

A MARKET FEASIBILITY STUDY OF:
**FILBIN CREEK
APARTMENTS**

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FILBIN CREEK

APARTMENTS

1237 Sumner Avenue
North Charleston, Charleston County, SC 29406

Effective Date: August 14, 2020
Report Date: August 12, 2021

Prepared for:
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August 12, 2021

James Angelica
Aedis Real Estate Group, Inc.
350 Forest Avenue, #992
Laguna Beach, CA 92652

Re: Market Study for Filbin Creek Apartments, located in North Charleston, Charleston County, South Carolina

Dear Mr. Angelica:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the North Charleston, Charleston County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Filbin Creek Apartments, (the Subject). We are concurrently completing an appraisal of the Subject.

The purpose of this market study is to assess the viability of Filbin Creek Apartments, the proposed renovation of an existing 64-unit general tenancy market rate and Section 8 project. Following renovation, all units at the Subject will be LIHTC restricted. The property will be a newly renovated affordable general tenancy LIHTC project, with 64 revenue generating units restricted to households earning 60 percent of the Area Median Income (AMI) or less. Of these, 32 units will continue to operate with project-based Section 8 rental assistance with tenants contributing 30 percent of income toward rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

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

COVID-19 Impact Summary

Financial and real estate markets are in a state of uncertainty associated with the novel coronavirus COVID-19. The outbreak of COVID-19 is a rapidly evolving situation and the effects on real estate markets are currently unclear. As such, it is difficult to predict the effects both on a near-term and long-term basis. Our opinions and conclusions are based on information available and accounts for market perception as of the date of this market study.

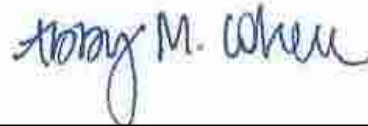
Based on our research, collective data, and interviews with clients and investors, transactions are closing at the price and terms originally offered and limited adjustments are being seen for the transactions started prior to the pandemic. Further, The National Multifamily Housing Council's (NMHC's) Rent Payment Tracker is a survey of professionally managed apartment units across the country. As of July 20, NMHC reports that 91.3 percent of renters in the surveyed units had made a full or partial rent payment. This is small decrease from the previous month – 92.2 percent of renters made a payment as of June 20 – and a 2.1 percentage point decrease from the year before. In June the rate of payment increased throughout the month and by the end of that month 95.9 percent of renters covered by the survey had made a full or partial payment, up from 95.1 percent in May.” (Source: Novogradac’s blog post “Back to Blog Renter Households will Need Assistance Long After the Pandemic is Brought under Control”, published July 28, 2020). The Subject is currently 96.9 percent occupied with a waiting list for Section 8 units, and the overall market indicated a stable vacancy rate of 3.9 percent. Based upon our late August and early September property surveys, the impact of COVID-19 on property operations in this area has been generally minimal to date. As the Subject is a partially-subsidized development, a large portion of tenants are employed in historically volatile industries such as retail trade, manufacturing, and services, which have been the hardest hit economically by the crisis. However, with the passage of the CARES Act, relief is expected to alleviate some financial burden on many renter households. Additionally, new potential relief programs have been discussed for future months to come. Furthermore, and perhaps most importantly, the partial project-based subsidy at the Subject shelters it somewhat from economic impacts of the crisis, as half of tenants will continue to pay just 30 percent of their income toward rent. Published articles and data from a variety of industry leaders have also shown optimism for the multifamily sector, specifically the affordable sector. It should be noted that extended closures, or new closures of job sectors could impact these assumptions and affect value. Overall, the Subject is a stable asset type in a currently stable rental market, and we believe there will be minimal impact on value, based on our understanding of current market conditions and the information available to us at present, as well as the significant benefit of the HAP contract for 32 of the Subject’s 64 units.

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

Respectfully submitted,
Novogradac Consulting LLP



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EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Filbin Creek Apartments, the Subject, is the proposed renovation of an existing 64-unit general tenancy market rate and Section 8 project. Following renovation, all units at the Subject will be LIHTC restricted. The property will be a newly renovated affordable general tenancy LIHTC project, with 64 revenue generating units restricted to households earning 60 percent of the Area Median Income (AMI) or less. Of these, 32 units will continue to operate with project-based Section 8 rental assistance with tenants contributing 30 percent of income toward rent. The Subject will be located at 1237 Sumner Avenue in North Charleston, Charleston County, South Carolina. The Subject consists of five, two-story residential buildings with one of the buildings featuring an attached community space and leasing office. The current leasing office will be expanded for additional community space, including a community room, computer lab and exercise lab as part of the renovation.

Targeted Tenancy:

Family.

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents and utility allowances. It should be noted that the Subject’s two-bedroom units will operate with varied Subject-specific utility allowances. The developer estimate is used for the LIHTC-only units, while the allowance from the most recent HUD Rent Schedule is used for the units with additional Section 8 subsidy.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking / Contract Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents	
@60%								
1BR / 1BA	715	8	\$715	\$83	\$798	\$911	\$1,035	
2BR / 1BA	878	24	\$798	\$106	\$904	\$1,093	\$1,179	
@60% (Section 8)								
2BR / 1BA	878	32	\$1,265	\$145	\$1,410	\$1,093	\$1,179	
		64						

Notes (1) Source of Utility Allowance provided by the Developer (pro forma LIHTC units) and the HUD Rent Schedule (effective 10/1/2019)

Market Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alston Lake	LIHTC	72	0	0.0%
Birchwood Apartments	LIHTC	32	0	0.0%
Gardens At Montague	LIHTC	64	0	0.0%
Osprey Place	LIHTC/ Market	102	0	0.0%
West Yard Lofts	LIHTC	60	0	0.0%
Centre Pointe Apartments	Market	172	9	5.2%
Link Apartments Mixson	Market	358	23	6.4%
Park Place Apartments	Market	304	16	5.3%
Pine Crest Apartments	Market	464	10	2.2%
Sedgefield Apartments	Market	88	3	3.4%
The Factory At Garco	Market	271	17	6.3%
Overall Total		1,987	78	3.9%

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alston Lake	LIHTC	72	0	0.0%
Birchwood Apartments	LIHTC	32	0	0.0%
Gardens At Montague	LIHTC	64	0	0.0%
Osprey Place	LIHTC/ Market	102	0	0.0%
West Yard Lofts	LIHTC	60	0	0.0%
Total LIHTC		330	0	0.0%

MARKET VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Centre Pointe Apartments	Market	172	9	5.2%
Link Apartments Mixson	Market	358	23	6.4%
Park Place Apartments	Market	304	16	5.3%
Pine Crest Apartments	Market	464	10	2.2%
Sedgefield Apartments	Market	88	3	3.4%
The Factory At Garco	Market	271	17	6.3%
Total Market Rate		1,657	78	4.7%

The comparables reported vacancy rates ranging from zero to 6.4 percent, with an overall weighted average of 3.9 percent. Managers at all five of the LIHTC properties reported being fully occupied, with three of the LIHTC properties reporting waiting lists ranging from ten to 20 households in length. The six market rate properties reported a slightly higher average vacancy rate of 4.7 percent. The average LIHTC vacancy rate of zero percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 6.4 percent or lower. Two of the comparables with vacancy rates above five percent, Centre Pointe Apartments and Link Apartments Mixson, reported offering a rent concession of one month free to counteract slightly elevated vacancy. Management at the remaining property with vacancy over five percent, The Factory at Garco, attributed the elevated rate to recent turnover from tenants relocating from the property due to COVID-19 pandemic-related employment loss.

According to the provided historical financials for the Subject, the property has operated with vacancy and collection loss of 11.9 to 6.7 percent, with a downward trend observed over the past three years. Based on the performance of the comparables and the Subject’s historical performance, we expect the Subject will operate with a vacancy rate of approximately five percent, or less, upon completion. Based upon the lack of vacancy at the LIHTC properties and the presence of waiting lists at three of those properties, we expect that after completion of renovations and reabsorption of units, the Subject will likely operate with a waiting list.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	2,624	0	2,624	8	0.3%
1BR @60% (Absent Subsidy)	703	0	703	8	1.1%
1BR Overall	2,624	0	2,624	8	0.3%
1BR Overall (Absent Subsidy)	703	0	703	8	1.1%
2BR @60%	2,661	0	2,661	56	2.1%
2BR @60% (Absent Subsidy)	713	0	713	56	7.9%
2BR Overall	2,661	0	2,661	56	2.1%
2BR Overall (Absent Subsidy)	713	0	713	56	7.9%
Overall	5,285	0	5,285	64	1.2%
Overall (Absent Subsidy)	1,416	0	1,416	64	4.5%

As the analysis illustrates, the Subject’s capture rates vary from 0.3 to 2.1 percent (1.1 to 7.9 percent absent subsidy) with an overall capture rate of 1.2 percent (4.5 percent absent subsidy). The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

Two of the surveyed comparable properties were able to provide absorption data. We supplemented these data points with other recently completed properties in Charleston County. Absorption rates are detailed in the table below.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Factory at Garco *	Market	Family	2017	271	25
Centre Pointe Apartments *	Market	Family	2016	172	34
Rivers Place Apartments	LIHTC	Family	2016	48	24
The Ashley Apartments	Market	Family	2016	174	22
Waters at Magnolia Bay	LIHTC	Family	2017	300	14
Crowne at Live Oak Square	Market	Family	2016	282	10
Average					22

* Used as a comparable property

As seen in the previous table, the reported absorption rates range from 10 to 34 units per month, with an overall average of 22 units per month. With the increasing demographic base in the PMA and the relatively limited supply of affordable multifamily housing, we believe the Subject should be able to experience an

absorption rate similar to the average of these properties. The LIHTC comparables reported no vacancies, indicating demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject's tenancy, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of three months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

Market Conclusions

Overall vacancy in the local market is performing well with no current LIHTC vacancies and a 3.9 percent vacancy overall among all 11 comparable properties. Further, three of the LIHTC comparables reported waiting lists ranging from two to 20 households in length. Market rate comparables exhibited generally stable operations, with an overall vacancy rate of 4.7 percent among all of the market rate comparables.

When compared to the current rents at the LIHTC properties, the Subject's proposed 60 percent AMI rents appear reasonable, and overall they are 18 to 24 percent below our estimated achievable market rents. Further, the proposed rents offer a 13 to 32 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 13.8 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 2.4 to 18.7 percent, which are all considered achievable in the PMA. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 1.3 percent annually in the PMA. The Subject site is located within 3.0 mile of most community services and facilities that tenants would utilize on a consistent basis, which is similar to superior to the comparable properties.

Overall vacancy in the local market is performing well with no current LIHTC vacancies and a 3.9 percent vacancy overall among all 11 comparable properties. Further, three of the LIHTC comparables reported waiting lists ranging from two to 20 households in length. When compared to the current rents at the LIHTC properties, the Subject's proposed 60 percent AMI rents appear reasonable, and overall they are 18 to 24 percent below our estimated achievable market rents. Further, the proposed rents offer a 13 to 32 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. The proposed rents will be similar to current rents at LIHTC comparables.

Long Term Impact on Existing LIHTC Properties in the PMA

The surveyed LIHTC comparables, all of which are located in the PMA, reported full occupancy at the time of interview. Further, three of these properties reported waiting lists ranging from ten to 20 households in length. All LIHTC properties reported operating with rents set at the 2020 maximum allowable rent levels. With a limited supply of affordable housing options in the market and a growing demographic base, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 1.3 percent annually in the PMA, outpacing the MSA and nation overall. Additionally, the Subject operate with a partial subsidy. Based on the reported occupancy rates at the subsidized properties we surveyed, we do not expect any impact on the existing low-income rental assisted housing in the market.

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:	
Development Name: Filbin Creek Apartments	Total # Units: 64
Location: 1237 Sumner Avenue, North Charleston, SC	# LIHTC Units: 64
PMA Boundary: Ashley Phosphate Road to the north, the Cooper River to the east, Greenleaf Road to the south, and the Ashley River to the west.	
Development Type: <u>X</u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject: 8 miles

RENTAL HOUSING STOCK (found on page 58)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	1,987	78	96.1%
Market-Rate Housing	6	1,657	78	95.3%
Assisted/Subsidized Housing not to include LIHTC	0	0	0	100.0%
LIHTC (All that are stabilized)*	5	330	0	100.0%
Stabilized Comps**	11	1,987	78	96.1%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).
 ** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					HUD Area FMR			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent **	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	1	1	715	\$715	\$1,035	\$1.45	30.92%	\$1,524	\$2.15
24	2	1	878	\$798	\$1,179	\$1.34	32.32%	\$1,731	\$1.66
32	2	1	878	\$1,022	\$1,179	\$1.34	13.32%	\$1,731	\$1.66
Gross Potential Rent Monthly*				\$57,576	\$74,304		22.51%		

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

DEMOGRAPHIC DATA (found on page 46)						
	2010		2019		2022	
Renter Households	19,620	53.6%	18,546	57.5%	19,092	57.4%
Income-Qualified Renter HHS (LIHTC)	N/A	N/A	2,354	12.7%	2,673	14.0%
Income-Qualified Renter HHS (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 57)						
Type of Demand	60% (As Proposed)	60% (Absent Subsidy)			Overall Affordable	Overall Affordable (Absent Subsidy)
Renter Household Growth	78	95			78	95
Existing Households (Overburd + Substand)	7,074	1,821			7,074	1,821
Homeowner conversion (Seniors)	0	0			0	0
Other:	0	0			0	0
Less Comparable/Competitive Supply	0	0			0	0
Net Income-qualified Renter HHS	7,152	1,916			7,152	1,916

CAPTURE RATES (found on page 56)						
Targeted Population	60% (As Proposed)	60% (Absent Subsidy)			Overall Affordable	Overall Affordable (Absent Subsidy)
Capture Rate	1.2%	4.5%			1.2%	4.5%

ABSORPTION RATE (found on page 58)
 Absorption Period: 3 months

** The achievable LIHTC rent (absent subsidy) for the Subject's proposed Section 8 units is presented.

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent *	Gross Proposed Tenant Rent by Bedroom Type	HUD Area FMR	Gross HUD FMR by Bedroom Type	Tax Credit Gross Rent Advantage
8	1BR	\$715	\$5,720	\$1,035	\$8,280	30.9%
24	2BR	\$798	\$19,152	\$1,179	\$28,296	32.3%
32	<u>2BR *</u>	\$1,022	<u>\$32,704</u>	\$1,179	<u>\$37,728</u>	<u>13.3%</u>
Totals	64		\$57,576		\$74,304	22.5%

Source: SCSHFDA, Novogradac & Company LLP, February 2020

* Achievable LIHTC rents presented for the Subject's two-bedroom Section 8 units

The Subject property currently benefits from a project-based subsidy for 32 of its 64 units, in which the tenants pay 30 percent of their income towards rent. Thus, the rent advantage will be far in excess of the theoretical LIHTC rents.

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject is located at 1237 Sumner Avenue in North Charleston, Charleston County, South Carolina.

Construction Type: The Subject consists of five, two-story residential buildings with one of the buildings featuring an attached community space and leasing office. The current leasing office will be expanded for additional community space, including a community room, computer lab and exercise lab as part of the renovation.

Occupancy Type: Family.

Target Income Group: The Subject will be restricted to households earning 60 percent of the AMI or less. The minimum allowable household income for the Subject is \$0 when accounting for its partial project-based Section 8 subsidy. For the remaining LIHTC-only units, the minimum allowable households income for the Subject is \$27,360 based on affordability for the Subject’s least expensive rent (one-bedroom unit at 60 percent AMI) and the maximum allowable household income will be \$43,740 (the 60 percent AMI income for a three-person household).

Special Population Target: None.

Number of Units by Unit Type: The Subject will include eight one and 56 two-bedroom units.

Number of Buildings and Stories: The Subject consists of five, two-story residential buildings with one of the buildings featuring an attached leasing office. The current leasing office will be expanded for additional community space, including a community room, computer lab and exercise lab as part of the renovation.

Unit Mix: One-bedroom units are 715 square feet and two-bedroom units are 878 square feet. The following table summarizes the Subject’s proposed unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	8	715	5,720
2BR / 1BA	56	878	49,168
Total	64		54,888

Structure Type/Design: The Subject currently offers two-story garden and townhouse-style structures. The current leasing office will be expanded for additional community space, including a community room, computer lab and exercise lab as part of the renovation. There will be no additional changes to the Subject’s structure or unit designs following renovation.

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents and utility allowances. It should be noted that the Subject’s two-bedroom units will operate with varied Subject-specific utility allowances. The developer estimate is used for the LIHTC-only units, while the allowance from the most recent HUD Rent Schedule is used for the units with additional Section 8 subsidy.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking / Contract Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents	
@60%								
1BR / 1BA	715	8	\$715	\$83	\$798	\$911	\$1,035	
2BR / 1BA	878	24	\$798	\$106	\$904	\$1,093	\$1,179	
@60% (Section 8)								
2BR / 1BA	878	32	\$1,265	\$145	\$1,410	\$1,093	\$1,179	
		64						

Notes (1) Source of Utility Allowance provided by the Developer (pro forma LIHTC units) and the HUD Rent Schedule (effective 10/1/2019)

Utility Structure/Allowance:

The Subject offers electric cooking, electric heating and air conditioning and gas water heat. Tenants are responsible for all electric and gas utilities, while the landlord is responsible for the cost of cold water, sewer service and trash removal, along with common area and vacant unit utility costs. We utilized the utility allowance provided by the South Carolina State Housing Finance and Development Authority (SC Housing) for the Lowcountry region, which includes Charleston County, effective January 1, 2020, which is the most recent available. The Subject’s utility structure will remain the same following renovation.

