BR / 1BA	2BR / 1.5BA	3BR / 1.5BA	1BR / 1BA	2BR / 1.5BA	3BR / 1.5BA
# Units	8	44	12	8	44	12
Vacancy Rate	0.00%	2.30%	0.00%	0.00%	0.00%	0.00%
Waiting List	none	none	none	none	none	none
Face Rent	\$360	\$400	\$475	\$375	\$420	\$480
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$360	\$400	\$475	\$375	\$420	\$480
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$360	\$400	\$475	\$375	\$420	\$480

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
N/A	1.60%	N/A	N/A	N/A	0.00%	N/A	0.80%

Comments

1QTR 2005 Country Place is a townhome/garden community with 64 units and 1 vacancy. No units are set aside for Section 8 or Tax Credit programs although Section 8 vouchers are accepted. Approximately 90 percent of tenants are from the Easley area and the other 10 percent are from other parts of South Carolina. The property manager said that there were no real competitors because Country Place's rents are cheaper than anybody around.

1QTR 2007 Housing Choice Vouchers are accepted but the number of vouchers is not available. Approximately 90 percent of tenants are from the Easley and Pickens County areas and the other 10 percent are from other parts of South Carolina. The property manager said that there were no real competitors because rents are cheaper than all other properties in Easley. Management indicated that in recent years the property has typically maintained high occupancy.

Property Profile Report

Shadowbrook Apartments

Comp # 8
Effective Rent Date 3/8/2007
Created by Matt Cochran (August 10, 2004 11:42 PDT)
Last updated by Julia Buckmaster (April 11, 2007 11:30 PDT)

Location 219 Andrea Circle
Easley, SC 29642
Pickens County
Distance 3.7 miles
Units 248
Vacant Units 0
Vacancy Rate 0.00%
Type Garden
Year Built/Renovated 1996
Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors All properties in the area

Tenant Characteristics Families and young professionals;
increase in households
relocating from Greenville to Easley
in past two years;



Contact Name Revonda / Marcie
Phone 1.864.855.0780

Market

Program	Market	Leasing Pace	Preleased up to 1 week
Annual Turnover Rate	48%	Change in Rent (Past Year)	Increased between 3% and 4%
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	0%		

Utilities

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

Property Profile Report (page 2)

Shadowbrook Apartments

Comp #

8

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden	56	930	\$535	\$0	Market	No	0	0.00%	n/a	
2	2	Garden	156	1,200	\$635	\$0	Market	2 HH	0	0.00%	n/a	
3	2	Garden	36	1,475	\$735	\$0	Market	4 HH	0	0.00%	n/a	

Unit Mix: Market

	1BR / 1BA	2BR / 2BA	3BR / 2BA								
Face Rent	\$535	\$635	\$735								
Concession	\$0	\$0	\$0								
Concessed Face Rent	\$535	\$635	\$735								
Utility Adjustment	\$0	\$0	\$0								
Adjusted Rent	\$535	\$635	\$735								

Property Profile Report (page 3)

Shadowbrook Apartments

Comp # 8

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	none
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Property	Basketball Court Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Swimming Pool	Premium	none
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Services	none	Other	none
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Comments

The property manager indicated the market is moderate to strong. The management office at this property is responsible for managing Northway Apartments (Pickens, SC) and Brookfall I and II (Easley, SC). Management reported that rents are higher at Shadowbrook than other properties in Easley due to the property's newer age/condition and larger units. In addition, tenants at Shadowbrook definitely have higher incomes than tenants at the Brookfall properties. Further, Shadowbrook has a larger percentage of young professionals residing at the property. These properties, and Shadowbrook Apartments in particular, have experienced an influx of persons relocating from Greenville into the Easley area. Management noted that many residents still work in the Greenville area.

Property Profile Report (page 4)

Shadowbrook Apartments Trend Report

Trend: Market	3QTR 2004			1QTR 2007		
	1BR / 1BA	2BR / 2BA	3BR / 2BA	1BR / 1BA	2BR / 2BA	3BR / 2BA
# Units	56	156	36	56	156	36
Vacancy Rate	N/A	N/A	N/A	0.00%	0.00%	0.00%
Waiting List				No	2 HH	4 HH
Face Rent	\$495	\$595	\$695	\$535	\$635	\$735
Concession	\$0	\$0	\$0	\$0	\$0	\$0
Concessed Face Rent	\$495	\$595	\$695	\$535	\$635	\$735
Utility Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Rent	\$495	\$595	\$695	\$535	\$635	\$735

Vacancy Rates							
3Q2004	1Q2005	2Q2005	2Q2006	4Q2006	1Q2007	2Q2007	Overall Vacancy Rate
2.00%	N/A	N/A	N/A	N/A	0.00%	N/A	1.00%

Comments

3QTR 2004 There is a waiting list on 1 bedroom units.

1QTR 2007 The property manager indicated the market is moderate to strong. The management office at this property is responsible for managing Northway Apartments (Pickens, SC) and Brookfall I and II (Easley, SC). Management reported that rents are higher at Shadowbrook than other properties in Easley due to the property's newer age/condition and larger units. In addition, tenants at Shadowbrook definitely have higher incomes than tenants at the Brookfall properties. Further, Shadowbrook has a larger percentage of young professionals residing at the property. These properties, and Shadowbrook Apartments in particular, have experienced an influx of persons relocating from Greenville into the Easley area. Management noted that many residents still work in the Greenville area.

PROPERTY INTERVIEWS

Location

Located approximately 15 miles west of downtown Greenville, Pickens County and Easley in particular, have increasingly become bedroom communities of Greenville. The market area spans two counties, Greenville and Pickens. Comparable properties are located in Central, Greenville, Travelers Rest, and Easley. The following table illustrates the 2000 median household income for each of these cities.

City	2000 Median Household Income
Easley	\$38,204
Travelers Rest	\$34,917
Greenville	\$33,144
Central	\$23,869

As the above table illustrates, Easley has the highest median household income of all of the cities in which comparable properties are located. Like Travelers Rest, Easley is a budding bedroom community of Greenville. Conversely, Central is located in close proximity to the more developed and primarily college town of Clemson. Despite both being bedroom communities of Greenville, according to the 2000 Census, Easley is significantly larger than Travelers Rest with respective populations of 17,754 and 4,099 persons. Additionally, Easley has more development, both residential and commercial, when compared to Travelers Rest. Many property managers as well as local officials indicated that many residents of Greenville are relocating into Pickens County and other suburbs of Greenville in search of newer properties in better condition as well as a lower cost of living.

Age and Condition

The four LIHTC properties were built between 1994 and 2001 and appear in average to excellent condition. As new construction, the Subject will be superior with regards to age and condition to the LIHTC properties built in the 1990's and slightly superior to those built in 2001. Unlike the LIHTC comparable properties, the market rate comparable properties are older, built between 1972 and 1996 and range in condition from fair to average. The most recently constructed market rate property, Shadowbrook Apartments is in average condition; however, the property is currently undergoing renovations and post-renovation the property will be in good condition. The Subject will be superior to the market rate properties.

Unit Size

The proposed Subject consists of a combination of one- and two-bedroom units. We attempted to compare the Subject to similar unit types. The table below depicts the square footage of the Subject and comparable properties in the market. It should be noted that the average, minimum and maximum unit sizes are available only for those properties that would provide this information.

Unit Size Comparison					
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	750	590	930	712	5%
2 BR	950	780	1,200	936	1%

Both the one- and two-bedroom units at the Subject within the range of the comparable properties as well as above the average square footage reported within the market. When compared to senior comparable properties the Subject's unit size advantage increases significantly. With an average one-bedroom unit size of 629 square feet and two-bedroom unit size of 834 square feet, the Subject's units will have a significant market advantage. Further, both the one- and two-bedroom units at the Subject will be the largest in the age-restricted market. Overall, the larger units at the Subject will give the Subject a market advantage, particularly when compared to comparable age-restricted properties.

Total Number of Baths per Unit

The Subject will offer one bathroom in the one-bedroom units and two baths in the two-bedroom units. Similar to the Subject, half of the comparable properties, including two senior LIHTC properties, offer two baths in the two-bedroom units. The Subject will be competitive in the market.

Amenities

The following table illustrates the Subject's proposed amenity package compared to the surveyed properties.

	Companion At Walnut Hill	Harmony Ridge Apartments	Landwood Ridge Apartments	The Oaks At Laurel Baye	Timberland Crossing	Brookfall I	Brookfall II	Country Place	Shadowbrook Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
Distance from Subject	n/a	20.1 miles	15.8 miles	15 miles	14.9 miles	3.5 miles	3.5 miles	2.5 miles	3.7 miles
Property Information									
Property Type	Midrise (age-restricted)	Garden (age-restricted)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (3 stories)	One-story (age-restricted)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)	Garden
Year Built	2009	2001	1994	2001	1999	1985	1991	1972	1996
Market (Conv.)/Subsidy Type	@50%, @60%	@60%	@60%	@50%, @60%	@60%	Market	Market	Market	Market
In-Unit Amenities									
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	no	yes
Exterior Storage	no	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	yes	no	yes	no	no	no	no	yes
Garbage Disposal	no	yes	no	yes	yes	no	yes	no	yes
Hand Rails	yes	yes	yes	yes	yes	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	no	yes	yes	no	yes	no	yes
Washer/Dryer hookup	yes	no	no	yes	yes	yes	yes	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	no	no	no	yes
Business Center/Computer Lab	yes	no	no	yes	no	no	no	no	no
Car Wash	no	no	no	no	no	yes	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	no	no	yes	no	no	no	no	no
Courtyard	no	no	no	yes	no	no	no	no	no
Elevators	yes	yes	yes	yes	no	no	no	no	no
Exercise Facility	yes	no	yes	yes	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	no	yes	yes
Playground	no	no	no	no	no	no	no	yes	no
Service Coordination	yes	no	yes	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	yes	yes
Services									
Shuttle Service	no	no	no	no	yes	no	no	no	no
Security									
Limited Access	yes	yes	yes	yes	yes	no	no	no	no
Patrol	no	no	no	no	no	yes	yes	no	no
Perimeter Fencing	no	no	yes	no	no	yes	yes	no	no
Video Surveillance	no	no	yes	yes	no	no	no	no	no
Premium Amenities									
Hairdresser / Barber	no	no	yes	no	no	no	no	no	no
Other Amenities									
Other	Gazebo, Walking Trails	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Unit Amenities

The Subject will offer a dishwasher, microwave, and washer/dryer connections. None of the comparable LIHTC properties offer the entire combination of amenities. Therefore, the Subject will be superior to slightly superior to comparable LIHTC properties. As family properties, none of the market rate comparables offer senior specific amenities such as hand rails and pull chords. Overall, the Subject will be similar to superior with respect to unit amenities when compared to comparable properties in the market.

Common Area Amenities, Security, Parking

The Subject is superior to the LIHTC comparable properties with regards to common area amenities as the majority does not offer a computer center, community room, and exercise facility. Similarly, few of the market rate comparables offer these amenities. Additionally, market rate properties do not offer elevators. Conversely, all of the market rate comparables offer a swimming pool, an amenity not offered by the Subject. Overall, the Subject will be competitive in the market.

Utility Structure

The Subject will include trash removal in the rent. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. The comparable properties' asking rents are illustrated in the matrices as well as rents adjusted to the Subject's utility convention.

Tenant Makeup

The LIHTC property managers reported that tenants are mostly seniors well over the age-restrictions of 55 and 62. According to the property manager at Landwood Ridge Apartments the average age of residents is 72 years of age. This trend was confirmed by the property managers at The Oaks at Laurel Baye and Timberland Crossing. They also reported that the majority are not employed and rely primarily on social security as the primary source of income. Built in 2001, The Oaks at Laurel Baye is one of the most recent additions to the senior LIHTC housing stock in the PMA. According to management, approximately 25 percent of the residents are previous homeowners. Of the remaining 75 percent of the residents, many relocated from family properties. The market rate property managers reported that tenants are mostly families with an average household size of two to three persons. The property manager at Country Place indicated that approximately 90 percent of the residents are from Easley. This is the oldest market rate comparable property and offers the lowest rents. Other property managers indicated that many residents are from the Pickens County area and that many commute to the Greenville area for employment.

Housing Choice Vouchers

The following table illustrates the percentage of residents at the comparable properties utilizing Housing Choice Vouchers. It should be noted that property managers at both Harmony Ridge Apartments and Country Place were unable to report the number of residents utilizing Housing Choice Vouchers.

Tenants with Housing Choice Vouchers		
Comparable Property	Type	Housing Choice Vouchers Tenants
Harmony Ridge Apartments	LIHTC - Senior	N/Av
Landwood Ridge Apartments	LIHTC - Senior	30%
The Oaks At Laurel Baye	LIHTC - Senior	5%
Timberland Crossing	LIHTC - Senior	49%
Brookfall I	Market - Family	3%
Brookfall II	Market - Family	0%
Country Place	Market - Family	N/Av
Shadowbrook Apartments	Market - Family	0%

As the above table illustrates, two of the three comparable LIHTC properties have a moderate percentage of the tenant base utilizing Housing Choice Vouchers. This may be a function of age and condition as Landwood Ridge Apartments and Timberland Crossing are the older LIHTC properties, built in 1994 and 1999. In addition to offering superior age/condition when compared to Landwood Ridge Apartments and Timberland Crossing, units at The Oaks at Laurel Baye are larger than those at the aforementioned properties. The Oaks at Laurel Baye also offers superior amenities when compared to these properties. Therefore, because the Subject will, be more similar to The Oaks at Laurel Baye than Landwood Ridge Apartments and Timberland Crossing, we do not believe that the Subject will be dependent on vouchers.

Concessions

None of the comparable properties is currently offering or has a history of offering concessions. We do not expect that the Subject will offer concessions.

Waiting Lists

The following table illustrates waiting lists at comparable properties.

Waiting List		
Comparable Property	Type	Waiting List
Harmony Ridge Apartments	LIHTC - Senior	Waiting List for 2BR units
Landwood Ridge Apartments	LIHTC - Senior	None
The Oaks At Laurel Baye	LIHTC - Senior	25 HH
Timberland Crossing	LIHTC - Senior	1BR: 5 HH; 2BR: 7 HH
Brookfall I	Market - Family	None
Brookfall II	Market - Family	None
Country Place	Market - Family	None
Shadowbrook Apartments	Market - Family	2BR: 2 HH; 3BR: 4 HH

Three of the four LIHTC comparable properties reported waiting lists. The lack of a waiting list at Landwood Ridge Apartments may be due to the age and condition of the property. Landwood Ridge Apartments is the oldest property of the LIHTC comparables and is in fair condition. Additionally, this property offers the smallest units in the market. The Subject will be superior to Landwood Ridge and most similar to The Oaks at Laurel Baye, which reported the largest waiting list. Only one market rate property, Shadowbrook Apartments, has a waiting list. Shadowbrook Apartments is in the best condition and offers the largest units of all the market rate comparables. Shadowbrook Apartments, Brookfall I and Brookfall II are all managed out of the same management office. The lack of a waiting list at the Brookfall properties appears to indicate that age/condition and unit size are driving forces in the market. As the newest property in the market and units larger than the average reported by surveyed comparables, we expect the property manager at the Subject to maintain a short waiting list. This will assist the property in continually leasing available units quickly and efficiently.

Historical Rent Increases

The following table illustrates the rent increases at the comparable properties.

Rent Growth		
Comparable Property	Type	Rent Growth
Harmony Ridge Apartments	LIHTC - Senior	Increase in Jan. 07 of 4% to 5%
Landwood Ridge Apartments	LIHTC - Senior	Increase of 3%
The Oaks At Laurel Baye	LIHTC - Senior	Increase 1% on units set at 50% AMI
Timberland Crossing	LIHTC - Senior	Increase of 7%
Brookfall I	Market - Family	Increased between 6% and 7.5%
Brookfall II	Market - Family	Increased between 5% and 11%
Country Place	Market - Family	Increase between 1% and 5%
Shadowbrook Apartments	Market - Family	Increase between 3% and 4%

One way to determine if the apartment market is healthy is to look to the historical rent increases, or lack of them. If rents are stable or increasing in the area, the market may be in a state of expansion. All of the comparable properties reported rent growth. Overall, the rental rate increases indicate a healthy market.

Market Vacancy

The table below illustrates the vacancy by unit type for those properties reporting vacancy.

Vacancy (All)				
Comparable Property	Type	Number of Units	Current Vacant Units	Current Vacancy Rate
Harmony Ridge Apartments	LIHTC - Senior	40	1	2.50%
Landwood Ridge Apartments	LIHTC - Senior	48	2	4.17%
The Oaks At Laurel Baye	LIHTC - Senior	66	2	3.03%
Timberland Crossing	LIHTC - Senior	72	0	0.00%
Brookfall I	Market - Family	88	1	1.14%
Brookfall II	Market - Family	60	2	3.33%
Country Place	Market - Family	64	0	0.00%
Shadowbrook Apartments	Market - Family	248	0	0.00%
TOTAL SURVEYED		686	8	1.17%
TOTAL INCLUDED		686	8	1.17%

Vacancy (Market Properties)			
Comparable Property	Number of Units	Current Vacant Units	Current Vacancy Rate
Brookfall I	88	1	1.14%
Brookfall II	60	2	3.33%
Country Place	64	0	0.00%
Shadowbrook Apartments	248	0	0.00%
SUBTOTAL SURVEYED	460	3	0.65%
SUBTOTAL INCLUDED	460	3	0.65%

Vacancy (Tax Credit Properties)			
Comparable Property	Number of Units	Current Vacant Units	Current Vacancy Rate
Harmony Ridge Apartments	40	1	2.50%
Landwood Ridge Apartments	48	2	4.17%
The Oaks At Laurel Baye	66	2	3.03%
Timberland Crossing	72	0	0.00%
SUBTOTAL	226	5	2.21%
SUBTOTAL INCLUDED	226	5	2.21%

The current vacancy rate reported for the comparable properties ranges from zero to 4.17 percent with an average of 1.17 percent. The highest vacancy, 4.17 percent, was reported at Landwood Ridge Apartments. Landwood Ridge is the oldest LIHTC comparable property and offers the smallest units in the market. It should be noted that Landwood Ridge Apartments was also surveyed in the fourth quarter of 2006 in which the property was 100 percent occupied with a 12 household waiting list. Therefore, the vacancy appears to be in part a function of turning units rather than a lack

of demand. Overall, vacancy in the age-restricted LIHTC market is considered very low and is indicative of a definite need for additional affordable age-restricted housing in the market. Further, vacancy at comparable market rate properties in the Subject's city of Easley is very low at 0.65 percent. We have utilized a conservative estimate of five percent vacancy which results in a stabilized occupancy of 95 percent.