Existing or Proposed Project-Based Rental Assistance:

Currently, 32 of the Subject’s 64 units operate with additional project-based Section 8 rental assistance where tenants contribute 30 percent of income toward rent. Following renovation, 32 of the Subject’s units will continue to operate with project-based Section 8 rental assistance. The Subject’s remaining units will not operate with project-based rental assistance following renovation.

Community Amenities

See following Subject Profile sheet.

Unit Amenities

See following Subject Profile sheet.

Current Occupancy/Rent Levels:

The Subject currently operates as a market rate and project-based Section 8 development. As of a September 1, 2020 rent roll, the Subject was 96.9 percent occupied. The Subject also operates with an 11-household waiting list for its project-based Section 8 units. The following table details the Subject’s current asking and contract rents.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking / Contract Rent	Utility Allowance (1)	Gross Rent	2020 HUD Fair Market Rents
<i>Market</i>						
1BR / 1BA	715	8	\$695	-	-	\$1,035
2BR / 1BA	878	24	\$785	-	-	\$1,179
<i>Section 8</i>						
2BR / 1BA	878	32	\$1,265	\$145	\$1,410	\$1,179
		64				

Notes (1) Source of Utility Allowance provided by the HUD Rent Schedule (effective 10/1/2019)

Scope of Renovations:

As proposed, the Subject will undergo a comprehensive renovation using LIHTC funds. The renovation is projected to commence in January 2021 with completion in October 2021. According to the developer-provided sources and uses, the total hard costs for renovation will be \$3,578,208, or \$55,909 per unit. The Subject’s projected interior-only costs will be \$2,449,690, or \$38,276 per unit.

The scope of renovation will consist of the following:

- Renovated kitchens, including new cabinetry, flooring, countertops and appliances, including the addition of dishwashers, disposals and microwaves.
- Renovated bathrooms, including new cabinetry and flooring and upgrades to fixtures.
- Overall unit renovations including new flooring, paint and the addition of ceiling fans and in-unit washer/dryers
- The addition of site amenities, including a community room, computer lab, exercise facility, picnic area and playground. The community room, computer lab and exercise facility will be located in an expansion of the existing leasing office wing of one of the existing Subject structures.
- The addition of video surveillance
- Sitewide upgrades, including pavement repairs, landscaping upgrades and improved signage.
- Replace all exterior siding, windows and doors, along with tuckpointing and masonry repairs for existing foundations.

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

Filbin Creek Apartments - As Proposed

Location 1237 Sumner Avenue
North Charleston, SC 29406
Charleston County

Units 64

Vacant Units 2

Vacancy Rate 3.10%

Type Garden / Townhouse
(2 stories)

Year Built / Renovated 1976 / 2021



Utilities

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

Unit Mix

Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?
1	1	Garden	8	715	\$715	\$0	@60%	No	0	0.00%	Yes
2	1	Garden	24	878	\$798	\$0	@60%	No	2	8.30%	Yes
2	1	Garden	32	878	\$1,265	\$0	@60% (Section 8)	Yes	0	0.00%	-

Amenities

In-Unit	Property
Blinds	Business Center/Computer Lab *
Carpeting	Clubhouse/Meeting Room/Community Room *
Central A/C	Exercise Facility *
Coat Closet	Central Laundry
Dishwasher *	Off-Street Parking
Ceiling Fan *	On-Site Management
Garbage Disposal *	Picnic Area *
Microwave *	Playground *
Oven	
Refrigerator	
Walk-In Closet	
Washer/Dryer *	
Washer/Dryer hookup *	
Security	Video Surveillance *

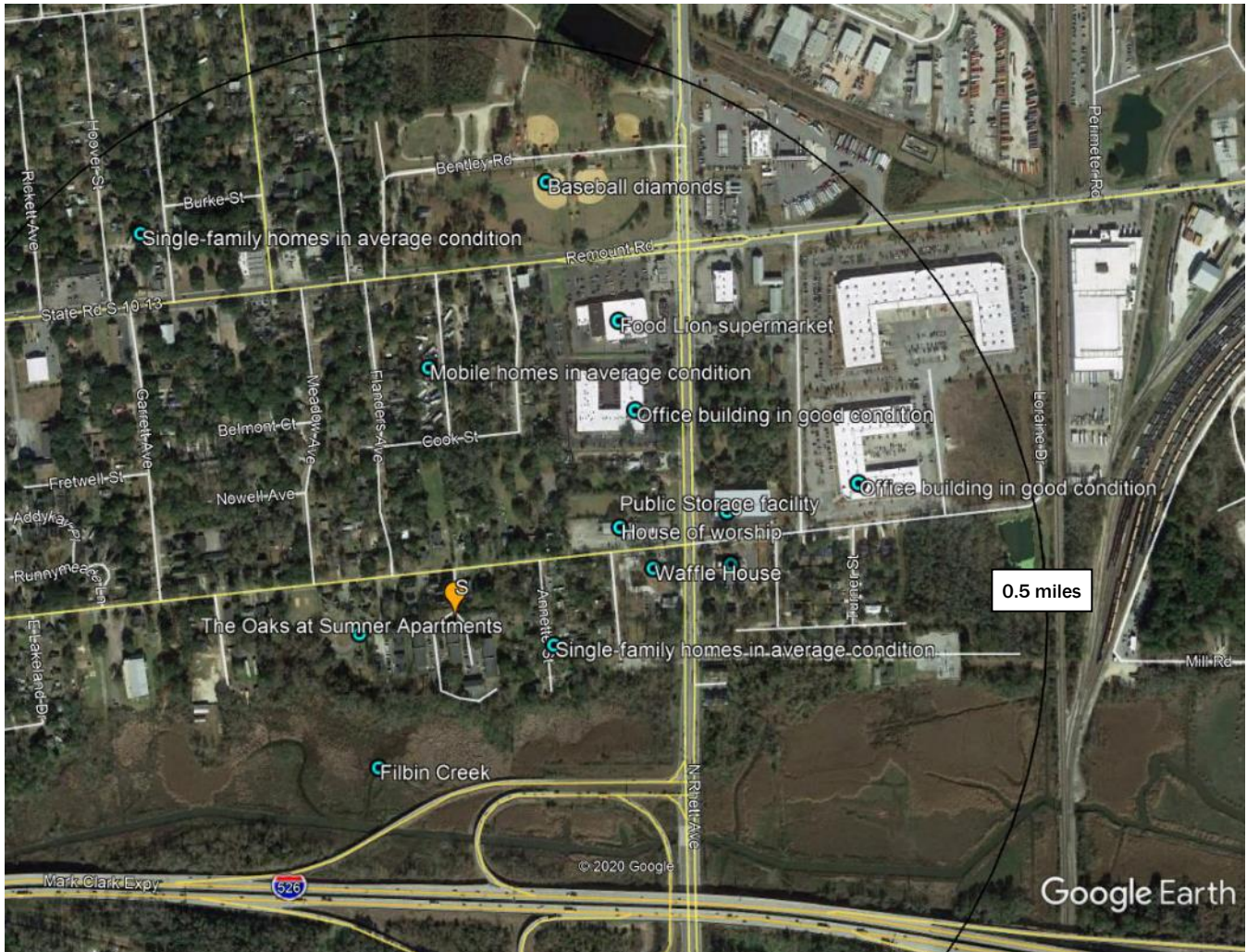
* Added during renovation

B. SITE DESCRIPTION

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

Date of Site Visit: August 14, 2020.

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



Source: Google Earth, September 2020

Physical Features of Site: The Subject site is located in North Charleston, South Carolina and currently consists of an existing 1976-built market rate and Section 8 multifamily rental development in average condition.

Location/Surrounding Uses: The Subject is located in a mixed-use neighborhood in southern North Charleston, characterized by wooded land, single-family homes, multifamily properties, public uses, educational uses, and commercial/retail uses. Land uses to the north of the Subject consist of single-family homes and mobile homes in average condition. Also north of the Subject on North Rhett Avenue is a Food

Lion supermarket, along with additional single-story office buildings in average to good condition. Land uses to the east of the Subject consist of single-family homes in average condition, a house of worship, a Public Storage facility, a Waffle House restaurant, a Bojangles restaurant and single-story office buildings in good condition. Land uses to the south of the Subject consist of wooded land, Filbin Creek and Interstate 526. We did not observe any detrimental noise from Interstate 526 during the course of our inspection. Land uses to the west of the Subject consist of The Oaks at Sumner Apartments, a Volunteers of America multifamily development operated for households with mental health needs, and single-family homes in average condition. Due to the property targeting a differing tenancy and all units operating with rental assistance, we excluded The Oaks at Sumner Apartments from our rental analysis. Commercial/retail uses are concentrated along North Rhett Avenue, to the east of the Subject, and appear to be 90 to 95 percent occupied. Overall, land uses in the Subject's neighborhood are in average to good condition. There are no observed negative influences or nuisances in the area.

Photographs of Subject Site and Surrounding Uses



Subject's signage



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Mailboxes



Management office exterior



Management office



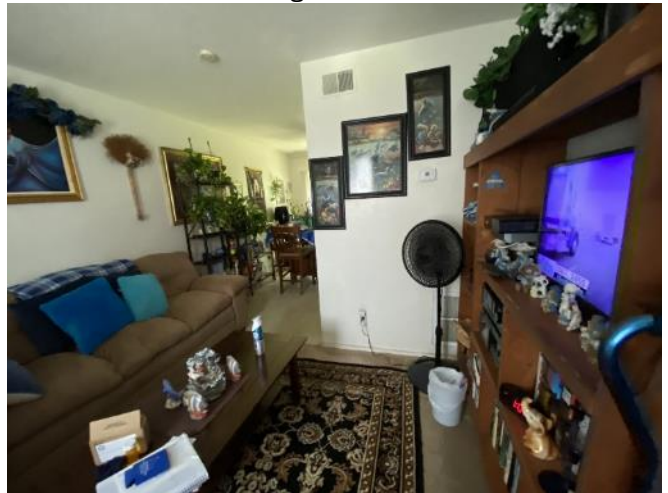
Management office



Management office



Subject central laundry



Typical living room



Typical kitchen (view one of two)



Typical kitchen (view two of two)



Typical dining area



Typical bathroom (view one of two)



Typical bathroom (view two of two)



Typical closet



Typical bedroom



Typical bedroom



View west on Sumner Avenue from the Subject



View east on Sumner Avenue from the Subject



Waffle House in the Subject's neighborhood



Bojangles in the Subject's neighborhood



Public Storage facility in the Subject's neighborhood



House of worship in the Subject's neighborhood



House of worship in the Subject's neighborhood



The Oaks at Sumner Apartments west of the Subject (excluded)



Food Lion supermarket in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood

Visibility/Views:

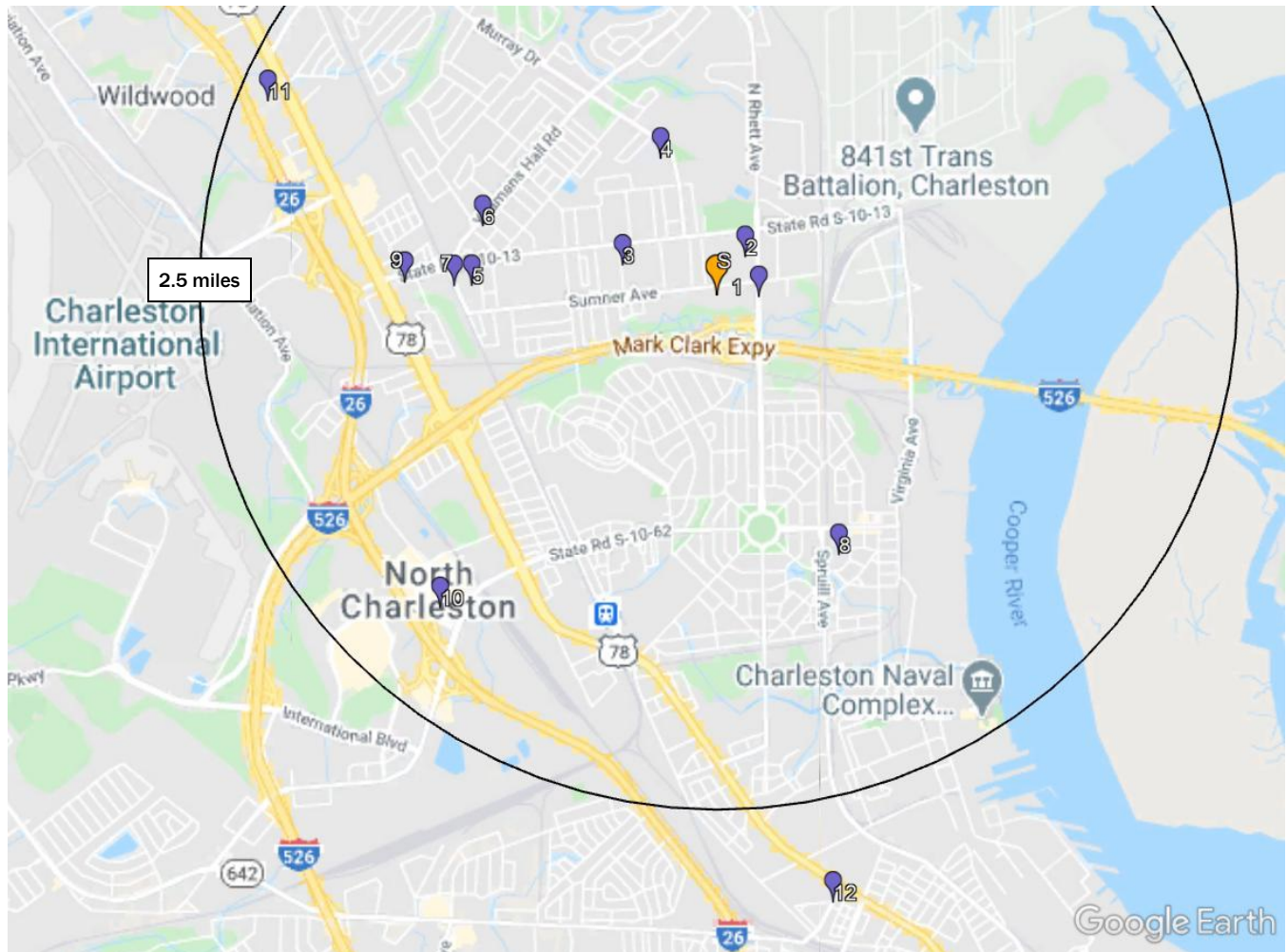
The Subject has limited visibility from Sumner Avenue. Views from the Subject consist of single-family homes in average condition to the north and east, wooded land and Filbin Creek to the south and multifamily and single-family uses in average condition to the west. Overall, visibility and views are considered average/typical.

Detrimental Influence:

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

Proximity to Local Services:

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



Source: Google Earth, September 2020

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.2 miles
2	Food Lion Supermarket	0.3 miles
3	Dollar General	0.5 miles
4	Hanahan Middle School	0.7 miles
5	Matilda Dunston Elementary School	1.2 miles
6	First Citizens Bank	1.2 miles
7	Walgreens Pharmacy	1.3 miles
8	North Charleston High School	1.4 miles
9	North Charleston Fire Department Station #3	1.5 miles
10	North Charleston Police Department	2.0 miles
11	United States Post Office	2.4 miles
12	Cooper River Memorial Library	2.9 miles
13	Bon Secours St. Francis Hospital	6.9 miles

Availability of Public Transportation: Public transportation within the Charleston region is provided by Charleston Area Regional Transportation Authority (CARTA). The nearest bus stop to the Subject is located at the intersection of Sumner Avenue and North Rhett Avenue, approximately 0.2 miles from the Subject, served by Route 13. As of September 2020, the one-way bus fare for CARTA routes is \$2.00, with monthly passes available for \$57.00. CARTA also offers discounted one-way fares for senior (55+) riders of \$1.00.

Road/Infrastructure Proposed Improvements: We witnessed no current road improvements within the Subject’s immediate neighborhood.

Crime Rates: Based upon our site inspection, there appeared to be no crime issues in the Subject’s neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

2019 CRIME INDICES

	PMA	Charleston-North Charleston, SC MSA
Total Crime*	221	149
Personal Crime*	254	158
Murder	219	146
Rape	212	142
Robbery	247	125
Assault	263	176
Property Crime*	216	147
Burglary	178	133
Larceny	226	153
Motor Vehicle Theft	240	138

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

*Unweighted aggregations

Total crime indices in the PMA are above the national average and the surrounding MSA. The Subject does not currently offer security features; however, following renovation the Subject will offer video surveillance. According to conversations with the Subject's property manager, crime has not been an issue at the Subject site in the past. Six of the 11 comparables reported offering some sort of security feature; as such, the Subject will be similar to superior to the comparables in terms of security features.

Access and Traffic Flow:

The Subject is accessible from the south side of Sumner Avenue, a light to moderately-trafficked neighborhood roadway. One block to the east of the Subject Sumner Avenue intersects with North Rhett Avenue, a moderately-to-heavily trafficked neighborhood arterial that provides access to Interstate 526. Interstate 526 provides access to various points throughout the region and connects with Interstate 95 to the west of the Subject. Overall, access to the Subject is considered good and traffic flow is considered light to moderate.