Historical Vacancy

The following table illustrates historical vacancy from 2005 for comparable properties. It should be noted that the average vacancy are available only for those properties that would provide this information. Additionally, total calculations are weighted averages.

Historical Vacancy (All)			
Comparable Property	Type	Number of Units	Average Vacancy 2005
Harmony Ridge Apartments	LIHTC	40	1.0%
Landwood Ridge Apartments	LIHTC	48	3.0%
The Oaks At Laurel Baye	LIHTC	66	2.0%
Timberland Crossing	LIHTC	72	2.0%
Brookfall I	Market	88	13.6%
Brookfall II	Market	60	6.7%
Country Place	Market	64	1.6%
Shadowbrook Apartments	Market	248	N/Av
TOTAL SURVEYED		438	4.9%
TOTAL LIHTC SURVEYED*		226	2.0%
TOTAL MARKET SURVEYED**		212	8.0%

*Historical data for LIHTC properties was provided by SCSHFDA

**Historical data for market rate properties is based on previous interviews conducted by Novogradac.

As the above historical vacancy table illustrate, vacancy at age-restricted LIHTC properties has remained relatively unchanged since 2005 which is indicative of a stable and healthy market.

Reasonability of Rents

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. The Subject will include trash removal in the rent. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using Section 8 Utility Allowances for Pickens County. It should be noted that Greenville County and Pickens County have similar LIHTC Maximums. The rent analysis is based on net rents at the Subject as well as surveyed properties.

LIHTC RENT COMPARISON - @50%

Property Name	1BR	2BR
Companion At Walnut Hill (SUBJECT)	\$435	\$521
LIHTC Maximum (Net)	\$435	\$521
The Oaks At Laurel Baye	\$431	\$520
Average (excluding SUBJECT)	\$431	\$520

Only one of the comparable properties offers units restricted at the 50 percent of the AMI level. The Subject's proposed rents are also at the maximum allowable levels. Management at The Oaks at Laurel Baye indicated that rents are at the maximum allowable levels and while they appear to be several dollars below the maximum this is likely due to a differing utility allowance as this property is located in Greenville County as opposed to the Subject's location in Pickens County. The Oaks at Laurel Baye is the most similar property to the Subject and therefore we believe the proposed 50 percent rents are reasonable and achievable.

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR
Companion At Walnut Hill (SUBJECT)	\$435	\$521
LIHTC Maximum (Net)	\$541	\$648
The Oaks At Laurel Baye	\$522	\$613
Timberland Crossing	\$415	\$491
Landwood Ridge Apartments	\$478	-
Harmony Ridge Apartments	\$386	\$446
Average (excluding SUBJECT)	\$450	\$517

While the Subject's proposed one-bedroom rental rate at the 60 percent AMI level is below the average, the proposed two-bedroom rental rate at the same restriction is slightly above the average in the market. None of the properties are at the maximum allowable at the 60 percent AMI level which many property managers attributed to the market, indicating that the market would not support higher rents. The Subject's proposed rents are below those at the two comparables in Greenville, The Oaks at Laurel Baye and Landwood Ridge Apartments and above those at Harmony Ridge and Timberland Crossing which are located in Travelers Rest and Central, respectively. Harmony Ridge Apartments currently has the lowest rental rates among the LIHTC properties. This property lacks in unit amenities such as washer/dryer connections and property amenities including a computer center, community room, exercise facility, or service coordination. Additionally, the property is located in the smaller town of Travelers Rest. The Subject will offer all of the aforementioned amenities and will be located adjacent a park and within 0.3 miles of one of the major retail/commercial centers in Easley. Timberland Crossing, which is located in Central, is also achieving rents below those proposed at the Subject. However, Central has a significantly lower median household income when compared to Easley.

The highest rents in the market are being achieved at The Oaks at Laurel Baye. This property is one of the most recent additions to the age-restricted LIHTC housing stock in the market and offers the largest units of all existing comparable age-restricted LIHTC properties. Of the comparables, the Subject is most similar to The Oaks at Laurel Baye. Generally, the Subject's proposed rental rates are in line with the rental rates at the other LIHTC properties.

The overall average and the maximum and minimum adjusted rents for market-rate properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

NET RENT COMPARISON: MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average
1 BR	\$435	\$375	\$535	\$487
2 BR	\$521	\$420	\$635	\$560

As illustrated in the table above, the Subject's proposed rents are below the surveyed average in the market. Country Place is achieving the lowest rents in the market. The property is also the oldest property in the market, built in 1972, and is in the worst condition of the comparable market rate properties. Additionally the property does not offer dishwashers. We believe that the rents are reasonable and will offer a positive price value relationship in the market area.

It is important to acknowledge that SCSHFDA guidelines do not direct the market analysts to provide an achievable market rent or to quantify and/or discuss market advantage. These guidelines may be less stringent and the thresholds may be less demanding than other underwriters. Other underwriters may have guidelines that are more restrictive than those of SCSHFDA. This report is written to SCSHFDA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the Subject development to ensure the proposed rents are acceptable to all.

Absorption

Due to the ages of the properties and management turnover, none of the comparable properties were able to report absorption information. However, the capture rates for the Subject illustrate strong demand for additional age-restricted affordable housing in the region. Additionally, the presence of waiting lists at three of the four age-restricted comparables is a positive indicator for the Subject. Therefore, we believe that the Subject will have an absorption rate of five months, or approximately eight units per month.

Other Affordable Housing Options

We do not believe the affordability of homeownership is a competitive issue for the Subject in this market as the Subject will be restricted to seniors over the age of 55. Generally we do not expect seniors to be purchasing homes but rather are looking to downgrade, oftentimes to age restricted senior rental or condominium communities. While seniors in the higher income cohorts are perhaps able to afford to downgrade from a home to a condominium, there are many seniors who are unable to afford a mortgage and whose sole source of income is social security. The Subject will attract these seniors in the lower to moderate income cohorts.

Affect of Subject on Other Affordable Units in Market

Capture rates for the Subject are considered low and reflect strong demand within the primary market area. Therefore, supplementing the market with the Subject is not expected to have a negative impact on the affordable housing market. Additionally, vacancy at comparable properties is low and three of the four LIHTC properties reported waiting lists. Property managers in the area indicated a high demand for additional affordable age-restricted housing in the market. Rents at the Subject will be lower than the majority of conventional market rents in the market and the Subject will be the only age-restricted LIHTC property in the city of Easley. Therefore, we do not expect the Subject to have a negative affect on other affordable housing units in the market.

Summary Evaluation of the Proposed Project

Our market interviews indicate strong demand for additional age-restricted affordable housing in the market area. With an average vacancy of 2.21 percent, and three of the four age-restricted LIHTC comparables reporting waiting lists, the market appears healthy. The Subject will offer competitive rental rates in the market, which will give the Subject a positive price value relationship. All local

officials and property managers interviewed stated that there is significant demand for age-restricted affordable housing. The Subject's location and market area has experienced population and household growth, and will continue to do so as Pickens County, and Easley in particular, become increasingly popular bedroom communities of Greenville. The Subject is well-designed with large units and a full range of amenities to accommodate the tenancy. As proposed, the Subject property appears to be a well-conceived addition to the affordable housing market and we recommend the property as proposed.

H. LOCAL INTERVIEWS

South Carolina Regional Housing Authority I

We spoke with Donald Rhodes, the Director of the Housing Choice Voucher Program for the South Carolina Regional Housing Authority I. Mr. Rhodes stated that his department spans nine counties in South Carolina. There are approximately 300 families using vouchers in Pickens County. The waiting list is currently closed and contains a little less than 200 names. The estimated wait time for a voucher in the county is one to 1.5 years. The waiting list has been closed since August 2006 but will open again in August 2007. According to Mr. Rhodes, one-, two-, and three-bedroom vouchers are all evenly requested in the area. Mr. Rhodes also noted that a large number of current voucher holders as well as those on the waiting list are from Greenville, South Carolina. Mr. Rhodes noted that many individuals are moving to Easley from Greenville because it is cheaper and they do not like living in a big city. However, many of the voucher holders moving to Easley still work in Greenville and commute to the city for work each day. Mr. Rhodes noted that an emerging trend in the area is that individuals want homes with an acre or more of land. However, Mr. Rhodes did state that individuals will continue to live in apartment complexes as long as they are kept in good condition. Mr. Rhodes then noted that many of the apartment complexes in Greenville and the surrounding areas are currently in sub par condition and many residents are moving elsewhere to find suitable housing. Another emerging housing trend, according to Mr. Rhodes, is that individuals do not want to rent older single family homes. Instead, they are going outside the county to rent newer apartments. Therefore, Mr. Rhodes believes that there is a great need for new tax credit housing and new housing with Project Based Rental Assistance in the area. Mr. Rhodes believes that the demand for this housing in Easley is especially high given the large number of Greenville residents that are choosing to move to the area. The payment standard for Pickens County was not available at the time of the interview.