Positive/Negative Attributes:

The Subject will have good access to area retail and community services in North Charleston, nearly all of which are within less than 3.0 miles of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is an existing 64-unit development proposed for renovation that is located in North Charleston, South Carolina. The PMA is defined as Ashley Phosphate Road to the north, the Cooper River to the east, Greenleaf Road to the south, and the Ashley River to the west. The Subject will be located in the southern portion of the city of North Charleston and will be easily accessible from areas throughout the city and immediately surrounding areas. As such, we anticipate the Subject will be able to draw from approximately a 15-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from North Charleston and immediately surrounding areas. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 3 miles
- East: 2 miles
- South: 6 miles
- West: 8 miles

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

Census Tracts in PMA				
45015020901	45019003105	45019003200	45019003700	45019004400
45015020903	45019003108	45019003300	45019003800	45019005400
45015020904	45019003109	45019003400	45019003900	45019005500
45015021000	45019003110	45019003500	45019004000	45035010818
45019003104	45019003111	45019003600	45019004300	45035010820

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the North Charleston area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

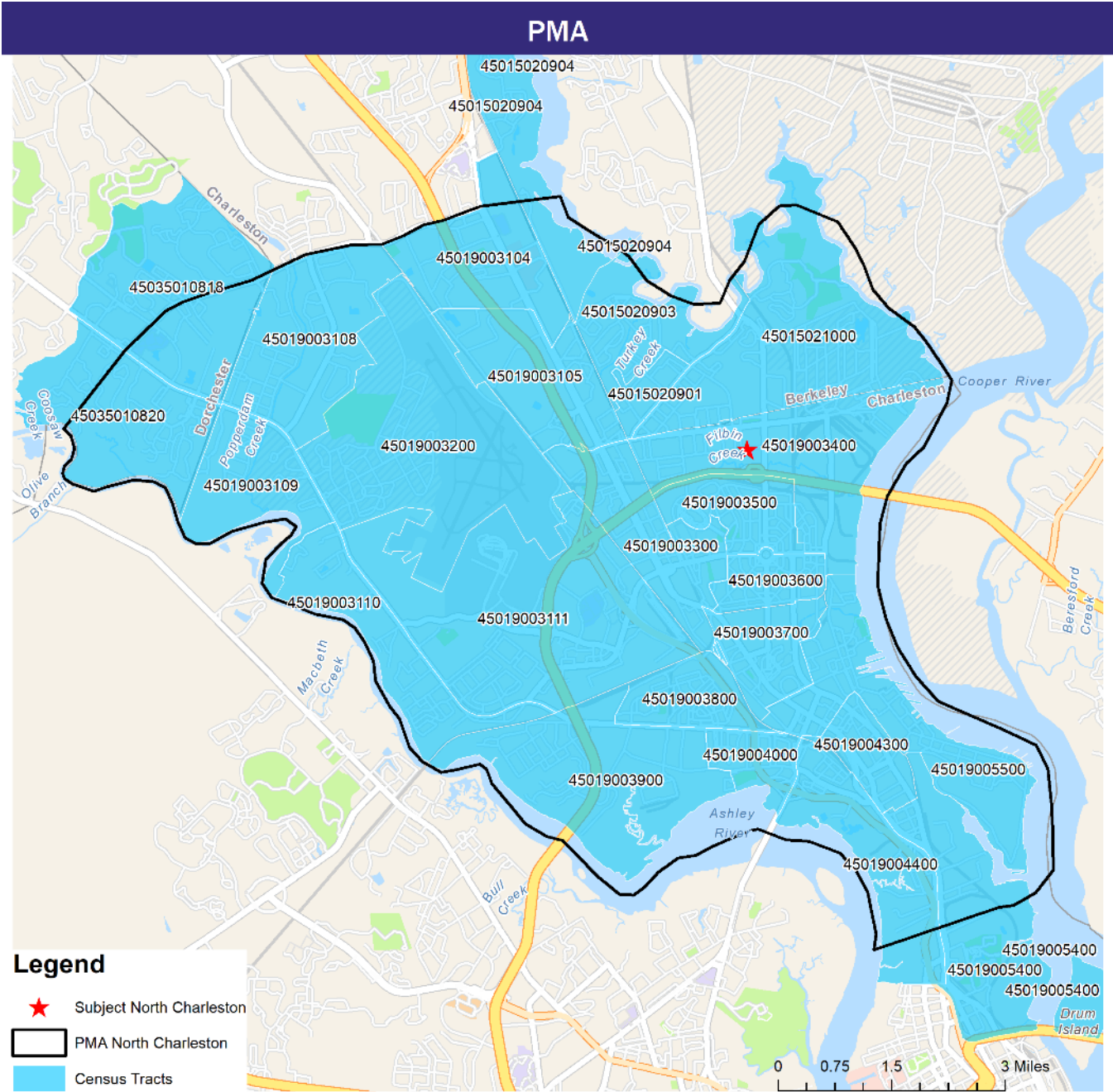
2010 POPULATION BY RACE

	PMA		MSA		USA	
Total	76,783	-	664,607	-	308,745,538	-
White	29,088	37.9%	435,763	65.6%	223,553,265	72.4%
Black	38,499	50.1%	184,019	27.7%	38,929,319	12.6%
American Indian	397	0.5%	3,039	0.5%	2,932,248	0.9%
Asian	993	1.3%	10,817	1.6%	14,674,252	4.8%
Pacific	107	0.1%	629	0.1%	540,013	0.2%
Other	6,068	7.9%	16,445	2.5%	19,107,368	6.2%
Two or More Races	1,631	2.1%	13,895	2.1%	9,009,073	2.9%
Total Hispanic	9,983	-	35,707	-	50,477,594	-
Hispanic: White	3,047	30.5%	15,523	43.5%	26,735,713	53.0%
Hispanic: Black	350	3.5%	1,656	4.6%	1,243,471	2.5%
Hispanic: American Indian	141	1.4%	438	1.2%	685,150	1.4%
Hispanic: Asian	15	0.2%	160	0.4%	209,128	0.4%
Hispanic: Pacific	31	0.3%	110	0.3%	58,437	0.1%
Hispanic: Other	5,952	59.6%	15,262	42.7%	18,503,103	36.7%
Hispanic: Two or More	446	4.5%	2,558	7.2%	3,042,592	6.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

Per SCSHFDA guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.

The following map outlines the PMA and identifies the census tracts included within these boundaries.

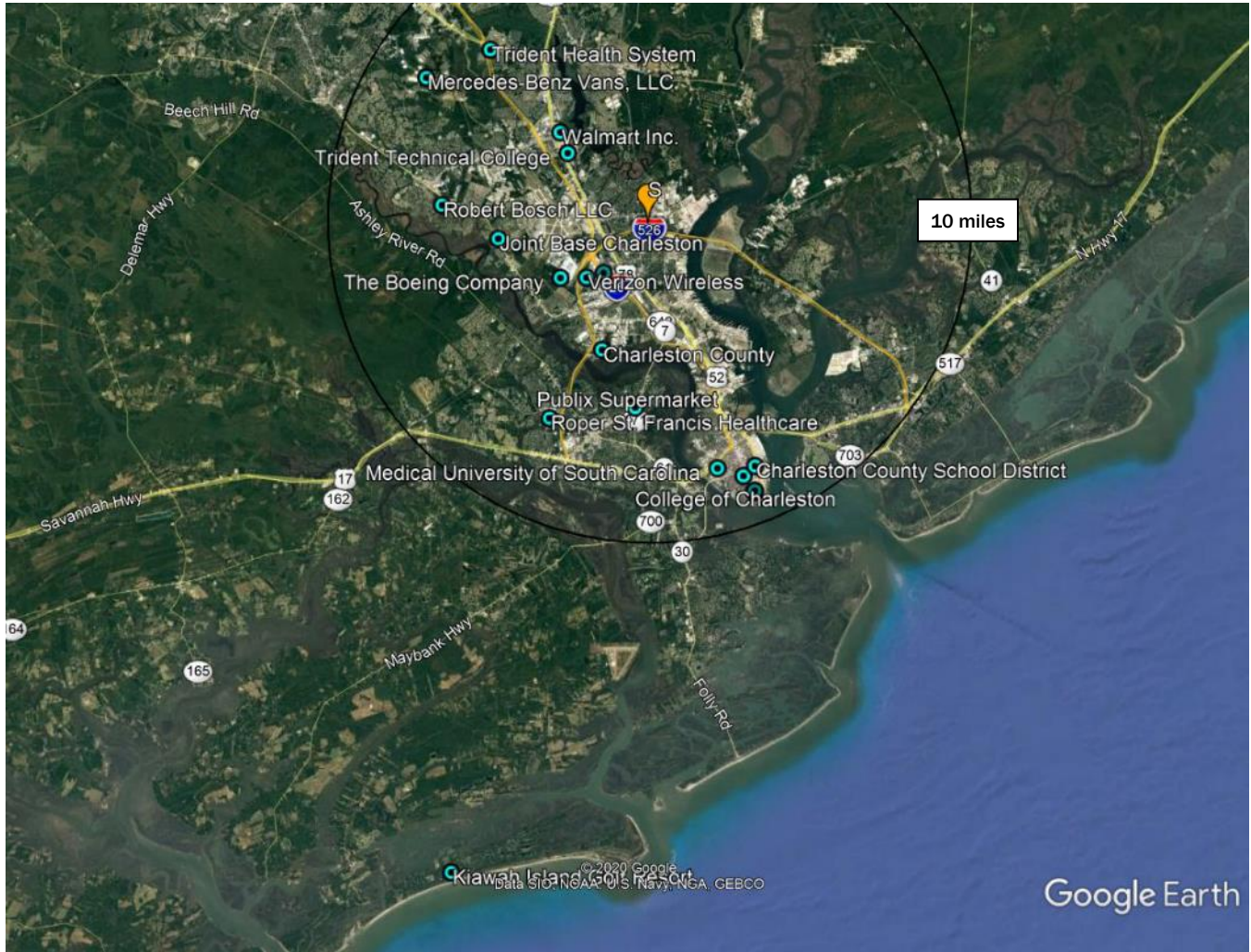


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Source: Google Earth, September 2020

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2019.

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,391	13.2%	11,738,765	7.3%
Healthcare/Social Assistance	5,144	12.6%	22,612,482	14.1%
Retail Trade	5,026	12.3%	17,127,172	10.7%
Construction	4,748	11.6%	11,245,975	7.0%
Admin/Support/Waste Mgmt Svcs	3,618	8.8%	6,106,184	3.8%
Manufacturing	3,268	8.0%	16,057,876	10.0%
Transportation/Warehousing	2,328	5.7%	7,876,848	4.9%
Other Services	1,932	4.7%	8,141,078	5.1%
Prof/Scientific/Tech Services	1,900	4.6%	11,744,228	7.3%
Educational Services	1,876	4.6%	14,565,802	9.1%
Public Administration	1,608	3.9%	7,828,907	4.9%
Wholesale Trade	919	2.2%	4,183,931	2.6%
Finance/Insurance	819	2.0%	7,377,311	4.6%
Information	698	1.7%	3,157,650	2.0%
Real Estate/Rental/Leasing	641	1.6%	3,204,043	2.0%
Arts/Entertainment/Recreation	598	1.5%	3,332,132	2.1%
Utilities	296	0.7%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	134	0.3%	1,915,709	1.2%
Mgmt of Companies/Enterprises	7	0.0%	237,307	0.1%
Mining	0	0.0%	819,151	0.5%
Total Employment	40,951	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

Employment in the PMA is concentrated in the accommodation/food services, healthcare/social assistance, and retail trade industries, which collectively comprise 38.1 percent of local employment. The large share of PMA employment in accommodation/food services and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods such as the current COVID-19 pandemic-induced downturn. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the accommodation/food services, administrative/support/waste management services, and construction industries. Conversely, the PMA is underrepresented in the educational services, professional/scientific/technical services, and finance/insurance industries.

The following table illustrates the changes in employment by industry from 2000 to 2019, in the Subject's PMA.

2000-2019 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2019		2000-2019	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Accommodation/Food Services	3,733	9.1%	5,391	13.2%	1,658	2.3%
Healthcare/Social Assistance	4,760	11.6%	5,144	12.6%	384	0.4%
Retail Trade	5,316	13.0%	5,026	12.3%	-290	-0.3%
Construction	3,465	8.5%	4,748	11.6%	1,283	1.9%
Admin/Support/Waste Mgmt Svcs	1,683	4.1%	3,618	8.8%	1,935	6.1%
Manufacturing	4,083	10.0%	3,268	8.0%	-815	-1.1%
Transportation/Warehousing	2,282	5.6%	2,328	5.7%	46	0.1%
Other Services	2,270	5.5%	1,932	4.7%	-338	-0.8%
Prof/Scientific/Tech Services	1,804	4.4%	1,900	4.6%	96	0.3%
Educational Services	3,174	7.8%	1,876	4.6%	-1,298	-2.2%
Public Administration	2,543	6.2%	1,608	3.9%	-935	-1.9%
Wholesale Trade	1,267	3.1%	919	2.2%	-348	-1.4%
Finance/Insurance	1,392	3.4%	819	2.0%	-573	-2.2%
Information	844	2.1%	698	1.7%	-146	-0.9%
Real Estate/Rental/Leasing	1,012	2.5%	641	1.6%	-371	-1.9%
Arts/Entertainment/Recreation	681	1.7%	598	1.5%	-83	-0.6%
Utilities	455	1.1%	296	0.7%	-159	-1.8%
Agric/Forestry/Fishing/Hunting	185	0.5%	134	0.3%	-51	-1.5%
Mgmt of Companies/Enterprises	2	0.0%	7	0.0%	5	13.2%
Mining	0	0.0%	0	0.0%	0	0.0%
Total Employment	40,951	100.0%	40,951	100.0%	0	0.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

*Industry data current as of 2010. Other projections current as of 2019.

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

Total employment in the PMA remained relatively stable between 2000 and 2019. The industries which expanded most substantially during this period include admin/support/waste management services, accommodation/food services, and construction. Conversely, the educational services, public administration, and manufacturing sectors experienced the least growth.

Major Employers

The table below shows the largest employers in the Charleston County, South Carolina.

MAJOR EMPLOYERS

Charleston County, SC

Employer Name	Industry	# Of Employees
Joint Base Charleston	Military	22,000
Medical University of South Carolina (MUSC)	Education	13,000
Charleston County School District	Education	6,500
Charleston County	Public Administration	2,600
College of Charleston	Education	2,000
U.S. Postal Service	Postal Services	2,000
City of Charleston	Public Administration	1,700
City of North Charleston	Public Administration	1,200
Trident Technical College	Education	1,200
The Boeing Company	Manufacturing	7,000
Roper St. Francis Healthcare	Healthcare	5,500
Trident Health System	Healthcare	2,500
Walmart Inc.	Retail Trade	2,300
Robert Bosch LLC	Manufacturing	2,000
Kiawah Island Golf Resort/The Sanctuary at Kiawah	Hospitality	1,500
Publix Supermarkets	Grocery Retail	1,200
Verizon Wireless	Telecommunications	1,200
Mercedes-Benz Vans, LLC	Manufacturing	1,100
Totals		76,500

Source: Charleston County Economic Development (retrieved 9/2020)

As seen in the previous table, the major employers of Charleston County include the military, education, public administration, postal services and manufacturing industries, among others. We believe that the diversity of industries among the major employers in the county are likely to provide the local economy with stability during economic downturns.

Expansions/Contractions

We consulted the Charleston Regional Economic Development Alliance for information on recent business expansions in the area. Further, we conducted internet research on business developments in the area. We found evidence of one recently announced employment expansion in the area. Daye North America announced plans to establish a manufacturing operation in the Charleston region in September 2020. A specific timeline for the expansion is not available as of the date of this report; however, the facility is projected to initially employ 16 upon completion.

Due to the onset of the COVID-19 pandemic in spring 2020, there have been no other recently announced employment expansions in the Charleston area. The Charleston Regional Economic Development Alliance is currently working with area employers to connect with resources in order to maintain operations during the pandemic. Additionally, the State of South Carolina and regional economic development agencies are currently working on a campaign aimed at the Boeing Company, which maintains a large manufacturing operation in the region. Due to demand impacts for aircraft as a result of the COVID-19 pandemic, the company plans to shutter one of two manufacturing lines for its 787 Dreamliner aircraft, one of which is located in Charleston. The Charleston region is competing with the city of Everett, Washington, in the Seattle region, for the consolidated manufacturing line. However, a decisions has not been made as of the date of this report. As detailed in our table of major employers, The Boeing Company current employs 7,000 in

Charleston County.

WARN Notices

The following table illustrates the contractions to the economy of Charleston County provided by the South Carolina Department of Employment and Workforce between 2019 and 2020 year-to-date (YTD).