Economic Development

According to Greenville Area Economic Indicators March 2007, a publication of the Greater Greenville Chamber of Commerce, there have been several recent closures/layoff announcements since January 2007, including Action Staffing (50 jobs) and Hitachi Transport Systems (eight jobs) in Greenville. Other closures/layoff announcements are concentrated in Anderson, Duncan, and Greenwood. Conversely, there are two primary additions to the current employment base in Greenville including Genesis Press, a new company which will invest approximately \$5 million and create 100 new jobs, and Cyttech Industries, an existing company that recently announced a planned expansion which will create approximately 60 new jobs.

According to Tim Duerr of the Pickens County Economic Development Alliance, there are no major expansions or closures planned for the near future with the exception of a warehouse redevelopment which will add 13 new jobs to the Pickens County economy. In addition, according to the organization's website, while there have been no major closures/layoff announcements in 2007 in Pickens County, there was one major closure in 2006. Alice Manufacturing, a major employer in Pickens County employing over 500 persons, closed its Elljean plant (260 jobs). However, this loss was countered by three expansion announcements by businesses local to Pickens County, including MST Concrete Products (Central) which will create 30 new jobs, St. Jude Medical (Liberty) with 300 new jobs, and Computer Software Innovations (Easley), which is expanding its facility and will likely add jobs shortly thereafter.

Community Development Office of the Easley Planning and Development Department

We spoke with Judy King in the Community Development Office of the Easley Planning and Development Department. According to Ms. King, there is a shopping complex currently under review in the area. The complex will contain approximately 500,000 square feet of retail space and will also contain two to three restaurants. The complex will be anchored by a Super Wal-Mart. However, additional tenants have not yet been announced. Initial plans show construction beginning in June 2007 with a completion date of April 2008. The shopping center will be located along Calhoun Memorial Highway (Highway 123) approximately five miles east of the Subject. The department also has plans for two restaurants and several smaller retail developments under review. A Golden Coral and Cooper River Grill are tentatively planned to be built near the intersection of Highway 123 and Highway 153 approximately four miles from the Subject. Ms. King noted that the names of the retail developments that will be built in this area have not yet been made public.

According to Ms. King, there are also several residential developments which are either planned or currently under construction within the City of Easley. A market rate multi-family property, Auston Woods, with approximately 110 units is currently under construction on Saco-Lowell Road approximately two miles from the Subject. According to Ms. King, the property will be fully open within the next few months. Additionally, land is currently being annexed for a market rate multi-family property. However, the property has not officially secured the land and details of the project have not yet been made public.

Liberty Senior Center Center

The Liberty Senior Center is located in Liberty, North Carolina approximately 6.6 miles from the Subject. The Liberty Senior Center offers several activities for seniors ages 60 and older. Services provided by the center include bingo, exercise classes, daily devotionals, and nutrition classes. The membership fee is \$10 per year for a single membership and \$15 per year for a couple's membership. Daily hot lunches are also provided at the center for a small donation. For those members in search of housing, the center directs individuals to the Community Service Director. However, the center does not endorse one senior housing development over another. Instead, the individual is provided with a list of affordable senior housing developments in the area, and it is then up to the individual to contact the properties.

I: CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS AND RECOMMENDATIONS

The project is recommended as proposed. Our market interviews indicate strong demand for additional affordable senior housing in the market area. Three of the four age-restricted LIHTC comparable properties indicated the presence of waiting list ranging in length from five to 25 households. Interviews with the local housing authority and the Senior Center also reported a strong need for additional affordable elderly housing in the area. Further, the Subject will offer lower rental rates when compared to the two senior LIHTC properties located in Greenville including the most similar property, The Oaks at Laurel Baye. We believe the Subject will be a positive addition to the market. Most of the Subject's tenants are expected to be from the local area or are the parents of local residents. Additionally, several residents are expected to come from out of state. Vacancy, at both the senior LIHTC properties as well as the market rate comparables is very low. The Subject is well-designed with a full range of amenities to accommodate the senior tenancy. As proposed, the Subject property appears to be a well-conceived addition to the affordable housing market and we recommend the property as proposed.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for new rental units. I understand that any misrepresentation of this statement may result in denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no interest in the project or 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.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

April 16, 2007

Date



Michalena M. Sukenik
Manager
Novogradac & Company LLP

April 16, 2007

Date



Julia Buckmaster
Real Estate Analyst

April 16, 2007

Date

K. ANALYST QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Candidate member of the Commercial Investment Real Estate Institute pursuing
the Certified Investment Member (CCIM) designation.
Member Frostburg Housing Authority

Certified General Real Estate Appraiser - State of Maryland
Certified General Real Estate Appraiser – State of New York
Certified General Real Estate Appraiser – Commonwealth of Virginia
Certified General Real Estate Appraiser – State of Washington

III. Professional Experience

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

IV. Professional Training

Have presented at and attended Various IPED and Novogradac conferences regarding the
affordable housing industry. CCIREI – Course CI 101 Financial Analysis for Commercial
Real Estate Appraisal Institute – Real Estate Appraisal Principles Appraisal Institute –
Basic Valuation Procedures Appraisal Institute – Capitalization Theory and Techniques
Part A and B Appraisal Institute – Case Studies in Real Estate Valuation Appraisal
Institute – Standards and Professional Practice Appraisal Institute – Valuation Analysis
and Report Writing BAI Seminars – Loan Review, Advanced Loan Review, Commercial
Loan Work - Out National Institute of Trial Lawyers Appraisal Institute– Expert Witness
Testimony Ernst & Young, LLP– - Capital Markets and Financing

V. Real Estate Assignments

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

- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope with a concentration on the east coast.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- In accordance with HUD Notice H 00-12, Mr. Kincer has completed numerous rent comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Member of the due diligence team hired by Insignia/ESG to assist in the determination of underlying asset value and marketability of a large retail portfolio of regional malls. Assignment included review of leases, lease abstracting, and cash flow modeling. Prepared due diligence package that included lease abstracts, market analysis and projected operations with explanatory comments.
- Assisted a developer on three projects located in Maryland through all stages of the development process. This assistance included market analysis, contract negotiation, third party report supervision and preparation of financing packages. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, and development programming. Support for contract negotiations involved cash flow projections and valuation analyses. Third party report supervision entailed the marshaling and review of the appropriate third party reports including market studies, environmental and engineering reports and appraisals. Preparation of financing packages included the compilation of development budgets and cash flow projections. Completed financing submissions including; Tax Exempt Bond Applications, Credit Enhancement Applications, Construction Loan Applications, and alternative financing applications.
- Completed a market study for an affordable housing developer on Clifton Terrace Apartments in Washington, DC. Clifton Terrace is a former HUD financed property currently owned by the Federal Government. The market study was used in a response to a request for redevelopment proposals. Our research included neighborhood analysis, competitive supply evaluation and demand projections. Demand by family size was further analyzed using PUMS detailed census analysis. This analysis formed the basis for the proposed unit mix in the response.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHALENA M. SUKENIK

I. Education

Union College, Schenectady, New York
Bachelor of Arts in Cultural Anthropology
Union College Study Abroad, St. Lucy, Barbados

II. Professional Experience

Manager, Novogradac & Company LLP
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Attended HUD Community Development Block Grant (CDBG) 30th Anniversary Conference, September 13-14, 2004, Washington, DC
Successfully completed "Introduction to Commercial Real Estate Analysis" and "Financial Analysis for Commercial Real Estate Investment".

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.

- Conducted market studies for senior projects in Virginia Beach, Virginia; Hampton Roads, Virginia; Goshen, New York; Calumet City, Illinois; Pontiac, Illinois; Galesburg, Illinois; San Antonio, Texas; Salt Lake City, Utah; Ogden, Utah; Philadelphia, Pennsylvania; Thibodaux, Louisiana; Jennings, Louisiana; Rio Rico, Arizona; Twin Falls, Idaho; Sheridan, Wyoming; Cheyenne, Wyoming; Detroit, Michigan; Springfield, Missouri; Jackson, Mississippi; Los Banos, California; Oregon, Wisconsin; Milwaukee, Wisconsin, and Racine Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

JULIA BUCKMASTER

I. Education

American University, Washington, DC
Bachelor of Arts

II. Professional Experience

Research Analyst, Novogradac & Company LLP
Legal Secretary, Bergen & Bergen Law Firm
Research Assistant, Chr. Michelson Institute

III. Research Assignments

- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.