WARN LISTINGS			
Charleston County, SC			
Company	Industry	Employees Affected	Layoff Date
Renaissance Charleston Historic District	Accommodation/Food Services	60	9/22/2020
Avis Budget Group	Accommodation/Food Services	12	8/28/2020
Renaissance Charleston Historic District	Accommodation/Food Services	60	8/26/2020
WestRock	Manufacturing	21	8/16/2020
Wyndham Mill House	Accommodation/Food Services	77	7/1/2020
Delaware North	Accommodation/Food Services	120	7/1/2020
Durham School Services	Accommodation/Food Services	465	6/30/2020
Hotel Bennett	Accommodation/Food Services	153	5/31/2020
King Charles Inn	Accommodation/Food Services	50	5/14/2020
Go Rentals	Arts/Entertainment/Recreation	275	3/21/2020
Palmetto Brewing	Accommodation/Food Services	9	3/21/2020
Renaissance Charleston	Accommodation/Food Services	60	3/21/2020
Halls Chophouse	Accommodation/Food Services	181	3/18/2020
High Cotton	Accommodation/Food Services	81	3/18/2020
Halls Signature Events	Accommodation/Food Services	27	3/18/2020
Halls on Exchange	Accommodation/Food Services	83	3/18/2020
Halls on the Creek	Accommodation/Food Services	132	3/18/2020
Alsco	Linen Services	36	3/18/2020
Embassy Suites North Charleston	Accommodation/Food Services	118	3/12/2020
WestRock	Manufacturing	23	3/9/2020
Gear Design & Manufacturing - AAM Charleston	Manufacturing	85	8/1/2019
Thesys CAT, LLC	Technology	41	4/15/2019
Lowe's Companies	Retail Trade	80	3/25/2019
DSV Solutions, LLC	Transportation/Warehousing	69	2/2/2019
Total		2,318	

Source: South Carolina Department of Employment and Workforce (9/2020)

As the table depicts, there were 2,318 layoffs/closures in Charleston County that took effect between January 2019 and 2020 YTD. It should be noted that the majority of these layoffs occurred in March 2020 and are likely a result of the ongoing COVID-19 pandemic. While the temporary nature of these layoffs was not noted, we believe that many of the eliminated positions in the accommodation/food services industry will likely begin to return following the end of the pandemic.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2004 to July 2020.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Charleston-North Charleston, SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	272,480	-	5.4%	-	139,252,000	-	5.5%	-
2005	279,789	2.7%	5.4%	0.0%	141,730,000	1.8%	5.1%	-0.5%
2006	287,755	2.8%	5.2%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	299,313	4.0%	4.5%	-0.7%	146,047,000	1.1%	4.6%	0.0%
2008	299,909	0.2%	5.6%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	288,390	-3.8%	9.3%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	296,883	2.9%	9.3%	-0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	306,350	3.2%	8.8%	-0.5%	139,869,000	0.6%	9.0%	-0.7%
2012	317,007	3.5%	7.6%	-1.2%	142,469,000	1.9%	8.1%	-0.9%
2013	323,289	2.0%	6.3%	-1.3%	143,929,000	1.0%	7.4%	-0.7%
2014	333,857	3.3%	5.5%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	346,166	3.7%	5.2%	-0.4%	148,833,000	1.7%	5.3%	-0.9%
2016	356,405	3.0%	4.3%	-0.8%	151,436,000	1.7%	4.9%	-0.4%
2017	364,250	2.2%	3.7%	-0.7%	153,337,000	1.3%	4.4%	-0.5%
2018	374,527	2.8%	2.9%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	385,776	3.0%	2.4%	-0.5%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	371,002	-3.8%	7.1%	4.7%	146,936,500	-6.7%	8.7%	5.1%
Jul-2019	391,403	-	2.6%	-	158,385,000	-	4.0%	-
Jul-2020	373,709	-4.5%	9.2%	6.6%	144,492,000	-8.8%	10.5%	6.5%

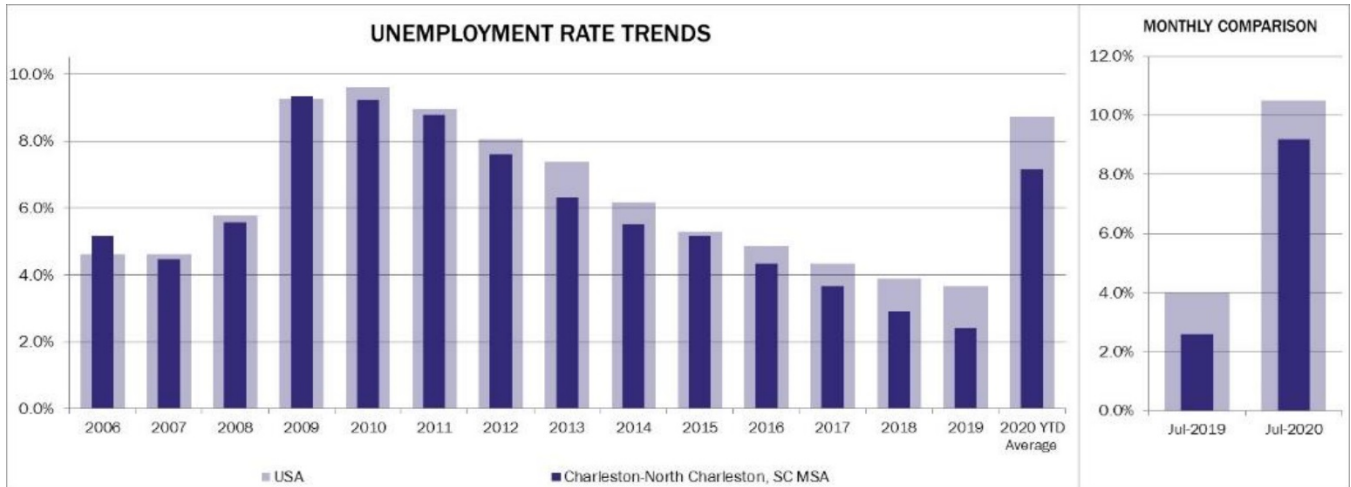
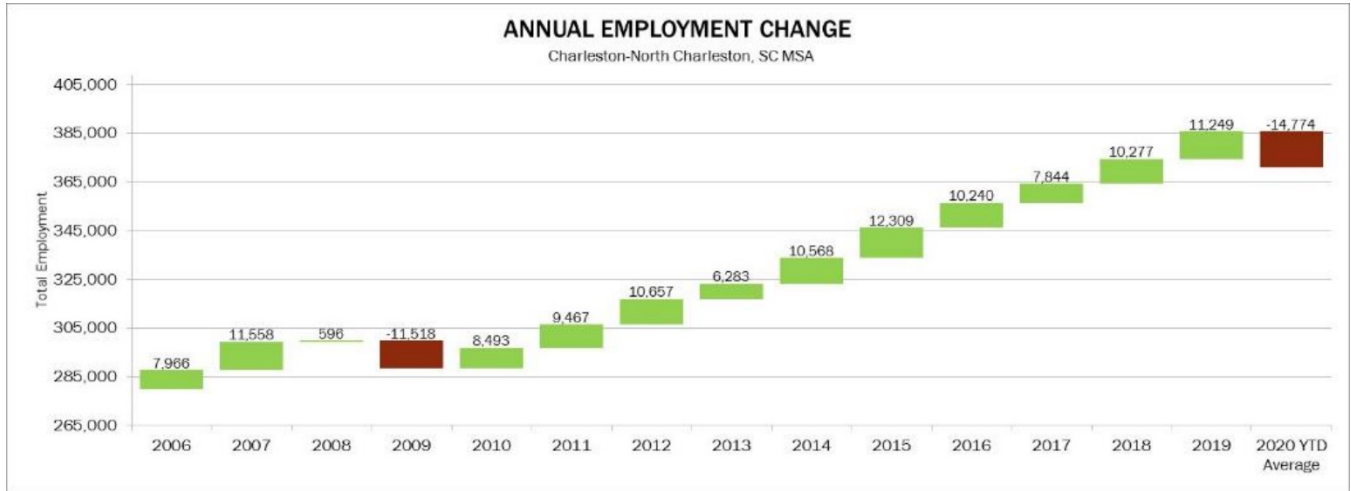
Source: U.S. Bureau of Labor Statistics, September 2020

*2020 data is through July

Comparatively speaking, the MSA economy performed well during the Great Recession. Total MSA employment contracted by only 1.0 percent (2008-2010), less than the 4.9 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. More recently, employment growth in the MSA exceeded the nation in every year from 2012 to 2019. As of July 2020, MSA employment is below record levels; and is declining at an annualized rate of 4.5 percent, compared to a 8.8 percent decline across the overall nation.

Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 9.2 percent, lower than the current national unemployment rate of 10.5 percent. The sudden and sharp contraction over the past 12 months is due to the economic fallout from the COVID-19 pandemic; thus far, performance in the MSA is faring better than national trends. The area has a heavy reliance on the tourism sector; typically this industry contracts during recessionary periods. However, given the underlying cause of the current recession, the varying response and approach by the state and municipal governments nationwide, and the uncertainty regarding treatment and vaccine timeframes, it is unclear if that pattern will hold true. It is assumed that tourism will certainly decline by some amount compared to years prior. However, based upon the historic and current performance of the MSA economy, we believe that the MSA will likely recover at a faster rate than the nation.

The following tables provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Housing and Economy

There are numerous LIHTC (without subsidy) and subsidized properties in the PMA. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low-income renters is considered limited. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession impacted North Charleston’s single-family housing market. However, it appears to have recovered and stabilized. According to RealtyTrac’s August 2020 estimates, the town of North Charleston experienced a low foreclosure rate of one in every 3,978 housing units. Charleston County experienced a lower foreclosure rate and the state of South Carolina and nation overall experienced lower rates (of one in every 6,715 and one in every 13,691, respectively). However, all areas of analysis are considered to exhibit generally low foreclosure rates, indicating that foreclosed properties are not a significant issue at present.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. Approximately 63 percent of households within the PMA have commute times of less than 25 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	651	1.7%
Travel Time 5-9 min	3,149	8.4%
Travel Time 10-14 min	5,381	14.4%
Travel Time 15-19 min	6,366	17.0%
Travel Time 20-24 min	7,967	21.3%
Travel Time 25-29 min	2,415	6.5%
Travel Time 30-34 min	6,701	17.9%
Travel Time 35-39 min	960	2.6%
Travel Time 40-44 min	568	1.5%
Travel Time 45-59 min	1,516	4.1%
Travel Time 60-89 min	1,408	3.8%
Travel Time 90+ min	260	0.7%

Source: US Census 2019, Novogradac Consulting LLP, September 2020

CONCLUSION

Employment in the PMA is concentrated in the accommodation/food services, healthcare/social assistance, and retail trade industries, which collectively comprise 38.1 percent of local employment. The large share of PMA employment in accommodation/food services and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods such as the current COVID-19 pandemic-induced downturn. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. For the 12-month period ending in July 2020, total employment in the MSA has decreased and the unemployment rate has increased. The sudden and sharp contraction over the past 12 months is due to the economic fallout from the COVID-19 pandemic; thus far, performance in the MSA is faring better than national trends. The area has a heavy reliance on the tourism sector; typically this industry contracts during recessionary periods. However, given the underlying cause of the current recession, the varying response and approach by the state and municipal governments nationwide, and the uncertainty regarding treatment and vaccine timeframes, it is unclear if that pattern will hold true. It is assumed that tourism will certainly decline by some amount compared to years prior. However, based upon the historic and current performance of the MSA economy, we believe that the MSA will likely recover at a faster rate than the nation.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

POPULATION

Year	PMA		Charleston-North Charleston, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	96,180	-	552,984	-	281,250,431	-
2010	76,781	-2.0%	664,607	2.0%	308,745,538	1.0%
2019	85,135	1.2%	798,940	2.2%	332,417,793	0.8%
Projected Mkt Entry October 2021	87,640	1.3%	835,045	2.0%	338,299,207	0.8%
2024	90,702	1.3%	879,174	2.0%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2019	Projected Mkt Entry October 2021	2024
0-4	6,581	6,486	6,443	6,650	6,903
5-9	7,115	5,101	6,033	6,134	6,257
10-14	7,223	4,489	5,689	5,836	6,016
15-19	6,929	5,094	4,957	5,312	5,746
20-24	7,427	7,081	6,173	6,324	6,509
25-29	7,549	7,313	7,238	7,019	6,751
30-34	7,188	5,757	7,110	7,089	7,064
35-39	7,783	4,631	6,329	6,478	6,661
40-44	7,506	4,893	5,016	5,571	6,250
45-49	6,819	5,440	4,718	4,858	5,030
50-54	5,722	5,371	4,919	4,890	4,854
55-59	4,375	4,373	5,234	5,023	4,765
60-64	3,487	3,393	4,665	4,826	5,022
65-69	2,947	2,330	3,736	4,011	4,347
70-74	2,658	1,692	2,708	3,011	3,381
75-79	2,243	1,408	1,793	2,051	2,366
80-84	1,380	1,038	1,192	1,323	1,482
85+	1,251	891	1,183	1,235	1,298
Total	96,183	76,781	85,136	87,641	90,702

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

The total population in the PMA increased at an annual rate of 1.2 percent from 2010 to 2019, a rate below the MSA and above the nation. The population in the PMA is expected to continue to increase through the

projected market entry date and 2024 at 1.3 percent per annum, a rate that will trail the MSA and outpace the nation.

The population in the PMA in 2019 is relatively balance, with strong concentrations of children (age 18 and under) and significant populations of young to middle-aged adults. Growth in these age cohorts bodes well for the Subject.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Charleston-North Charleston, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	36,594	-	208,898	-	105,409,439	-
2010	29,261	-2.0%	259,973	2.4%	116,716,296	1.1%
2019	32,247	1.1%	312,062	2.2%	125,168,557	0.8%
Projected Mkt Entry October 2021	33,216	1.3%	326,147	2.0%	127,158,010	0.7%
2024	34,401	1.3%	343,361	2.0%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

AVERAGE HOUSEHOLD SIZE

Year	PMA		Charleston-North Charleston, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.47	-	2.55	-	2.59	-
2010	2.45	-0.1%	2.48	-0.3%	2.58	-0.1%
2019	2.54	0.4%	2.51	0.1%	2.59	0.1%
Projected Mkt Entry October 2021	2.55	0.0%	2.51	0.0%	2.60	0.1%
2024	2.55	0.0%	2.51	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

POPULATION IN GROUP QUARTERS

Year	PMA		Charleston-North Charleston, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	5,937.00	-	19,556.00	-	7,772,539.00	-
2010	5,011.00	-1.6%	20,369.00	0.4%	8,043,577.00	0.3%
2019	3,087.00	-4.2%	16,377.00	-2.1%	8,093,640.00	0.1%
Projected Mkt Entry October 2021	3,087.00	0.0%	16,377.00	0.0%	8,093,640.00	0.0%
2024	3,087.00	0.0%	16,377.00	0.0%	8,093,640.00	0.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

The total number of households in the PMA increased at 1.1 percent per annum between 2010 and 2019, a lower rate compared to the MSA and higher than the nation over the same time period. Through market entry date and 2024, the total number of households in the PMA is expected to increase by 1.3 percent annually, which will trail the MSA and outpace the nation.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	16,974	46.4%	19,620	53.6%
2019	13,701	42.5%	18,546	57.5%
Projected Mkt Entry October 2021	14,124	42.5%	19,092	57.5%
2024	14,642	42.6%	19,759	57.4%

Source: Esri Demographics 2019, Novogradac Consulting LLP, September 2020

The PMA is predominantly renter-occupied housing, with renter-occupied housing units composing approximately 57.5 percent of households as of 2019. Through market entry and 2024, the percentage of renter households is expected to remain generally stable with a strong increase in the number of renter-occupied households.

Household Income Distribution

The following table depicts household income in the PMA from 2019 to 2024.

Income Cohort	2019		Projected Mkt Entry October 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,901	12.1%	3,902	11.7%	3,903	11.3%
\$10,000-19,999	5,834	18.1%	5,757	17.3%	5,662	16.5%
\$20,000-29,999	4,648	14.4%	4,719	14.2%	4,806	14.0%
\$30,000-39,999	3,891	12.1%	3,925	11.8%	3,966	11.5%
\$40,000-49,999	2,786	8.6%	2,960	8.9%	3,172	9.2%
\$50,000-59,999	2,488	7.7%	2,517	7.6%	2,552	7.4%
\$60,000-74,999	2,642	8.2%	2,753	8.3%	2,888	8.4%
\$75,000-99,999	2,798	8.7%	2,983	9.0%	3,208	9.3%
\$100,000-124,999	1,600	5.0%	1,734	5.2%	1,898	5.5%
\$125,000-149,999	632	2.0%	753	2.3%	900	2.6%
\$150,000-199,999	588	1.8%	684	2.1%	801	2.3%
\$200,000+	439	1.4%	532	1.6%	645	1.9%
Total	32,247	100.0%	33,216	100.0%	34,401	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, September 2020

The Subject will target households earning between \$0 and \$43,740 (\$27,360 to \$43,740 absent subsidy). As the table above depicts, approximately 65.3 percent of households in the PMA earned between \$0 and \$49,999 in 2019. Most of the households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2019, market entry, and 2024.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry October 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,071	16.6%	3,070	16.1%	3,069	15.5%
\$10,000-19,999	4,522	24.4%	4,466	23.4%	4,397	22.3%
\$20,000-29,999	2,871	15.5%	2,925	15.3%	2,991	15.1%
\$30,000-39,999	2,054	11.1%	2,092	11.0%	2,139	10.8%
\$40,000-49,999	1,480	8.0%	1,594	8.4%	1,734	8.8%
\$50,000-59,999	1,160	6.3%	1,188	6.2%	1,222	6.2%
\$60,000-74,999	1,179	6.4%	1,261	6.6%	1,361	6.9%
\$75,000-99,999	1,044	5.6%	1,146	6.0%	1,271	6.4%
\$100,000-124,999	595	3.2%	650	3.4%	717	3.6%
\$125,000-149,999	234	1.3%	284	1.5%	346	1.8%
\$150,000-199,999	201	1.1%	243	1.3%	294	1.5%
\$200,000+	135	0.7%	172	0.9%	218	1.1%
Total	18,546	100.0%	19,092	100.0%	19,759	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, September 2020

Renter households with incomes between \$0 and \$49,999 represent 75.6 percent of the renter households in the PMA in 2019, and this share is expected to decline slightly through market entry.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS IN THE HOUSEHOLD

The following table illustrates household size for renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2019		Projected Mkt Entry October 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	6,511	35.1%	6,750	35.4%	7,041	35.6%
2 Persons	4,548	24.5%	4,650	24.4%	4,775	24.2%
3 Persons	3,331	18.0%	3,434	18.0%	3,559	18.0%
4 Persons	2,106	11.4%	2,165	11.3%	2,238	11.3%
5+ Persons	2,050	11.1%	2,093	11.0%	2,146	10.9%
Total Households	18,546	100%	19,092	100%	19,759	100%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, September 2020

Approximately 77.6 percent of renter households resided in a one to three-person households in the PMA in 2019. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The total population in the PMA increased at an annual rate of 1.2 percent from 2010 to 2019, a rate below the MSA and above the nation. The total number of households in the PMA increased at 1.1 percent per annum between 2010 and 2019, a lower rate compared to the MSA and higher than the nation over the same time period. Through market entry and 2024, the percentage of renter households is expected to remain generally stable with a strong increase in the number of renter-occupied households. Renter households with incomes between \$0 and \$49,999 represent 75.6 percent of the renter households in the PMA in 2019, and this share is expected to decline slightly through market entry. Most of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum gross rent a family household will pay is 35 percent of its household income at the appropriate AMI level and the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

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

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

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

2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis. We used the determined achievable LIHTC rents for the Subject’s Section 8 units in our absent subsidy scenario.