ADDENDA

Addendum A: Subject and Neighborhood Photos



View South along Pope Field Road from Subject Site



View North along Pope Field Road from Subject Site



Pope Field Road and Walnut Hill Drive Intersection



View East along Walnut Hill Drive - Subject Site on left



View West along Walnut Hill Drive - Subject Site on right



Subject Site



Subject Site



Subject Site



Subject Site



North - Closest Retail (Bi Lo Grocery Store)



North - Closest Retail (Wal-Mart)



North - Closest Retail (CVS Pharmacy)



South – Light Industrial Area



South – Light Industrial Area



South – Pope Field Park



South – Pope Field Park



South – Typical Single-Family Home



South – Springfield Plantation



East – Four unit apartment building



East – Walnut Hill Apartments



East –Single-Family Home



Southeast – Wooded Land



West – American Legion Senior Apartments



West – Typical Single-Family Home



West – Typical Single-Family Home



West – Quail Ridge Apartments

Addendum B: Bedroom Matrices

Unit Matrix Report

1BR / 1BA	Companion Walnut Hill	Harmony Ridge Apartments	Landwood Ridge Apartments	The Oaks At Laurel Baye	Timberland Crossing	Brookfall I	Brookfall II	Country Place	Shadowbrook Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
Distance from Subject									
	n/a	20.1 miles	15.8 miles	15 miles	14.9 miles	3.5 miles	3.5 miles	2.5 miles	3.7 miles
Unit Types									
@50%									
Bath/Bedroom	1BR / 1BA	--	--	1BR / 1BA	--	--	--	--	--
Base Rent/Month	\$435	--	--	\$465	--	--	--	--	--
Unit GLA (SF)	750	--	--	647	--	--	--	--	--
Adjusted Utility Base Rent	\$435	--	--	\$431	--	--	--	--	--
@60%									
Bath/Bedroom	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA	--	--	--	--
Base Rent/Month	\$435	\$420	\$512	\$556	\$449	--	--	--	--
Unit GLA (SF)	750	680	600	647	590	--	--	--	--
Adjusted Utility Base Rent	\$435	\$386	\$478	\$522	\$415	--	--	--	--
Market									
Bath/Bedroom	--	--	--	--	--	1BR / 1BA	1BR / 1BA	1BR / 1BA	1BR / 1BA
Base Rent/Month	--	--	--	--	--	\$450	\$500	\$375	\$535
Unit GLA (SF)	--	--	--	--	--	800	800	650	930
Adjusted Utility Base Rent	--	--	--	--	--	\$416	\$500	\$375	\$535
Property Information									
Property Type	Midrise (age-restricted)	Garden (age-restricted)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (3 stories)	One-story (age-restricted)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)	Garden
Year Built	2009	2001	1994	2001	1999	1985	1991	1972	1996
Market (Conv.)/Subsidiy Type	@50%, @60%	@60%	@60%	@50%, @60%	@60%	Market	Market	Market	Market
Unit Information									
Total Units	24	30	48	56	48	28	16	8	56
Vacant	N/A	1	2	1	0	0	2	0	0
Vacancy Rate	N/A	3.30%	4.20%	1.80%	0.00%	0.00%	12.50%	0.00%	0.00%
Utilities									
A/C	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant
Cooking	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	tenant	landlord	landlord	landlord	landlord	landlord	tenant	tenant	tenant
Sewer	tenant	landlord	landlord	landlord	landlord	landlord	tenant	tenant	tenant
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord
In-Unit Amenities									
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	no	yes
Exterior Storage	no	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	yes	no	yes	no	no	no	no	yes
Garbage Disposal	no	yes	no	yes	yes	no	yes	no	yes
Hand Rails	yes	yes	yes	yes	yes	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	no	yes	yes	no	yes	no	yes
Washer/Dryer hookup	yes	no	no	yes	yes	yes	yes	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	no	no	no	yes
Business Center/Computer Lab	yes	no	no	yes	no	no	no	no	no
Car Wash	no	no	no	no	no	yes	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	no	no	yes	no	no	no	no	no
Courtyard	no	no	no	yes	no	no	no	no	no
Elevators	yes	yes	yes	yes	no	no	no	no	no
Exercise Facility	yes	no	yes	yes	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	no	yes	yes
Playground	no	no	no	no	no	no	no	yes	no
Service Coordination	yes	no	yes	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	yes	yes
Services									
Shuttle Service	no	no	no	no	yes	no	no	no	no
Security									
Limited Access	yes	yes	yes	yes	yes	no	no	no	no
Patrol	no	no	no	no	no	yes	yes	no	no
Perimeter Fencing	no	no	yes	no	no	yes	yes	no	no
Video Surveillance	no	no	yes	yes	no	no	no	no	no
Premium Amenities									
Hairdresser / Barber	no	no	yes	no	no	no	no	no	no
Other Amenities									
Other	Gazebo, Walking Trails	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Unit Matrix Report

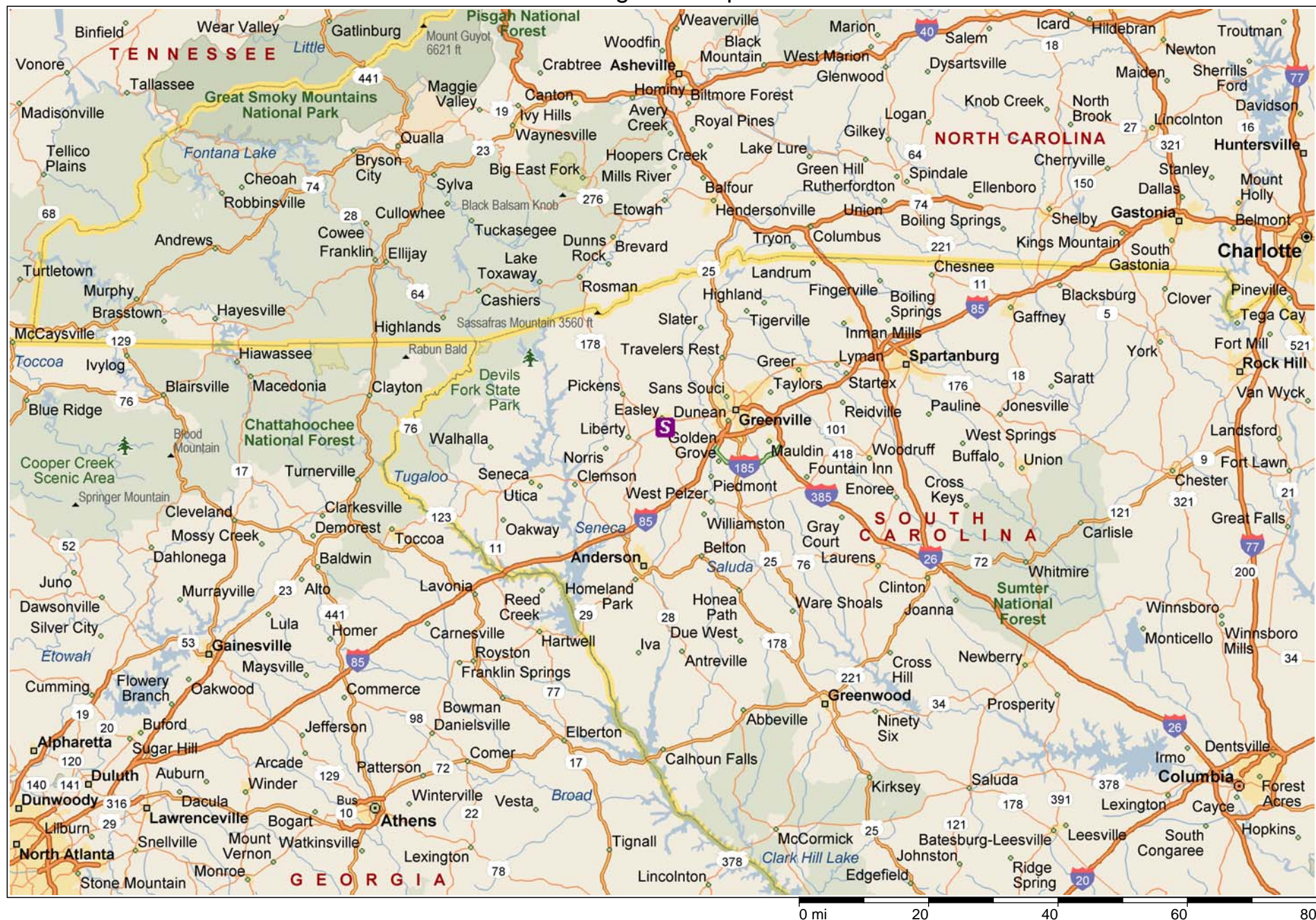
2BR / 2BA	Companion At Walnut Hill	Harmony Ridge Apartments	Landwood Ridge Apartments	The Oaks At Laurel Baye	Timberland Crossing	Brookfall I	Brookfall II	Country Place	Shadowbrook Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
Distance from Subject	n/a	20.1 miles	15.8 miles	15 miles	14.9 miles	3.5 miles	3.5 miles	2.5 miles	3.7 miles
Unit Types									
@50%									
Bath/Bedroom	2BR / 2BA	--	--	2BR / 2BA	--	--	--	--	--
Base Rent/Month	\$521	--	--	\$561	--	--	--	--	--
Unit GLA (SF)	950	--	--	885	--	--	--	--	--
Adjusted Utility Base Rent	\$521	--	--	\$520	--	--	--	--	--
@60%									
Bath/Bedroom	2BR / 2BA	2BR / 2BA	--	2BR / 2BA	2BR / 1BA	--	--	--	--
Base Rent/Month	\$521	\$487	--	\$654	\$532	--	--	--	--
Unit GLA (SF)	950	838	--	885	780	--	--	--	--
Adjusted Utility Base Rent	\$521	\$446	--	\$613	\$491	--	--	--	--
Market									
Bath/Bedroom	--	--	--	--	--	2BR / 1BA	2BR / 2BA	2BR / 1.5BA	2BR / 2BA
Base Rent/Month	--	--	--	--	--	\$485 - \$515	\$575	\$420	\$635
Unit GLA (SF)	--	--	--	--	--	830	1,150	870	1,200
Adjusted Utility Base Rent	--	--	--	--	--	\$444 - \$474	\$575	\$420	\$635
Unit Information									
Total Units	16	10	0	10	24	60	44	44	156
Vacant	N/A	0	0	1	0	1	0	0	0
Vacancy Rate	N/A	0.00%	N/A	10.00%	0.00%	1.70%	0.00%	0.00%	0.00%
Utilities									
A/C	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant	central tenant
Cooking	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	tenant	landlord	landlord	landlord	landlord	landlord	tenant	tenant	tenant
Sewer	tenant	landlord	landlord	landlord	landlord	landlord	tenant	tenant	tenant
Trash Collection	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord	landlord
In-Unit Amenities									
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	no	yes
Exterior Storage	no	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	yes	no	yes	no	no	no	no	yes
Garbage Disposal	no	yes	no	yes	yes	no	yes	no	yes
Hand Rails	yes	yes	yes	yes	yes	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	no	yes	yes	no	yes	no	yes
Washer/Dryer hookup	yes	no	no	yes	yes	yes	yes	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	no	no	no	yes
Business Center/Computer Lab	yes	no	no	yes	no	no	no	no	no
Car Wash	no	no	no	no	no	yes	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	no	no	yes	no	no	no	no	no
Courtyard	no	no	no	yes	no	no	no	no	no
Elevators	yes	yes	yes	yes	no	no	no	no	no
Exercise Facility	yes	no	yes	yes	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	no	yes	yes
Playground	no	no	no	no	no	no	no	yes	no
Service Coordination	yes	no	yes	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	yes	yes
Services									
Shuttle Service	no	no	no	no	yes	no	no	no	no
Security									
Limited Access	yes	yes	yes	yes	yes	no	no	no	no
Patrol	no	no	no	no	no	yes	yes	no	no
Perimeter Fencing	no	no	yes	no	no	yes	yes	no	no
Video Surveillance	no	no	yes	yes	no	no	no	no	no
Premium Amenities									
Hairdresser / Barber	no	no	yes	no	no	no	no	no	no
Other Amenities									
Other	Gazebo, Walking Trails	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Rent and Square Footage Ranking -- All rents adjusted for utilities and concessions extracted from the market.