3. Minimum and Maximum Income Levels

The following tables illustrate the minimum and maximum allowable income levels for the Subject’s units.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@60%		@60% (Section 8)	
1BR	\$27,360	\$38,880	-	-
2BR	\$30,994	\$43,740	\$0	\$43,740

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$27,360	\$38,880
2BR	\$30,994	\$43,740

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2019 as the base year for the analysis, with demographic projections to 2022. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using census 2010 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2000 Census data. (c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership must be used to refine the analysis. The Subject targets family tenancy and is not likely to attract homeowners seeking to downsize into a family rental unit. (d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2020 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such properties in the PMA.

5. Method – Capture Rates

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

60% AMI – As Proposed

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0	Maximum Income Limit		\$43,740
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry October 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	-1	-0.2%	\$9,999	100.0%	-1
\$10,000-19,999	-56	-10.3%	\$9,999	100.0%	-56
\$20,000-29,999	54	9.9%	\$9,999	100.0%	54
\$30,000-39,999	38	7.0%	\$9,999	100.0%	38
\$40,000-49,999	114	20.9%	\$3,741	37.4%	43
\$50,000-59,999	28	5.1%	\$0	0.0%	0
\$60,000-74,999	82	15.0%	\$0	0.0%	0
\$75,000-99,999	102	18.7%	\$0	0.0%	0
\$100,000-124,999	55	10.1%	\$0	0.0%	0
\$125,000-149,999	50	9.2%	\$0	0.0%	0
\$150,000-199,999	42	7.7%	\$0	0.0%	0
\$200,000+	37	6.8%	\$0	0.0%	0
Total	546	100.0%		14.3%	78

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0	Maximum Income Limit		\$43,740
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	3,071	16.6%	\$9,999	100.0%	3,071
\$10,000-19,999	4,522	24.4%	\$9,999	100.0%	4,522
\$20,000-29,999	2,871	15.5%	\$9,999	100.0%	2,871
\$30,000-39,999	2,054	11.1%	\$9,999	100.0%	2,054
\$40,000-49,999	1,480	8.0%	\$3,741	37.4%	554
\$50,000-59,999	1,160	6.3%	\$0	0.0%	0
\$60,000-74,999	1,179	6.4%	\$0	0.0%	0
\$75,000-99,999	1,044	5.6%	\$0	0.0%	0
\$100,000-124,999	595	3.2%	\$0	0.0%	0
\$125,000-149,999	234	1.3%	\$0	0.0%	0
\$150,000-199,999	201	1.1%	\$0	0.0%	0
\$200,000+	135	0.7%	\$0	0.0%	0
Total	18,546	100.0%		70.5%	13,072

ASSUMPTIONS - @60%

Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	40%	30%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	3

Demand from New Renter Households 2019 to October 2021

Income Target Population	@60%
New Renter Households PMA	546
Percent Income Qualified	14.3%
New Renter Income Qualified Households	78

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	18,546
Income Qualified	70.5%
Income Qualified Renter Households	13,072
Percent Rent Overburdened Prj Mrkt Entry October 2021	53.7%
Rent Overburdened Households	7,019

Demand from Living in Substandard Housing

Income Qualified Renter Households	13,072
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	55

Total Demand

Total Demand from Existing Households	7,074
Total New Demand	78
Total Demand (New Plus Existing Households)	7,152

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

By Bedroom Demand

One Person	35.4%	2,528
Two Persons	24.4%	1,742
Three Persons	18.0%	1,286
Four Persons	11.3%	811
Five Persons	11.0%	784
Total	100.0%	7,152

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To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	2275
Of two-person households in 1BR units	20%	348
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	253
Of two-person households in 2BR units	80%	1394
Of three-person households in 2BR units	60%	772
Of four-person households in 2BR units	30%	243
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	514
Of four-person households in 3BR units	40%	324
Of five-person households in 3BR units	50%	392
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	243
Of five-person households in 4BR units	50%	392
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		7,152

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	2,624	-	0	=	2,624
2 BR	2,661	-	0	=	2,661
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	5,285		0		5,285

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	2,624	=	0.3%
2 BR	56	/	2,661	=	2.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	64		5,285		1.2%

60% AMI – Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$27,360		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry October 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-1	-0.2%	\$0	0.0%	0		
\$10,000-19,999	-56	-10.3%	\$0	0.0%	0		
\$20,000-29,999	54	9.9%	\$2,639	26.4%	14		
\$30,000-39,999	38	7.0%	\$9,999	100.0%	38		
\$40,000-49,999	114	20.9%	\$3,741	37.4%	43		
\$50,000-59,999	28	5.1%	\$0	0.0%	0		
\$60,000-74,999	82	15.0%	\$0	0.0%	0		
\$75,000-99,999	102	18.7%	\$0	0.0%	0		
\$100,000-124,999	55	10.1%	\$0	0.0%	0		
\$125,000-149,999	50	9.2%	\$0	0.0%	0		
\$150,000-199,999	42	7.7%	\$0	0.0%	0		
\$200,000+	37	6.8%	\$0	0.0%	0		
Total	546	100.0%		17.5%	95		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$27,360		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3,071	16.6%	\$0	0.0%	0		
\$10,000-19,999	4,522	24.4%	\$0	0.0%	0		
\$20,000-29,999	2,871	15.5%	\$2,639	26.4%	758		
\$30,000-39,999	2,054	11.1%	\$9,999	100.0%	2,054		
\$40,000-49,999	1,480	8.0%	\$3,741	37.4%	554		
\$50,000-59,999	1,160	6.3%	\$0	0.0%	0		
\$60,000-74,999	1,179	6.4%	\$0	0.0%	0		
\$75,000-99,999	1,044	5.6%	\$0	0.0%	0		
\$100,000-124,999	595	3.2%	\$0	0.0%	0		
\$125,000-149,999	234	1.3%	\$0	0.0%	0		
\$150,000-199,999	201	1.1%	\$0	0.0%	0		
\$200,000+	135	0.7%	\$0	0.0%	0		
Total	18,546	100.0%		18.1%	3,365		

ASSUMPTIONS - @60%

Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	40%	30%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	3

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	90%	610
Of two-person households in 1BR units	20%	93
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
<hr/>		
Of one-person households in 2BR units	10%	68
Of two-person households in 2BR units	80%	373
Of three-person households in 2BR units	60%	207
Of four-person households in 2BR units	30%	65
Of five-person households in 2BR units	0%	0
<hr/>		
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	138
Of four-person households in 3BR units	40%	87
Of five-person households in 3BR units	50%	105
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	65
Of five-person households in 4BR units	50%	105
<hr/>		
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		1,916

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	703	-	0	=	703
2 BR	713	-	0	=	713
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	1,416		0		1,416

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	703	=	1.1%
2 BR	56	/	713	=	7.9%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	64		1,416		4.5%

Demand from New Renter Households 2019 to October 2021

Income Target Population	@60%
New Renter Households PMA	546
Percent Income Qualified	17.5%
New Renter Income Qualified Households	95

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	18,546
Income Qualified	18.1%
Income Qualified Renter Households	3,365
Percent Rent Overburdened Prj Mrkt Entry October 2021	53.7%
Rent Overburdened Households	1,807

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,365
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	14

Total Demand

Total Demand from Existing Households	1,821
Total New Demand	95
Total Demand (New Plus Existing Households)	1,916

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

By Bedroom Demand

One Person	35.4%	678
Two Persons	24.4%	467
Three Persons	18.0%	345
Four Persons	11.3%	217
Five Persons	11.0%	210
Total	100.0%	1,916

Overall – As Proposed

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$0		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry October 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-1	-0.2%	\$9,999	100.0%	-1		
\$10,000-19,999	-56	-10.3%	\$9,999	100.0%	-56		
\$20,000-29,999	54	9.9%	\$9,999	100.0%	54		
\$30,000-39,999	38	7.0%	\$9,999	100.0%	38		
\$40,000-49,999	114	20.9%	\$3,741	37.4%	43		
\$50,000-59,999	28	5.1%	\$0	0.0%	0		
\$60,000-74,999	82	15.0%	\$0	0.0%	0		
\$75,000-99,999	102	18.7%	\$0	0.0%	0		
\$100,000-124,999	55	10.1%	\$0	0.0%	0		
\$125,000-149,999	50	9.2%	\$0	0.0%	0		
\$150,000-199,999	42	7.7%	\$0	0.0%	0		
\$200,000+	37	6.8%	\$0	0.0%	0		
Total	546	100.0%		14.3%	78		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$0		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3,071	16.6%	\$9,999	100.0%	3,071		
\$10,000-19,999	4,522	24.4%	\$9,999	100.0%	4,522		
\$20,000-29,999	2,871	15.5%	\$9,999	100.0%	2,871		
\$30,000-39,999	2,054	11.1%	\$9,999	100.0%	2,054		
\$40,000-49,999	1,480	8.0%	\$3,741	37.4%	554		
\$50,000-59,999	1,160	6.3%	\$0	0.0%	0		
\$60,000-74,999	1,179	6.4%	\$0	0.0%	0		
\$75,000-99,999	1,044	5.6%	\$0	0.0%	0		
\$100,000-124,999	595	3.2%	\$0	0.0%	0		
\$125,000-149,999	234	1.3%	\$0	0.0%	0		
\$150,000-199,999	201	1.1%	\$0	0.0%	0		
\$200,000+	135	0.7%	\$0	0.0%	0		
Total	18,546	100.0%		70.5%	13,072		

ASSUMPTIONS - Overall

ASSUMPTIONS - Overall					
Tenancy		Family		% of Income towards Housing	
Rural/Urban		Urban		Maximum # of Occupants	
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	40%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2019 to October 2021

Income Target Population	Overall
New Renter Households PMA	546
Percent Income Qualified	14.3%
New Renter Income Qualified Households	78

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	18,546
Income Qualified	70.5%
Income Qualified Renter Households	13,072
Percent Rent Overburdened Prj Mrkt Entry October 2021	53.7%
Rent Overburdened Households	7,019

Demand from Living in Substandard Housing

Income Qualified Renter Households	13,072
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	55

Total Demand

Total Demand from Existing Households	7,074
Total New Demand	78
Total Demand (New Plus Existing Households)	7,152

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

By Bedroom Demand

One Person	35.4%	2,528
Two Persons	24.4%	1,742
Three Persons	18.0%	1,286
Four Persons	11.3%	811
Five Persons	11.0%	784
Total	100.0%	7,152

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	90%	2275
Of two-person households in 1BR units	20%	348
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
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Of one-person households in 2BR units	10%	253
Of two-person households in 2BR units	80%	1394
Of three-person households in 2BR units	60%	772
Of four-person households in 2BR units	30%	243
Of five-person households in 2BR units	0%	0
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Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	514
Of four-person households in 3BR units	40%	324
Of five-person households in 3BR units	50%	392
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	243
Of five-person households in 4BR units	50%	392
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Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		7,152

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	2,624	-	0	=	2,624
2 BR	2,661	-	0	=	2,661
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	5,285		0		5,285

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	8	/	2,624	=	0.3%
2 BR	56	/	2,661	=	2.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	64		5,285		1.2%

Overall – Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall LIHTC

Minimum Income Limit		\$27,360		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry October 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-1	-0.2%	\$0	0.0%	0		
\$10,000-19,999	-56	-10.3%	\$0	0.0%	0		
\$20,000-29,999	54	9.9%	\$2,639	26.4%	14		
\$30,000-39,999	38	7.0%	\$9,999	100.0%	38		
\$40,000-49,999	114	20.9%	\$3,741	37.4%	43		
\$50,000-59,999	28	5.1%	\$0	0.0%	0		
\$60,000-74,999	82	15.0%	\$0	0.0%	0		
\$75,000-99,999	102	18.7%	\$0	0.0%	0		
\$100,000-124,999	55	10.1%	\$0	0.0%	0		
\$125,000-149,999	50	9.2%	\$0	0.0%	0		
\$150,000-199,999	42	7.7%	\$0	0.0%	0		
\$200,000+	37	6.8%	\$0	0.0%	0		
Total	546	100.0%		17.5%	95		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall LIHTC

Minimum Income Limit		\$27,360		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3,071	16.6%	\$0	0.0%	0		
\$10,000-19,999	4,522	24.4%	\$0	0.0%	0		
\$20,000-29,999	2,871	15.5%	\$2,639	26.4%	758		
\$30,000-39,999	2,054	11.1%	\$9,999	100.0%	2,054		
\$40,000-49,999	1,480	8.0%	\$3,741	37.4%	554		
\$50,000-59,999	1,160	6.3%	\$0	0.0%	0		
\$60,000-74,999	1,179	6.4%	\$0	0.0%	0		
\$75,000-99,999	1,044	5.6%	\$0	0.0%	0		
\$100,000-124,999	595	3.2%	\$0	0.0%	0		
\$125,000-149,999	234	1.3%	\$0	0.0%	0		
\$150,000-199,999	201	1.1%	\$0	0.0%	0		
\$200,000+	135	0.7%	\$0	0.0%	0		
Total	18,546	100.0%		18.1%	3,365		

ASSUMPTIONS - Overall LIHTC

Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	40%	30%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	0

Demand from New Renter Households 2019 to October 2021

Income Target Population	Overall LIHTC
New Renter Households PMA	546
Percent Income Qualified	17.5%
New Renter Income Qualified Households	95

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall LIHTC
Total Existing Demand	18,546
Income Qualified	18.1%
Income Qualified Renter Households	3,365
Percent Rent Overburdened Prj Mrkt Entry October 2021	53.7%
Rent Overburdened Households	1,807

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,365
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	14

Total Demand

Total Demand from Existing Households	1,821
Total New Demand	95
Total Demand (New Plus Existing Households)	1,916

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

By Bedroom Demand

One Person	35.4%	678
Two Persons	24.4%	467
Three Persons	18.0%	345
Four Persons	11.3%	217
Five Persons	11.0%	210
Total	100.0%	1,916

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	90%	610
Of two-person households in 1BR units	20%	93
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
<hr/>		
Of one-person households in 2BR units	10%	68
Of two-person households in 2BR units	80%	373
Of three-person households in 2BR units	60%	207
Of four-person households in 2BR units	30%	65
Of five-person households in 2BR units	0%	0
<hr/>		
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	138
Of four-person households in 3BR units	40%	87
Of five-person households in 3BR units	50%	105
<hr/>		
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	65
Of five-person households in 4BR units	50%	105
<hr/>		
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0

Total Demand **1,916**

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	703	-	0	=	703
2 BR	713	-	0	=	713
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	1,416		0		1,416

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	8	/	703	=	1.1%
2 BR	56	/	713	=	7.9%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	64		1,416		4.5%

Conclusions

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

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

	HH at @60% AMI (\$0 to \$43,740)	HH at @60% AMI (\$27,360 to \$43,740)	Overall Demand - As Proposed	Overall Demand - Absent Subsidy
Demand from New Households (age and income appropriate)	78	95	78	95
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	7,019	1,807	7,019	1,807
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	55	14	55	14
=	=	=	=	=
Equals Total Demand	7,152	1,916	7,152	1,916
Less	-	-	-	-
New Supply	0	0	0	0
Equals Net Demand	7,152	1,916	7,152	1,916

Note that the above *Demand and Net Demand* estimates include all income-eligible renter households. These estimates are then adjusted to reflect only the size-appropriate households by bedroom type in the following *Capture Rate Analysis*.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @60%	2,624	0	2,624	8	0.3%
1BR @60% (Absent Subsidy)	703	0	703	8	1.1%
1BR Overall	2,624	0	2,624	8	0.3%
1BR Overall (Absent Subsidy)	703	0	703	8	1.1%
2BR @60%	2,661	0	2,661	56	2.1%
2BR @60% (Absent Subsidy)	713	0	713	56	7.9%
2BR Overall	2,661	0	2,661	56	2.1%
2BR Overall (Absent Subsidy)	713	0	713	56	7.9%
Overall	5,285	0	5,285	64	1.2%
Overall (Absent Subsidy)	1,416	0	1,416	64	4.5%

As the analysis illustrates, the Subject’s capture rates vary from 0.3 to 2.1 percent (1.1 to 7.9 percent absent subsidy) with an overall capture rate of 1.2 percent (4.5 percent absent subsidy). The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

Two of the surveyed comparable properties were able to provide absorption data. We supplemented these data points with other recently completed properties in Charleston County. Absorption rates are detailed in the table below.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Factory at Garco *	Market	Family	2017	271	25
Centre Pointe Apartments *	Market	Family	2016	172	34
Rivers Place Apartments	LIHTC	Family	2016	48	24
The Ashley Apartments	Market	Family	2016	174	22
Waters at Magnolia Bay	LIHTC	Family	2017	300	14
Crowne at Live Oak Square	Market	Family	2016	282	10
Average					22

* Used as a comparable property

As seen in the previous table, the reported absorption rates range from 10 to 34 units per month, with an overall average of 22 units per month. With the increasing demographic base in the PMA and the relatively limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the average of these properties. The LIHTC comparables reported no vacancies, indicating demand for additional affordable housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject’s tenancy, we believe that the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of three months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Fully subsidized properties were excluded due to differing rent structures from the Subject without a subsidy; however, it should be noted that subsidized properties in the market area were found to have stable occupancies.