Effective Rent Date:		Mar-07	Units Surveyed:		686	Weighted Occupancy:		98.80%
			Market Rate		460	Market Rate		99.30%
			Tax Credit		226	Tax Credit		97.80%
One bedroom One Bath			Two bedrooms Two Bath			--		
	Property	Average		Property	Average		Property	Average
RENT	Shadowbrook Apartments	\$535		Shadowbrook Apartments	\$635			
	The Oaks At Laurel Baye* (60%)	\$522		The Oaks At Laurel Baye* (60%)	\$613			
	Brookfall II	\$500		Brookfall II	\$575			
	Landwood Ridge Apartments* (60%)	\$478		Companion At Walnut Hill* (50%)	\$521			
	Companion At Walnut Hill* (50%)	\$435		Companion At Walnut Hill* (60%)	\$521			
	Companion At Walnut Hill* (60%)	\$435		The Oaks At Laurel Baye* (50%)	\$520			
	The Oaks At Laurel Baye* (50%)	\$431		Timberland Crossing* (1BA 60%)	\$491			
	Brookfall I	\$416		Brookfall I (1BA)	\$474			
	Timberland Crossing* (60%)	\$415		Harmony Ridge Apartments* (60%)	\$446			
	Harmony Ridge Apartments* (60%)	\$386		Brookfall I (1BA)	\$444			
	Country Place	\$375		Country Place (1.5BA)	\$420			
SQUARE FOOTAGE	Shadowbrook Apartments	930		Shadowbrook Apartments	1,200			
	Brookfall I	800		Brookfall II	1,150			
	Brookfall II	800		Companion At Walnut Hill* (50%)	950			
	Companion At Walnut Hill* (50%)	750		Companion At Walnut Hill* (60%)	950			
	Companion At Walnut Hill* (60%)	750		The Oaks At Laurel Baye* (50%)	885			
	Harmony Ridge Apartments* (60%)	680		The Oaks At Laurel Baye* (60%)	885			
	Country Place	650		Country Place (1.5BA)	870			
	The Oaks At Laurel Baye* (50%)	647		Harmony Ridge Apartments* (60%)	838			
	The Oaks At Laurel Baye* (60%)	647		Brookfall I (1BA)	830			
	Landwood Ridge Apartments* (60%)	600		Brookfall I (1BA)	830			
	Timberland Crossing* (60%)	590		Timberland Crossing* (1BA 60%)	780			
RENT PER SQUARE FOOT	The Oaks At Laurel Baye* (60%)	\$0.81		The Oaks At Laurel Baye* (60%)	\$0.69			
	Landwood Ridge Apartments* (60%)	\$0.80		Timberland Crossing* (1BA 60%)	\$0.63			
	Timberland Crossing* (60%)	\$0.70		The Oaks At Laurel Baye* (50%)	\$0.59			
	The Oaks At Laurel Baye* (50%)	\$0.67		Brookfall I (1BA)	\$0.57			
	Brookfall II	\$0.62		Companion At Walnut Hill* (50%)	\$0.55			
	Companion At Walnut Hill* (50%)	\$0.58		Companion At Walnut Hill* (60%)	\$0.55			
	Companion At Walnut Hill* (60%)	\$0.58		Brookfall I (1BA)	\$0.53			
	Country Place	\$0.58		Harmony Ridge Apartments* (60%)	\$0.53			
	Shadowbrook Apartments	\$0.58		Shadowbrook Apartments	\$0.53			
	Harmony Ridge Apartments* (60%)	\$0.57		Brookfall II	\$0.50			
	Brookfall I	\$0.52		Country Place (1.5BA)	\$0.48			