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

Property Name	Rent Structure	Tenancy	Reason for Exclusion	# of Units	Current Vacancy Rate
Osprey Pointe Apartments	LIHTC	Senior	Age-restricted	108	1.9%
Phoenix Apartments	LIHTC	Family	Management unresponsive	16	N/Av
The Villas At Horizon Village	LIHTC	Senior	Age-restricted	71	0.0%
Harbour Station	LIHTC	Family	Management unresponsive	56	N/Av
Liberty Homes	LIHTC/Section 8	Family	Rent-assisted	292	1.4%
Joseph Paul Apartments	Section 8	Family	Rent-assisted	44	4.5%
The Oaks at Sumner Apartments	PBRA	Special Needs	Rent-assisted	18	5.6%
Lakewood Apartments	Market	Family	More comparable properties available	41	7.3%
Park Circle Apartments	Market	Family	More comparable properties available	125	4.0%
Cedar Bluff Apartments	Market	Family	More comparable properties available	105	5.7%
Colony Square Apartments	Market	Family	Management unresponsive	76	N/Av
Total LIHTC-Only				251	0.9%
Total Assisted				354	3.8%
Total All Affordable				605	2.7%
Total Market Rate				347	5.7%

LIHTC Competition

According to the South Carolina State Housing Finance and Development Authority (SC Housing) LIHTC allocation lists from 2017 to 2020 year-to-date, no properties have been allocated tax credits within the PMA within the last three years.

Pipeline Construction

A representative with the City of North Charleston Planning and Zoning Department referred us to the city’s website for information regarding planned, proposed, or under construction developments in the PMA. We also conducted online research and utilized a CoStar new construction report. The results of our findings are detailed below.

- Elan Montague is an under construction 300-unit market rate development to be located at 2403 Mall Drive in North Charleston, approximately 3.3 miles from the Subject. The development will

target the general population upon completion. Construction commenced in February 2020 with planned completion in late 2021.

- Crescent Pointe is an under construction 480-unit market rate development to be located at 7400 Dorchester Road in North Charleston, approximately 7.9 miles from the Subject. The development will target the general population upon completion. Construction commenced in March 2019 with planned completion in late 2020.
- Botanic at Ingleside Apartments is an under construction 231-unit market rate development to be located at 2501 Ingleside Boulevard in Ladson, approximately 9.2 miles from the Subject. The development will target the general population upon completion. Construction commenced in January 2020 with planned completion in early 2021.

Comparable Properties

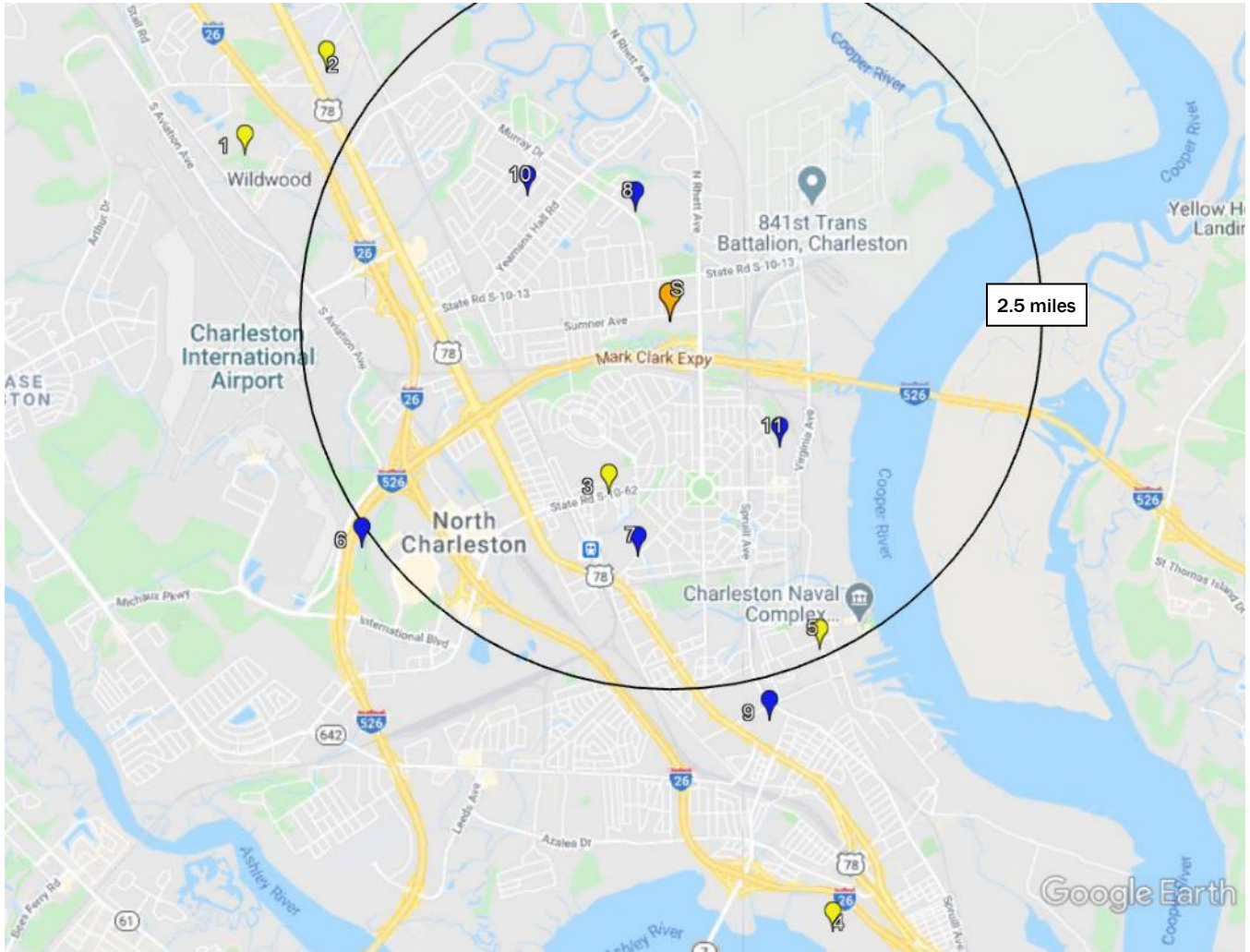
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 11 “true” comparable properties containing 1,987 units.

The LIHTC data is considered good. We included five affordable developments located between 1.2 and 4.2 miles from the Subject site, all of which are located within the PMA. While the Subject does not currently operate with LIHTC restrictions, we believe that these properties provide additional comparison for the performance of affordable properties in the market. The market rate data is considered good. We included six market rate properties located between 0.8 and 2.7 miles from the Subject site, all of which are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions.

The following analysis will provide further detail of the ongoing COVID-19 pandemic’s impact on the local rental market. The majority of properties surveyed reported that the impact of the pandemic of leasing activity has been relatively limited. Management at some market rate comparables reported that the leasing pace had slowed during the early months of the pandemic, with additional increases in vacancy. Though overall, we believe that the Subject’s market area has remained stable thus far during the pandemic.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available. Throughout the course of performing this analysis of the local rental market, many apartment managers, realtors, leasing agents, and owners were contacted in person, or through the telephone or email.

COMPARABLE RENTAL PROPERTY MAP



Source: Google Earth, September 2020

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Filbin Creek Apartments	North Charleston	Section 8/Market	-
1	Alston Lake	North Charleston	LIHTC	3.1 miles
2	Birchwood Apartments	North Charleston	LIHTC	2.9 miles
3	Gardens At Montague	North Charleston	LIHTC	1.2 miles
4	Osprey Place	North Charleston	LIHTC/ Market	4.2 miles
5	West Yard Lofts	North Charleston	LIHTC	2.4 miles
6	Centre Pointe Apartments	North Charleston	Market	2.5 miles
7	Link Apartments Mixson	North Charleston	Market	1.5 miles
8	Park Place Apartments	Hanahan	Market	0.8 miles
9	Pine Crest Apartments	North Charleston	Market	2.7 miles
10	Sedgefield Apartments	Hanahan	Market	1.3 miles
11	The Factory At Garco	North Charleston	Market	1.1 miles

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

The following tables illustrate unit mix by bedroom type and income level, square footage by bedroom type, year built, common area and in-unit amenities, rent per square foot, monthly rents and utilities included, and vacancy information for the comparable properties and the Subject in a comparative framework.

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate	
Subject	Filbin Creek Apartments - As Proposed 1237 Sumner Avenue North Charleston, SC 29406 Charleston County	-	Garden 2-stories 1976 / 2021 Family	@60%, @60% (Section 8)	1BR / 1BA	8	12.5%	715	@60%	\$715	Yes	No	0	0.0%	
					2BR / 1BA	24	37.5%	878	@60%	\$798	Yes	No	2	8.3%	
					2BR / 1BA	32	50.0%	878	@60% (Section 8)	\$1,265	N/A	Yes	0	0.0%	
						<u>64</u>									
1	Alston Lake 2430 Alston Lake Road North Charleston, SC 29406 Charleston County	3.1 miles	Garden 2-stories 2006 / n/a Family	@50%, @60%	2BR / 2BA	20	27.8%	972	@50%	\$915	Yes	Yes	0	0.0%	
					2BR / 2BA	16	22.2%	972	@60%	\$1,097	Yes	Yes	0	0.0%	
					3BR / 2BA	20	27.8%	1,201	@50%	\$1,060	Yes	Yes	0	0.0%	
					3BR / 2BA	16	22.2%	1,201	@60%	\$1,270	Yes	Yes	0	0.0%	
	<u>72</u>												0	0.0%	
2	Birchwood Apartments 2001 Stokes Avenue North Charleston, SC 29406 Charleston County	2.9 miles	Garden 2-stories 2004 / n/a Family	@60%	2BR / 2BA	16	50.0%	959	@60%	\$1,122	No	Yes	0	0.0%	
					3BR / 2BA	16	50.0%	1,183	@60%	\$1,310	No	Yes	0	0.0%	
					<u>32</u>									0	0.0%
3	Gardens At Montague 4840 Ujjohn Road North Charleston, SC 29405 Charleston County	1.2 miles	Garden 3-stories 2004 / n/a Family	@50%, @60%	2BR / 2BA	9	14.1%	1,082	@50%	\$871	Yes	No	0	0.0%	
					2BR / 2BA	23	35.9%	1,082	@60%	\$1,053	Yes	No	0	0.0%	
					3BR / 2BA	10	15.6%	1,322	@50%	\$983	Yes	No	0	0.0%	
					3BR / 2BA	22	34.4%	1,322	@60%	\$1,193	Yes	No	0	0.0%	
	<u>64</u>													0	0.0%
4	Osprey Place 2390 Baker Hospital Boulevard North Charleston, SC 29405 Charleston County	4.2 miles	Garden 3-stories 2004 / n/a Family	@50%, @60%, Market	2BR / 2BA	30	29.4%	933	@50%	\$755	Yes	No	0	0.0%	
					2BR / 2BA	6	5.9%	933	@60%	\$930	Yes	No	0	0.0%	
					3BR / 2BA	15	14.7%	1,104	@50%	\$863	Yes	No	0	0.0%	
					3BR / 2BA	15	14.7%	1,104	@60%	\$1,065	Yes	No	0	0.0%	
					3BR / 2BA	18	17.7%	1,104	Market	\$1,075	N/A	No	0	0.0%	
					3BR / 2BA	18	17.7%	1,149	Market	\$1,125	N/A	No	0	0.0%	
	<u>102</u>													0	0.0%
5	West Yard Lofts 2375 Noisette Boulevard North Charleston, SC 29405 Charleston County	2.4 miles	Midrise 4-stories 2011 / n/a Family	@60%	1BR / 1BA	10	16.7%	710	@60%	\$876	Yes	Yes	0	0.0%	
					2BR / 2BA	26	43.3%	962	@60%	\$1,045	Yes	Yes	0	0.0%	
					3BR / 2BA	24	40.0%	1,094	@60%	\$1,200	Yes	Yes	0	0.0%	
						<u>60</u>									
6	Centre Pointe Apartments 4986 Wetland Crossing Drive North Charleston, SC 29418 Charleston County	2.5 miles	Garden 3-stories 2016 / n/a Family	Market	1BR / 1BA	N/A	N/A	764	Market	\$1,196	N/A	No	2	N/A	
					1BR / 1BA	N/A	N/A	786	Market	\$1,214	N/A	No	1	N/A	
					1BR / 1BA	N/A	N/A	867	Market	\$1,173	N/A	No	1	N/A	
					1BR / 1BA	N/A	N/A	901	Market	\$1,150	N/A	No	1	N/A	
					2BR / 2BA	N/A	N/A	1,112	Market	\$1,401	N/A	No	0	N/A	
					2BR / 2BA	N/A	N/A	1,140	Market	\$1,451	N/A	No	2	N/A	
					2BR / 2BA	N/A	N/A	1,162	Market	\$1,465	N/A	No	0	N/A	
					2BR / 2BA	N/A	N/A	1,230	Market	\$1,492	N/A	No	2	N/A	
					3BR / 2BA	N/A	N/A	1,541	Market	\$1,739	N/A	No	0	N/A	
						<u>172</u>									
7	Link Apartments Mixson 4501 Mixson Avenue North Charleston, SC 29405 Charleston County	1.5 miles	Garden 3-stories 2013/2019 / n/a Family	Market	1BR / 1BA	N/A	N/A	494	Market	\$1,063	N/A	No	5	N/A	
					1BR / 1BA	N/A	N/A	624	Market	\$1,097	N/A	No	3	N/A	
					1BR / 1BA	N/A	N/A	680	Market	\$1,164	N/A	No	3	N/A	
					1BR / 1BA	N/A	N/A	762	Market	\$1,193	N/A	No	0	N/A	
					2BR / 2BA	N/A	N/A	880	Market	\$1,335	N/A	No	4	N/A	
					2BR / 2BA	N/A	N/A	998	Market	\$1,393	N/A	No	4	N/A	
					2BR / 2BA	N/A	N/A	1,106	Market	\$1,403	N/A	No	2	N/A	
					2BR / 2BA	N/A	N/A	1,248	Market	\$1,515	N/A	No	2	N/A	
	<u>358</u>												23	6.4%	
8	Park Place Apartments 5820 Murray Drive Hanahan, SC 29410 Berkeley County	0.8 miles	Garden 2-stories 1972 / 2016 Family	Market	1BR / 1BA	N/A	N/A	700	Market	\$897	N/A	No	2	N/A	
					1BR / 1BA	N/A	N/A	700	Market	\$1,117	N/A	No	3	N/A	
					2BR / 1BA	N/A	N/A	900	Market	\$999	N/A	No	0	N/A	
					2BR / 1BA	N/A	N/A	900	Market	\$1,114	N/A	No	4	N/A	
					2BR / 1.5BA	N/A	N/A	900	Market	\$934	N/A	No	2	N/A	
					2BR / 1.5BA	N/A	N/A	900	Market	\$1,114	N/A	No	3	N/A	
					3BR / 2BA	N/A	N/A	1,100	Market	\$1,502	N/A	No	0	N/A	
					3BR / 2BA	N/A	N/A	1,100	Market	\$1,322	N/A	No	2	N/A	
	<u>304</u>												16	5.3%	
9	Pine Crest Apartments 1920 Mcmillan Avenue North Charleston, SC 29405 Charleston County	2.7 miles	Various 1-stories 1942 / n/a Family	Market	1BR / 1BA	N/A	N/A	590	Market	\$700	N/A	No	2	N/A	
					2BR / 1BA	N/A	N/A	730	Market	\$775	N/A	No	2	N/A	
					2BR / 1BA	N/A	N/A	830	Market	\$775	N/A	No	0	N/A	
					3BR / 1BA	N/A	N/A	860	Market	\$850	N/A	No	3	N/A	
					3BR / 1BA	N/A	N/A	964	Market	\$850	N/A	No	3	N/A	
	<u>464</u>												10	2.2%	
10	Sedgefield Apartments 5941 Willard Drive Hanahan, SC 29406 Berkeley County	1.3 miles	Garden 2-stories 1939 / 1991 Family	Market	2BR / 1BA	88	100.0%	750	Market	\$800	N/A	No	3	3.4%	
						<u>88</u>									
11	The Factory At Garco 4993 O'hear Avenue North Charleston, SC 29405 Charleston County	1.1 miles	Lowrise 3-stories 2017 / n/a Family	Market	0BR / 1BA	N/A	N/A	504	Market	\$1,267	N/A	No	2	N/A	
					0BR / 1BA	N/A	N/A	553	Market	\$1,287	N/A	No	3	N/A	
					0BR / 1BA	N/A	N/A	638	Market	\$1,348	N/A	No	1	N/A	
					1BR / 1BA	N/A	N/A	659	Market	\$1,344	N/A	No	3	N/A	
					1BR / 1BA	N/A	N/A	696	Market	\$1,494	N/A	No	1	N/A	
					1BR / 1BA	N/A	N/A	779	Market	\$1,524	N/A	No	1	N/A	
					1BR / 1BA	N/A	N/A	844	Market	\$1,519	N/A	No	2	N/A	
					2BR / 2BA	N/A	N/A	1,007	Market	\$1,675	N/A	No	2	N/A	
					2BR / 2BA	N/A	N/A	1,231	Market	\$1,731	N/A	No	0	N/A	
					3BR / 2BA	N/A	N/A	1,484	Market	\$2,044	N/A	No	2	N/A	
						<u>271</u>									