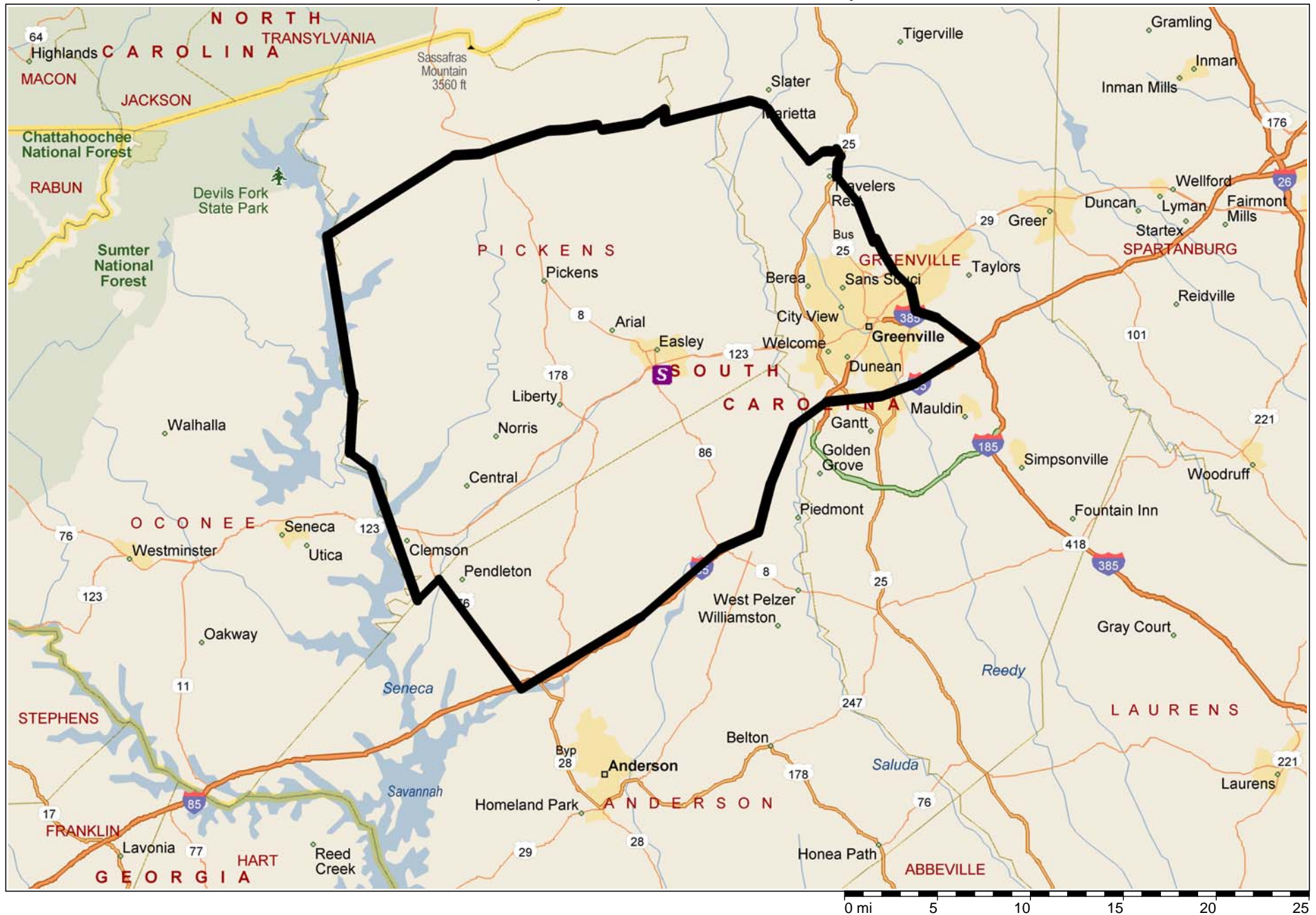
Addendum C: Maps

Regional Map

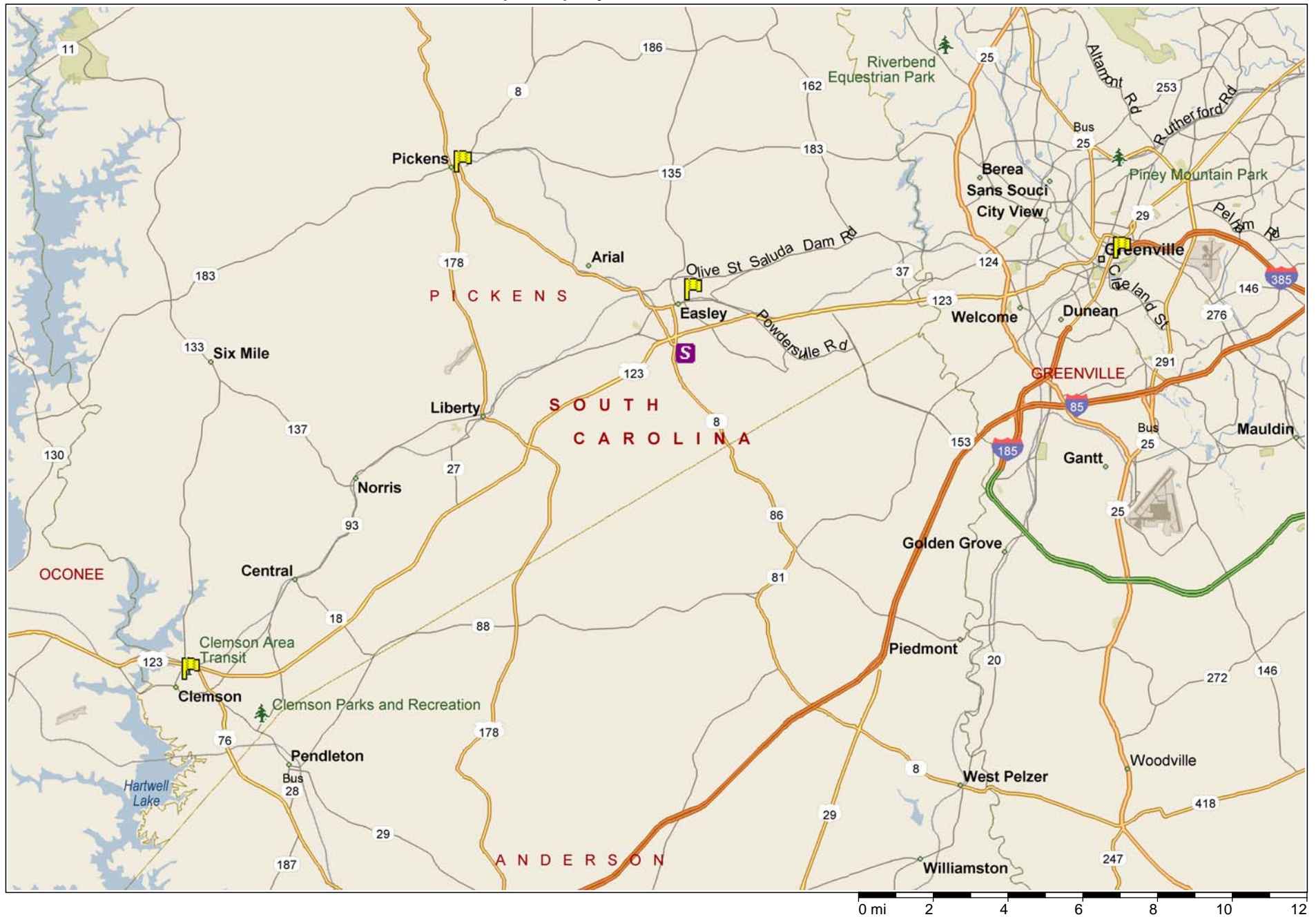


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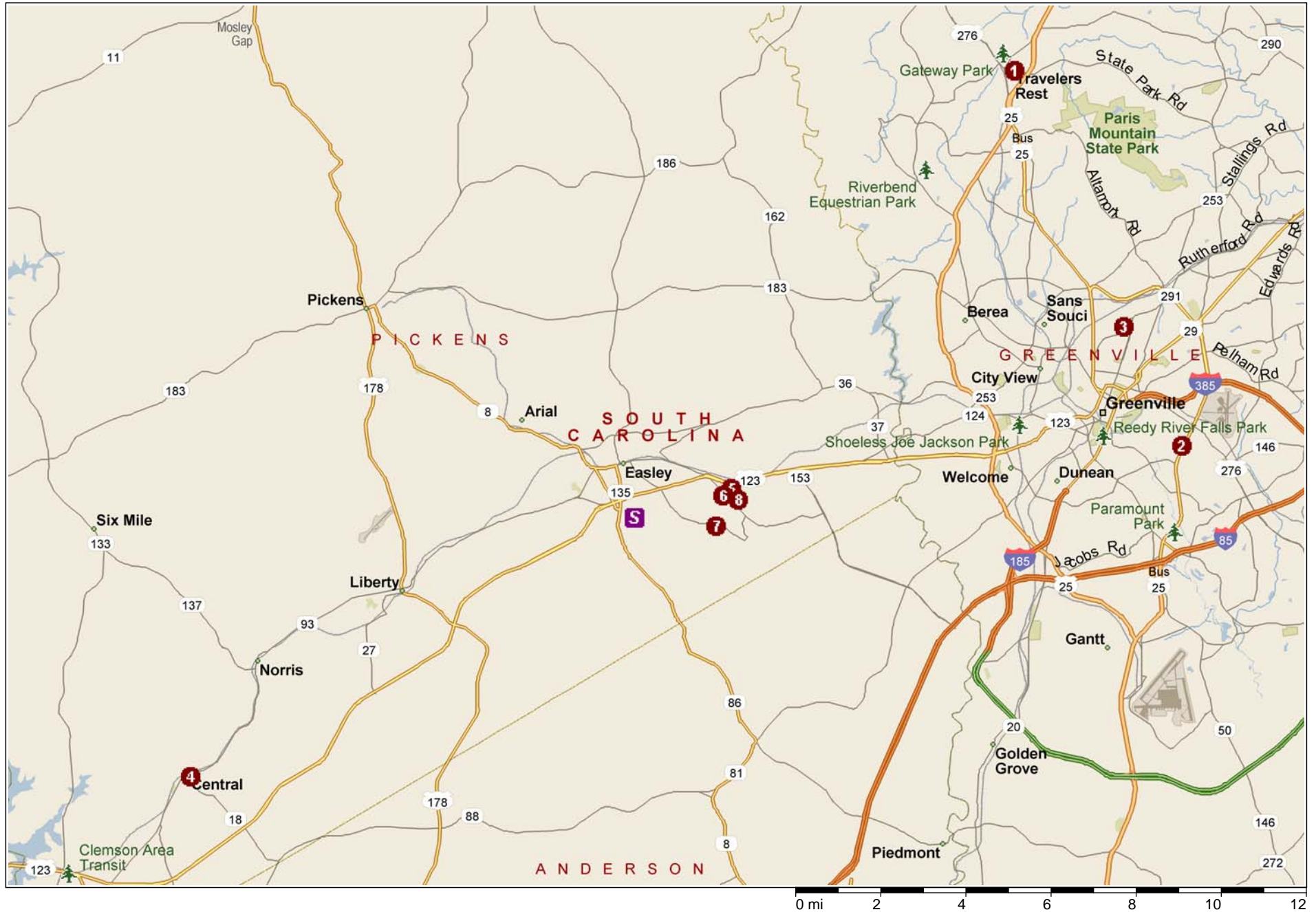
PMA - Companion at Walnut Hill, Easley, SC