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	1,987	Weighted Occupancy:	96.1%
	Market Rate	1,657	Market Rate	95.3%
	Tax Credit	330	Tax Credit	100.0%
One Bedroom One Bath		Two Bedroom One Bath		
Property	Average	Property	Average	
RENT	The Factory At Garco (Market)	\$1,524	The Factory At Garco (Market)(2BA)	\$1,731
	The Factory At Garco (Market)	\$1,519	The Factory At Garco (Market)(2BA)	\$1,675
	The Factory At Garco (Market)	\$1,494	Link Apartments Mixson (Market)(2BA)	\$1,515
	The Factory At Garco (Market)	\$1,344	Centre Pointe Apartments (Market)(2BA)	\$1,492
	Centre Pointe Apartments (Market)	\$1,214	Centre Pointe Apartments (Market)(2BA)	\$1,465
	Centre Pointe Apartments (Market)	\$1,196	Centre Pointe Apartments (Market)(2BA)	\$1,451
	Link Apartments Mixson (Market)	\$1,193	Link Apartments Mixson (Market)(2BA)	\$1,403
	Centre Pointe Apartments (Market)	\$1,173	Centre Pointe Apartments (Market)(2BA)	\$1,401
	Link Apartments Mixson (Market)	\$1,164	Link Apartments Mixson (Market)(2BA)	\$1,393
	Centre Pointe Apartments (Market)	\$1,150	Link Apartments Mixson (Market)(2BA)	\$1,335
	Park Place Apartments (Market)	\$1,117	Filbin Creek Apartments - As Proposed (@60%)	\$1,265
	Link Apartments Mixson (Market)	\$1,097	Birchwood Apartments (@60%)(2BA)	\$1,122
	Link Apartments Mixson (Market)	\$1,063	Park Place Apartments (Market)(1.5BA)	\$1,114
	Park Place Apartments (Market)	\$897	Park Place Apartments (Market)	\$1,114
	West Yard Lofts (@60%)	\$876	Alston Lake (@60%)(2BA)	\$1,097
	Filbin Creek Apartments - As Proposed (@60%)	\$715	Gardens At Montague (@60%)(2BA)	\$1,053
	Pine Crest Apartments (Market)	\$700	West Yard Lofts (@60%)(2BA)	\$1,045
			Park Place Apartments (Market)	\$999
			Park Place Apartments (Market)(1.5BA)	\$934
			Osprey Place (@60%)(2BA)	\$930
		Alston Lake (@50%)(2BA)	\$915	
		Gardens At Montague (@50%)(2BA)	\$871	
		Sedgefield Apartments (Market)	\$800	
		Filbin Creek Apartments - As Proposed (@60%)	\$798	
		Pine Crest Apartments (Market)	\$775	
		Pine Crest Apartments (Market)	\$775	
		Osprey Place (@50%)(2BA)	\$755	
SQUARE FOOTAGE	Centre Pointe Apartments (Market)	901	Link Apartments Mixson (Market)(2BA)	1,248
	Centre Pointe Apartments (Market)	867	The Factory At Garco (Market)(2BA)	1,231
	The Factory At Garco (Market)	844	Centre Pointe Apartments (Market)(2BA)	1,230
	Centre Pointe Apartments (Market)	786	Centre Pointe Apartments (Market)(2BA)	1,162
	The Factory At Garco (Market)	779	Centre Pointe Apartments (Market)(2BA)	1,140
	Centre Pointe Apartments (Market)	764	Centre Pointe Apartments (Market)(2BA)	1,112
	Link Apartments Mixson (Market)	762	Link Apartments Mixson (Market)(2BA)	1,106
	Filbin Creek Apartments - As Proposed (@60%)	715	Gardens At Montague (@60%)(2BA)	1,082
	West Yard Lofts (@60%)	710	Gardens At Montague (@50%)(2BA)	1,082
	Park Place Apartments (Market)	700	The Factory At Garco (Market)(2BA)	1,007
	Park Place Apartments (Market)	700	Link Apartments Mixson (Market)(2BA)	998
	The Factory At Garco (Market)	696	Alston Lake (@50%)(2BA)	972
	Link Apartments Mixson (Market)	680	Alston Lake (@60%)(2BA)	972
	The Factory At Garco (Market)	659	West Yard Lofts (@60%)(2BA)	962
	Link Apartments Mixson (Market)	624	Birchwood Apartments (@60%)(2BA)	959
	Pine Crest Apartments (Market)	590	Osprey Place (@50%)(2BA)	933
	Link Apartments Mixson (Market)	494	Osprey Place (@60%)(2BA)	933
			Park Place Apartments (Market)	900
			Park Place Apartments (Market)(1.5BA)	900
			Park Place Apartments (Market)	900
		Park Place Apartments (Market)(1.5BA)	900	
		Link Apartments Mixson (Market)(2BA)	880	
		Filbin Creek Apartments - As Proposed (@60%)	878	
		Filbin Creek Apartments - As Proposed (@60%)	878	
		Pine Crest Apartments (Market)	830	
		Sedgefield Apartments (Market)	750	
		Pine Crest Apartments (Market)	730	
RENT PER SQUARE FOOT	Link Apartments Mixson (Market)	\$2.15	The Factory At Garco (Market)(2BA)	\$1.66
	The Factory At Garco (Market)	\$2.15	Link Apartments Mixson (Market)(2BA)	\$1.52
	The Factory At Garco (Market)	\$2.04	Filbin Creek Apartments - As Proposed (@60%)	\$1.44
	The Factory At Garco (Market)	\$1.96	The Factory At Garco (Market)(2BA)	\$1.41
	The Factory At Garco (Market)	\$1.80	Link Apartments Mixson (Market)(2BA)	\$1.40
	Link Apartments Mixson (Market)	\$1.76	Centre Pointe Apartments (Market)(2BA)	\$1.27
	Link Apartments Mixson (Market)	\$1.71	Link Apartments Mixson (Market)(2BA)	\$1.27
	Park Place Apartments (Market)	\$1.60	Centre Pointe Apartments (Market)(2BA)	\$1.26
	Link Apartments Mixson (Market)	\$1.57	Centre Pointe Apartments (Market)(2BA)	\$1.26
	Centre Pointe Apartments (Market)	\$1.57	Park Place Apartments (Market)(1.5BA)	\$1.24
	Centre Pointe Apartments (Market)	\$1.54	Park Place Apartments (Market)	\$1.24
	Centre Pointe Apartments (Market)	\$1.35	Link Apartments Mixson (Market)(2BA)	\$1.21
	Park Place Apartments (Market)	\$1.28	Centre Pointe Apartments (Market)(2BA)	\$1.21
	Centre Pointe Apartments (Market)	\$1.28	Birchwood Apartments (@60%)(2BA)	\$1.17
	West Yard Lofts (@60%)	\$1.23	Alston Lake (@60%)(2BA)	\$1.13
	Pine Crest Apartments (Market)	\$1.19	Park Place Apartments (Market)	\$1.11
	Filbin Creek Apartments - As Proposed (@60%)	\$1.00	West Yard Lofts (@60%)(2BA)	\$1.09
			Sedgefield Apartments (Market)	\$1.07
			Pine Crest Apartments (Market)	\$1.06
			Park Place Apartments (Market)(1.5BA)	\$1.04
		Osprey Place (@60%)(2BA)	\$1.00	
		Gardens At Montague (@60%)(2BA)	\$0.97	
		Alston Lake (@50%)(2BA)	\$0.94	
		Pine Crest Apartments (Market)	\$0.93	
		Filbin Creek Apartments - As Proposed (@60%)	\$0.91	
		Osprey Place (@50%)(2BA)	\$0.81	
		Gardens At Montague (@50%)(2BA)	\$0.80	

FILBIN CREEK APARTMENTS – NORTH CHARLESTON, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

Subject	Alston Lake	Birchwood Apartments	Gardens At Montague	Osprey Place	West Yard Lofts	Centre Pointe Apartments	Link Apartments Mixson	Park Place Apartments	Pine Crest Apartments	Sedgefield Apartments	The Factory At Garco	
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC	Market	Market	Market	Market	Market	
Building												
Property Type	Garden	Garden	Garden	Garden	Garden	Midrise	Garden	Garden	Garden	Various	Garden	Lowrise
# of Stories	2-stories	2-stories	2-stories	3-stories	3-stories	4-stories	3-stories	3-stories	2-stories	1-stories	2-stories	3-stories
Year Built	1976	2006	2004	2004	2004	2011	2016	2013/2019	1972	1942	1939	2017
Year Renovated	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2016	n/a	1991	n/a
Elevators	no	no	no	no	no	yes	yes	no	no	no	no	no
Courtyard	no	no	no	no	no	no	no	yes	no	no	no	no
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	yes	yes	no	no	no	yes	yes	no
Sewer	yes	no	no	yes	yes	yes	no	no	no	yes	yes	no
Trash	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	no
Unit Amenities												
Balcony/Patio	no	no	yes	no	yes	no	yes	yes	no	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	yes	yes	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	yes	yes	yes	yes	yes	no	no	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	yes	no	no	yes	no
Walk-In Closet	yes	no	no	no	yes	no	yes	yes	no	no	no	yes
Washer/Dryer	yes	no	no	no	no	no	yes	yes	no	no	no	yes
W/D Hookup	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no	yes
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Disposal	yes	yes	yes	yes	yes	no	yes	yes	no	no	no	yes
Microwave	yes	yes	yes	yes	yes	no	yes	yes	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	yes	no	no	no	no	no	yes	yes	no	no	no	no
Community Room	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Exercise Facility	yes	no	no	no	no	no	yes	yes	yes	no	no	yes
Playground	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes	no	yes
Picnic Area	yes	no	no	no	no	no	yes	yes	no	no	no	yes
WiFi	no	no	no	no	no	no	no	yes	no	no	no	yes
Security												
Intercom (Buzzer)	no	no	no	no	no	yes	yes	no	no	yes	no	yes
Limited Access	no	no	no	no	no	yes	yes	no	no	yes	no	yes
Patrol	no	no	no	no	no	no	no	no	yes	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	no	no	yes	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no
Parking												
Garage	no	no	no	no	no	no	yes	yes	no	no	no	no
Garage Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$95	\$125	n/a	\$0	\$0	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	n/a	n/a	n/a	\$0	\$0	n/a

PROPERTY PROFILE REPORT

Alston Lake

Effective Rent Date	9/04/2020
Location	2430 Alston Lake Road North Charleston, SC 29406 Charleston County
Distance	3.1 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Martha
Phone	843-569-7740



Market Information

Program	@50%, @60%
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes - 20HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	20	972	\$861	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	16	972	\$1,043	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	20	1,201	\$988	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	16	1,201	\$1,198	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$861	\$0	\$861	\$54	\$915	2BR / 2BA	\$1,043	\$0	\$1,043	\$54	\$1,097
3BR / 2BA	\$988	\$0	\$988	\$72	\$1,060	3BR / 2BA	\$1,198	\$0	\$1,198	\$72	\$1,270

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Perimeter Fencing	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

Management reported that demand remains strong for affordable housing in the market. The contact reported that some tenants employed in the hospitality industry required payment plans during the early months of the pandemic, but that there are no collection issues at present.

PROPERTY PROFILE REPORT

Birchwood Apartments

Effective Rent Date	9/02/2020
Location	2001 Stokes Avenue North Charleston, SC 29406 Charleston County
Distance	2.9 miles
Units	32
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Viola Ford
Phone	843-824-6644



Market Information

Program	@60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	31%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes - 10HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	16	959	\$1,068	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	16	1,183	\$1,238	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,068	\$0	\$1,068	\$54	\$1,122
3BR / 2BA	\$1,238	\$0	\$1,238	\$72	\$1,310

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

The contact had no additional comments at the time of interview.

Photos



PROPERTY PROFILE REPORT

Gardens At Montague

Effective Rent Date	9/08/2020
Location	4840 Upjohn Road North Charleston, SC 29405 Charleston County
Distance	1.2 miles
Units	64
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	11/01/2004
Leasing Began	2/01/2005
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	About 90 percent from Charleston County
Contact Name	Kathy
Phone	843-745-9885



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	21
HCV Tenants	33%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	9	1,082	\$871	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	23	1,082	\$1,053	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	10	1,322	\$983	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	22	1,322	\$1,193	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$871	\$0	\$871	\$0	\$871	2BR / 2BA	\$1,053	\$0	\$1,053	\$0	\$1,053
3BR / 2BA	\$983	\$0	\$983	\$0	\$983	3BR / 2BA	\$1,193	\$0	\$1,193	\$0	\$1,193

Gardens At Montague, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

Management reported that approximately ten percent of tenants required additional time for rent payments in the initial months of the COVID-19 pandemic. The contact reported that as tenants began to receive unemployment funds these issues subsided.

PROPERTY PROFILE REPORT

Osprey Place

Effective Rent Date	9/04/2020
Location	2390 Baker Hospital Boulevard North Charleston, SC 29405 Charleston County
Distance	4.2 miles
Units	102
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	1/01/2004
Leasing Began	12/01/2004
Last Unit Leased	7/28/2005
Major Competitors	Barony Place
Tenant Characteristics	Locals from Charleston and many from out of state
Contact Name	Cecilia
Phone	843-566-9111



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	7%
Units/Month Absorbed	14
HCV Tenants	51%
Leasing Pace	Within one day
Annual Chg. in Rent	Increased up to 4.0 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	30	933	\$755	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	6	933	\$930	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	15	1,104	\$863	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	15	1,104	\$1,065	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	18	1,104	\$1,075	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,149	\$1,125	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$755	\$0	\$755	\$0	\$755	2BR / 2BA	\$930	\$0	\$930	\$0	\$930
3BR / 2BA	\$863	\$0	\$863	\$0	\$863	3BR / 2BA	\$1,065	\$0	\$1,065	\$0	\$1,065

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	\$1,075 - \$1,125	\$0	\$1,075 - \$1,125	\$0	\$1,075 - \$1,125

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

Management reported that they have had minimal disruption on account of the COVID-19 pandemic. The contact reported that there was likely additional demand for affordable housing in the market.

Photos



PROPERTY PROFILE REPORT

West Yard Lofts

Effective Rent Date	9/04/2020
Location	2375 Noisette Boulevard North Charleston, SC 29405 Charleston County
Distance	2.4 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Would not disclose
Contact Name	Property Manager
Phone	336-791-3144



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes - 15HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	10	710	\$876	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	26	962	\$1,045	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Midrise (4 stories)	24	1,094	\$1,200	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$876	\$0	\$876	\$0	\$876
2BR / 2BA	\$1,045	\$0	\$1,045	\$0	\$1,045
3BR / 2BA	\$1,200	\$0	\$1,200	\$0	\$1,200

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Oven	Refrigerator		
Property		Premium	Other
Elevators	Central Laundry	None	None
Off-Street Parking	On-Site Management		

Comments

Management had no additional comments at the time of interview.

PROPERTY PROFILE REPORT

Centre Pointe Apartments

Effective Rent Date	9/03/2020
Location	4986 Wetland Crossing Drive North Charleston, SC 29418 Charleston County
Distance	2.5 miles
Units	172
Vacant Units	9
Vacancy Rate	5.2%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Factory at Garco, Link Apartments
Tenant Characteristics	Mix of retirees and young professionals,. many new to the area
Contact Name	Eric
Phone	843-571-0405



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	34
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	Increased up to 2.0 percent
Concession	One month free
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	764	\$1,235	\$103	Market	No	2	N/A	N/A	None
1	1	Garden (3 stories)	N/A	786	\$1,255	\$105	Market	No	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	867	\$1,210	\$101	Market	No	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	901	\$1,185	\$99	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,112	\$1,445	\$120	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,140	\$1,500	\$125	Market	No	2	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,162	\$1,515	\$126	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,230	\$1,545	\$129	Market	No	2	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,541	\$1,795	\$150	Market	No	0	N/A	N/A	None

PROPERTY PROFILE REPORT

Link Apartments Mixson

Effective Rent Date	9/03/2020
Location	4501 Mixson Avenue North Charleston, SC 29405 Charleston County
Distance	1.5 miles
Units	358
Vacant Units	23
Vacancy Rate	6.4%
Type	Garden (3 stories)
Year Built/Renovated	2013/2019 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Centre Pointe Apartments
Tenant Characteristics	Mix of transplants and households from the area
Contact Name	Amber
Phone	844-371-5334



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two to three weeks
Annual Chg. in Rent	LRO System
Concession	One month free
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	494	\$1,090	\$91	Market	No	5	N/A	N/A	None
1	1	Garden (3 stories)	N/A	624	\$1,127	\$94	Market	No	3	N/A	N/A	None
1	1	Garden (3 stories)	N/A	680	\$1,200	\$100	Market	No	3	N/A	N/A	None
1	1	Garden (3 stories)	N/A	762	\$1,232	\$103	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	880	\$1,373	\$114	Market	No	4	N/A	N/A	None
2	2	Garden (3 stories)	N/A	998	\$1,437	\$120	Market	No	4	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,106	\$1,448	\$121	Market	No	2	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,248	\$1,570	\$131	Market	No	2	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,090 - \$1,232	\$91 - \$103	\$999 - \$1,129	\$64	\$1,063 - \$1,193
2BR / 2BA	\$1,373 - \$1,570	\$114 - \$131	\$1,259 - \$1,439	\$76	\$1,335 - \$1,515

Link Apartments Mixson, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$25.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Garage(\$125.00)	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool	Wi-Fi		

Comments

Management reported that the leasing pace slowed during the early months of the COVID-19 pandemic as they switched to either virtual or self-guided tours of the property. As of September, the leasing pace has begun to recover to pre-pandemic levels. The contact reported that they would likely discontinue the current concession once vacancies are leased.

PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date	9/03/2020
Location	5820 Murray Drive Hanahan, SC 29410 Berkeley County
Distance	0.8 miles
Units	304
Vacant Units	16
Vacancy Rate	5.3%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sedgefield Apartments
Tenant Characteristics	Mostly locals from the Lowcountry region
Contact Name	Lisa
Phone	843-747-0417



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	700	\$855	\$0	Market	No	2	N/A	N/A	None
1	1	Garden (2 stories)	N/A	700	\$1,075	\$0	Market	No	3	N/A	N/A	None
2	1	Garden (2 stories)	N/A	900	\$945	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	900	\$1,060	\$0	Market	No	4	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	900	\$880	\$0	Market	No	2	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	900	\$1,060	\$0	Market	No	3	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,100	\$1,430	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,100	\$1,250	\$0	Market	No	2	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$855 - \$1,075	\$0	\$855 - \$1,075	\$42	\$897 - \$1,117
2BR / 1BA	\$945 - \$1,060	\$0	\$945 - \$1,060	\$54	\$999 - \$1,114
2BR / 1.5BA	\$880 - \$1,060	\$0	\$880 - \$1,060	\$54	\$934 - \$1,114
3BR / 2BA	\$1,250 - \$1,430	\$0	\$1,250 - \$1,430	\$72	\$1,322 - \$1,502

Park Place Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Patrol	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

Management reported that the higher priced units have been renovated. The property is not currently offering rent concessions, but they have waived the administrative fee of \$100 for all new applicants. The contact had no additional comments at the time of interview.

PROPERTY PROFILE REPORT

Pine Crest Apartments

Effective Rent Date	9/07/2020
Location	1920 Mcmillan Avenue North Charleston, SC 29405 Charleston County
Distance	2.7 miles
Units	464
Vacant Units	10
Vacancy Rate	2.2%
Type	Various
Year Built/Renovated	1942 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Forest Cove, Amberwood, West Ashley area
Tenant Characteristics	Would not disclose
Contact Name	Millie
Phone	843-747-2743



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	590	\$700	\$0	Market	No	2	N/A	N/A	None
2	1	Garden	N/A	730	\$775	\$0	Market	No	2	N/A	N/A	None
2	1	Townhouse	N/A	830	\$775	\$0	Market	No	0	N/A	N/A	None
3	1	Garden	N/A	860	\$850	\$0	Market	No	3	N/A	N/A	None
3	1	Townhouse	N/A	964	\$850	\$0	Market	No	3	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$700	\$0	\$700	\$0	\$700
2BR / 1BA	\$775	\$0	\$775	\$0	\$775
3BR / 1BA	\$850	\$0	\$850	\$0	\$850

Pine Crest Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Oven	Perimeter Fencing	
Refrigerator			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The contact reported that they had approximately 15 to 20 tenants that left at the end of their lease due to COVID-19-related unemployment. The property has not had significant collections issues to date.

Photos



PROPERTY PROFILE REPORT

Sedgefield Apartments

Effective Rent Date	9/07/2020
Location	5941 Willard Drive Hanahan, SC 29406 Berkeley County
Distance	1.3 miles
Units	88
Vacant Units	3
Vacancy Rate	3.4%
Type	Garden (2 stories)
Year Built/Renovated	1939 / 1991
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Colony Square, Park Place
Tenant Characteristics	5 percent seniors, lots of families b/c of good school district
Contact Name	Abby
Phone	843-744-1266



Market Information

Program	Market
Annual Turnover Rate	27%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	88	750	\$800	\$0	Market	No	3	3.4%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$800	\$0	\$800	\$0	\$800

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Exterior Storage	Oven		
Refrigerator			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

Management had no additional comments at the time of interview.

PROPERTY PROFILE REPORT

The Factory At Garco

Effective Rent Date	9/03/2020
Location	4993 O'hear Avenue North Charleston, SC 29405 Charleston County
Distance	1.1 miles
Units	271
Vacant Units	17
Vacancy Rate	6.3%
Type	Lowrise (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Centre Pointe Apartments
Tenant Characteristics	Young professionals and some empty nesters
Contact Name	Ryan
Phone	843-973-8333



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	25
HCV Tenants	0%
Leasing Pace	Within two to three weeks
Annual Chg. in Rent	Increased up to 2.3 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	N/A	504	\$1,204	\$0	Market	No	2	N/A	N/A	None
0	1	Lowrise (3 stories)	N/A	553	\$1,224	\$0	Market	No	3	N/A	N/A	None
0	1	Lowrise (3 stories)	N/A	638	\$1,285	\$0	Market	No	1	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	659	\$1,280	\$0	Market	No	3	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	696	\$1,430	\$0	Market	No	1	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	779	\$1,460	\$0	Market	No	1	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	844	\$1,455	\$0	Market	No	2	N/A	N/A	None
2	2	Lowrise (3 stories)	N/A	1,007	\$1,599	\$0	Market	No	2	N/A	N/A	None
2	2	Lowrise (3 stories)	N/A	1,231	\$1,655	\$0	Market	No	0	N/A	N/A	None
3	2	Lowrise (3 stories)	N/A	1,484	\$1,950	\$0	Market	No	2	N/A	N/A	None

Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alston Lake	LIHTC	72	0	0.0%
Birchwood Apartments	LIHTC	32	0	0.0%
Gardens At Montague	LIHTC	64	0	0.0%
Osprey Place	LIHTC/ Market	102	0	0.0%
West Yard Lofts	LIHTC	60	0	0.0%
Centre Pointe Apartments	Market	172	9	5.2%
Link Apartments Mixson	Market	358	23	6.4%
Park Place Apartments	Market	304	16	5.3%
Pine Crest Apartments	Market	464	10	2.2%
Sedgefield Apartments	Market	88	3	3.4%
The Factory At Garco	Market	271	17	6.3%
Overall Total		1,987	78	3.9%

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alston Lake	LIHTC	72	0	0.0%
Birchwood Apartments	LIHTC	32	0	0.0%
Gardens At Montague	LIHTC	64	0	0.0%
Osprey Place	LIHTC/ Market	102	0	0.0%
West Yard Lofts	LIHTC	60	0	0.0%
Total LIHTC		330	0	0.0%

MARKET VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Centre Pointe Apartments	Market	172	9	5.2%
Link Apartments Mixson	Market	358	23	6.4%
Park Place Apartments	Market	304	16	5.3%
Pine Crest Apartments	Market	464	10	2.2%
Sedgefield Apartments	Market	88	3	3.4%
The Factory At Garco	Market	271	17	6.3%
Total Market Rate		1,657	78	4.7%

The comparables reported vacancy rates ranging from zero to 6.4 percent, with an overall weighted average of 3.9 percent. Managers at all five of the LIHTC properties reported being fully occupied, with three of the LIHTC properties reporting waiting lists ranging from ten to 20 households in length. The six market rate properties reported a slightly higher average vacancy rate of 4.7 percent. The average LIHTC vacancy rate of zero percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 6.4 percent or lower. Two of the comparables with vacancy rates above five percent, Centre Pointe Apartments and Link Apartments Mixson, reported offering a rent concession of one month free to counteract slightly elevated vacancy. Management at the remaining

property with vacancy over five percent, The Factory at Garco, attributed the elevated rate to recent turnover from tenants relocating from the property due to COVID-19 pandemic-related employment loss.

According to the provided historical financials for the Subject, the property has operated with vacancy and collection loss of 11.9 to 6.7 percent, with a downward trend observed over the past three years. Based on the performance of the comparables and the Subject’s historical performance, we expect the Subject will operate with a vacancy rate of approximately five percent, or less, upon completion. Based upon the lack of vacancy at the LIHTC properties and the presence of waiting lists at three of those properties, we expect that after completion of renovations and reabsorption of units, the Subject will likely operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

As detailed in the previous table detailing LIHTC vacancy, all LIHTC comparables reported full occupancy at the time of interview, indicating strong demand for affordable units. Further, three of these properties also operate with waiting lists, ranging from ten to 20 households in length, which we believe indicates additional latent demand for affordable housing. Interviews with property managers at all of the comparables indicated strong demand for affordable housing in the general market area.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Lowcountry Region, effective January 1, 2020, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following tables summarize the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents. Additionally, we present the proposed post-renovation contract rent for the Subject’s units that will operate with project-based rental assistance. If these units were to lose additional subsidy rents would need to be lowered to achievable LIHTC levels.

LIHTC RENT COMPARISON @60%

Property Name	1BR	2BR	Rents at Max?
Filbin Creek Apartments - As Proposed (LIHTC)	\$715	\$798	No
Filbin Creek Apartments - As Proposed (Section 8)	-	\$1,265	-
LIHTC Maximum Rent (Net)	\$828	\$987	
Alston Lake	-	\$1,097	Yes
Birchwood Apartments	-	\$1,122	Yes
Gardens At Montague	-	\$1,053	Yes
Osprey Place	-	\$930	Yes
West Yard Lofts	\$876	\$1,045	Yes
Average	\$876	\$1,049	
Achievable LIHTC Rent	\$859	\$1,022	Yes

As seen in the previous table, the Subject’s proposed LIHTC-only rents are set below the maximum allowable levels. All comparables reported operating with rents set at the 2020 maximum allowable levels. Due to varying property-specific utility allowances, rents at some properties may appear to fall slightly above to

slightly below the indicated net maximum allowable rents. Based upon the lack of current LIHTC vacancy in the market, we believe that this is an indication that 2020 maximum allowable rents have been well-received in the market and they do not appear to have adversely impacted operations at properties in the market. Following completion of renovations the Subject will be in similar to slightly inferior condition relative to the comparables. It will offer a superior in-unit amenities package, including an in-unit washer/dryer, which the LIHTC comparables lack. The Subject will also offer a competitive common area amenities package. Based on these factors, we believe that the Subject could achieve maximum allowable rents at the 60 percent AMI level, which are above the Subject’s pro forma rents for its LIHTC-only units.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are well below the achievable market rates for the Subject’s area. The following table shows both market rent comparisons and achievable market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@60%	\$715	\$700	\$1,524	\$1,190	\$875	18%
2BR / 1BA	@60%	\$798	\$775	\$1,731	\$1,257	\$1,050	24%
2BR / 1BA	@60% (Section 8)	\$1,265	\$775	\$1,731	\$1,257	\$1,050	-20%

All of the market rate properties were built between 1942 and 2019, although several were renovated from 1991 through 2016. The market rate comparables are considered inferior to slightly superior to the Subject post-renovation. All of the comparables are located in the cities of Hanahan and North Charleston within 2.7 miles of the Subject. Park Place Apartments and The Factory at Garco are considered the most similar to the Subject upon completion of renovations.

Park Place Apartments is a 304-unit, garden-style development located 0.8 miles north of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 1972 and renovated in 2016. We consider the condition of this property similar relative to the Subject post-renovation, which was built in 1976 and will be renovated in 2021. The manager at Park Place Apartments reported a low vacancy rate of 5.3 percent, indicating the current rents are well accepted in the market. Park Place Apartments offers a swimming pool, which the Subject lacks. However, the Subject offers walk-in closets, washer/dryers, disposals, microwaves, and a business center, none of which are provided by Park Place Apartments. On balance, we believe the in-unit and property amenity packages offered by Park Place Apartments to be inferior and similar relative to the Subject, respectively. In overall terms, we believe the Subject to be a superior product relative to Park Place Apartments upon renovation.

The Factory at Garco is a 271-unit, lowrise development located 1.1 miles southeast of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 2017, and exhibits slightly superior condition relative to the Subject post-renovation, which was built in 1976 and will be renovated in 2021. The manager at The Factory at Garco reported a generally stable vacancy rate of 6.3 percent, indicating the current rents are accepted in the market. The Factory at Garco offers balconies/patios, a swimming pool, and WiFi, all of which the Subject lacks. However, the Subject offers a business center and a playground, neither of which are offered by The Factory at Garco. The in-unit and property amenity packages offered by The Factory at Garco are both considered similar relative to the Subject's amenities. In overall terms, we believe the Subject to be a slightly inferior product relative to The Factory at Garco.

We concluded to achievable market rents of **\$875** and **\$1,050** for the Subject's one and two-bedroom units, respectively. The Subject's proposed LIHTC-only rents will have advantages of 18 to 24 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

The surveyed LIHTC comparables, all of which are located in the PMA, reported full occupancy at the time of interview. Further, three of these properties reported waiting lists ranging from ten to 20 households in length. All LIHTC properties reported operating with rents set at the 2020 maximum allowable rent levels. With a limited supply of affordable housing options in the market and a growing demographic base, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 1.3 percent annually in the PMA, outpacing the MSA and nation overall. Additionally, the Subject operate with a partial subsidy. Based on the reported occupancy rates at the subsidized properties we surveyed, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

The availability of LIHTC housing targeting family tenancy is considered limited given the depth of demand within the PMA and the lack of current vacancies at the existing general tenancy LIHTC supply. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with no current LIHTC vacancies and a 3.9 percent vacancy overall among all 11 comparable properties. Further, three of the LIHTC comparables reported waiting lists ranging from two to 20 households in length. Market rate comparables exhibited generally stable operations, with an overall vacancy rate of 4.7 percent among all of the market rate comparables.

When compared to the current rents at the LIHTC properties, the Subject's proposed 60 percent AMI rents appear reasonable, and overall they are 18 to 24 percent below our estimated achievable market rents. Further, the proposed rents offer a 13 to 32 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

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

Planning

According to the South Carolina State Housing Finance and Development Authority (SC Housing) LIHTC allocation lists from 2017 to 2020 year-to-date, no properties have been allocated tax credits within the PMA within the last three years.

A representative with the City of North Charleston Planning and Zoning Department referred us to the city's website for information regarding planned, proposed, or under construction developments in the PMA. We also conducted online research and utilized a CoStar new construction report. The results of our findings are detailed below.

- Elan Montague is an under construction 300-unit market rate development to be located at 2403 Mall Drive in North Charleston, approximately 3.3 miles from the Subject. The development will target the general population upon completion. Construction commenced in February 2020 with planned completion in late 2021.
- Crescent Pointe is an under construction 480-unit market rate development to be located at 7400 Dorchester Road in North Charleston, approximately 7.9 miles from the Subject. The development will target the general population upon completion. Construction commenced in March 2019 with planned completion in late 2020.
- Botanic at Ingleside Apartments is an under construction 231-unit market rate development to be located at 2501 Ingleside Boulevard in Ladson, approximately 9.2 miles from the Subject. The development will target the general population upon completion. Construction commenced in January 2020 with planned completion in early 2021.

Section 8/Public Housing

We spoke with Blake Allgayer, Housing Choice Voucher Client Specialist with the North Charleston Housing Authority. According to Mr. Allgayer, the North Charleston Housing Authority administers 1,714 Housing Choice Vouchers. A total of 1,685 vouchers are currently in use within the service area. The waiting list for Housing Choice Vouchers in North Charleston has been closed since February 2018. Mr. Allgayer was unable to comment on when the waiting list would reopen but indicated that there are currently 750 households on the list. There is a preference for disabled persons and veterans. The payment standards for one and two-bedroom units are \$1,138, and \$1,296, respectively. As the Subject's proposed post-renovation LIHTC rents are below these payment standards, voucher tenants would be able to reside at the Subject's units without paying additional rent out of pocket.

Property Managers

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

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 13.8 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 2.4 to 18.7 percent, which are all considered achievable in the PMA. Between 2019 and market entry, the total number of renter households is expected to increase at a rate of 1.3 percent annually in the PMA. The Subject site is located within 3.0 mile of most community services and facilities that tenants would utilize on a consistent basis, which is similar to superior to the comparable properties.

Overall vacancy in the local market is performing well with no current LIHTC vacancies and a 3.9 percent vacancy overall among all 11 comparable properties. Further, three of the LIHTC comparables reported waiting lists ranging from two to 20 households in length. When compared to the current rents at the LIHTC properties, the Subject's proposed 60 percent AMI rents appear reasonable, and overall they are 18 to 24 percent below our estimated achievable market rents. Further, the proposed rents offer a 13 to 32 percent advantage to HUD Fair Market Rents, which is within SCSHFDA thresholds. The proposed rents will be similar to current rents at LIHTC comparables.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for new rental LIHTC units. I understand that any misrepresentation of this statement may result in denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

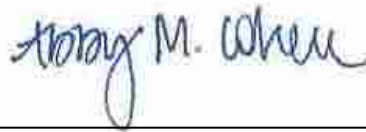
Respectfully submitted,
Novogradac Consulting LLP

October 1, 2020

Date



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David Kermod
Analyst

ADDENDA

ADDENDUM A
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2020-2021, February 2020
Appraisal of Fast Food Facilities, February 2020
Appraisal of Self-Storage Facilities, February 2020
The Odd Side of Appraisal, February 2020
Basic Hotel Appraising – Limited Service Hotels, October 2019
Advanced Hotel Appraising – Full Service Hotels, October 2019
Appraisal of REO and Foreclosure Properties, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. RZ4162 – State of Florida
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

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

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

State of Illinois Certified General Appraiser No. 553.002704

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

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

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

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

REAL ESTATE ASSIGNMENTS

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

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