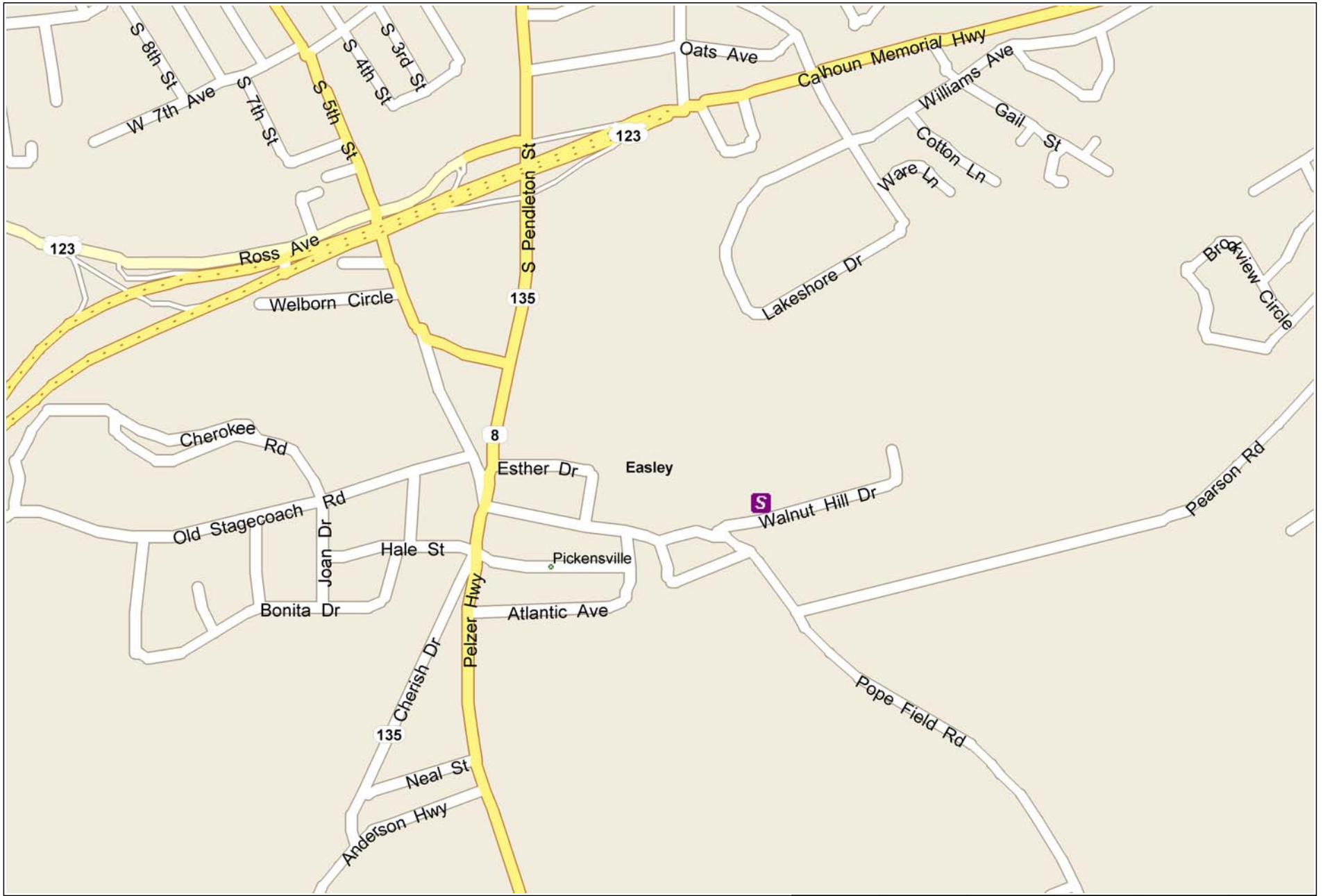
Map Employment Concentrations



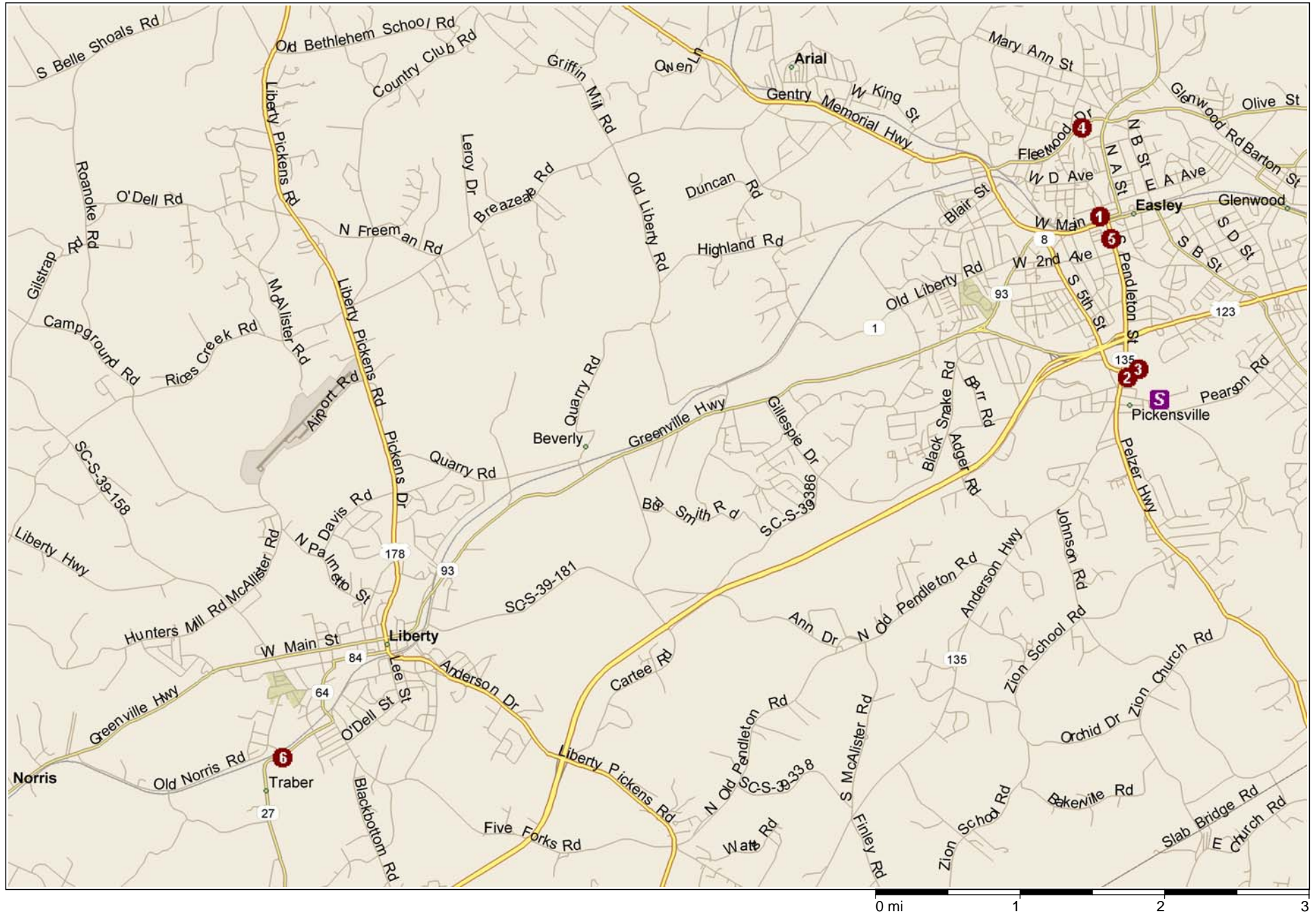
Comparable Properties Map



Neighborhood Map



Locational Amenities Map





Flood Insights test results for :

WALNUT HILL DR, EASLEY, SC 29642

Geocoding Accuracy: [S4 – Matched to Center of Street Segment \(Very Good\)](#)

You didn't get the best address match. We suggest you manually place the point using the [manual placement tool](#), or [Click Here](#) to order a manual flood determination.

Flood Zone Determinations

[Test Description](#)

SFHA (Flood Zone) Within 550 feet of multiple flood zones?

Out

No

Community	Community Name	Zone	Panel	Panel Date	Cobra
450167	EASLEY, CITY OF	C	0003C	July 19, 1982	OUT

FIPS Code

45077

Census Tract

0108.04

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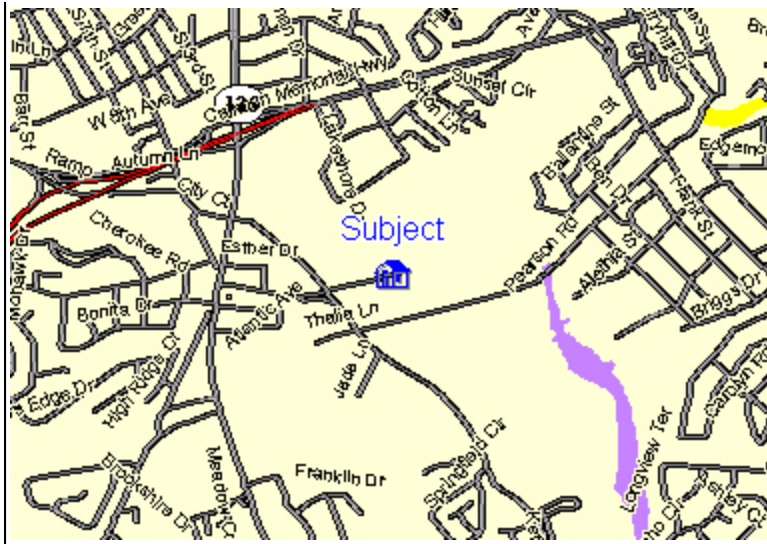
☐ Zoom In // ☐ Zoom Out // ☐ Manual Placement [What's This?](#) // ☐ Distance // ☐ 2 Zoom
Level (Miles)

FloodMap Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

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Display Layer	On/Off
Flood Zone Determinations	<input checked="" type="checkbox"/>
ReDraw Map	
<p><i>Note: Some map information may not appear as zoom level changes.</i></p>	



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Addendum D: PMA Acceptance from Authority

Michalena Sukenik - PMAs

From: "Nicholson, Laura 6-9190"
To:
Date: 4/3/2007 2:49 PM
Subject: PMAs
CC: "Ragon, Jay 6-9195"

Below is your list of market studies and the status of the PMAs. For those not yet approved please call the designated contact person to review the issues. Should Authority staff need to assist so that the market study process can move forward please let us know.

07037	Approved	Companion at Walnut Hill	Easley	Pickens	Jones, Roger	843 377-0572
07005	Approved	Pickens Gardens	Pickens	Pickens	Lee, Darien	678 320-3821
07011	Pending	Fleetwood Estates	Easley	Pickens	Phillips, Clifton	972 243-4205
07023	Approved	The Greer Lofts	Easley	Pickens	Scantland, Bill	336 714-8920